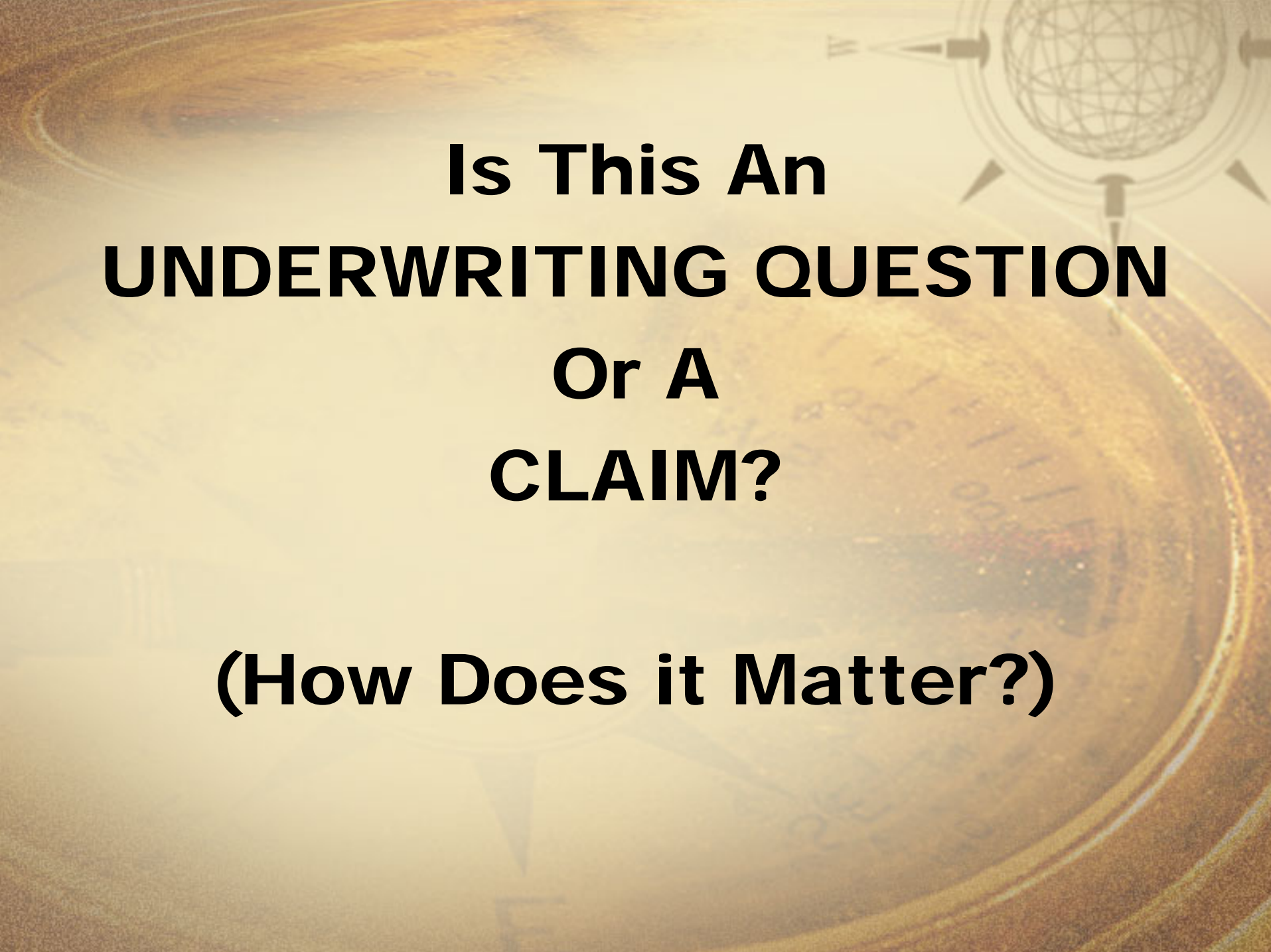




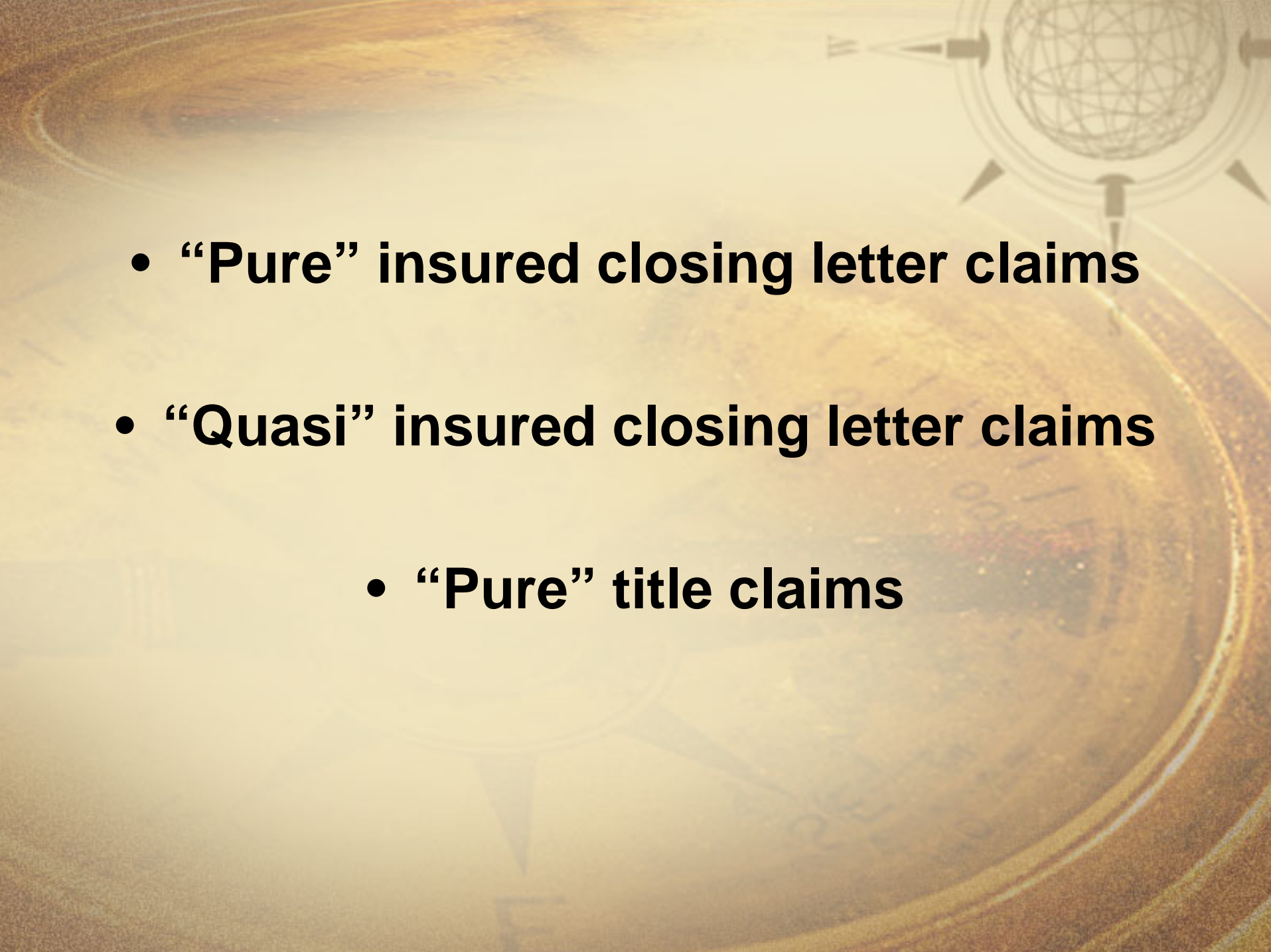
UNIQUE TITLE  
PROBLEMS THAT  
OCCUR EVERYDAY

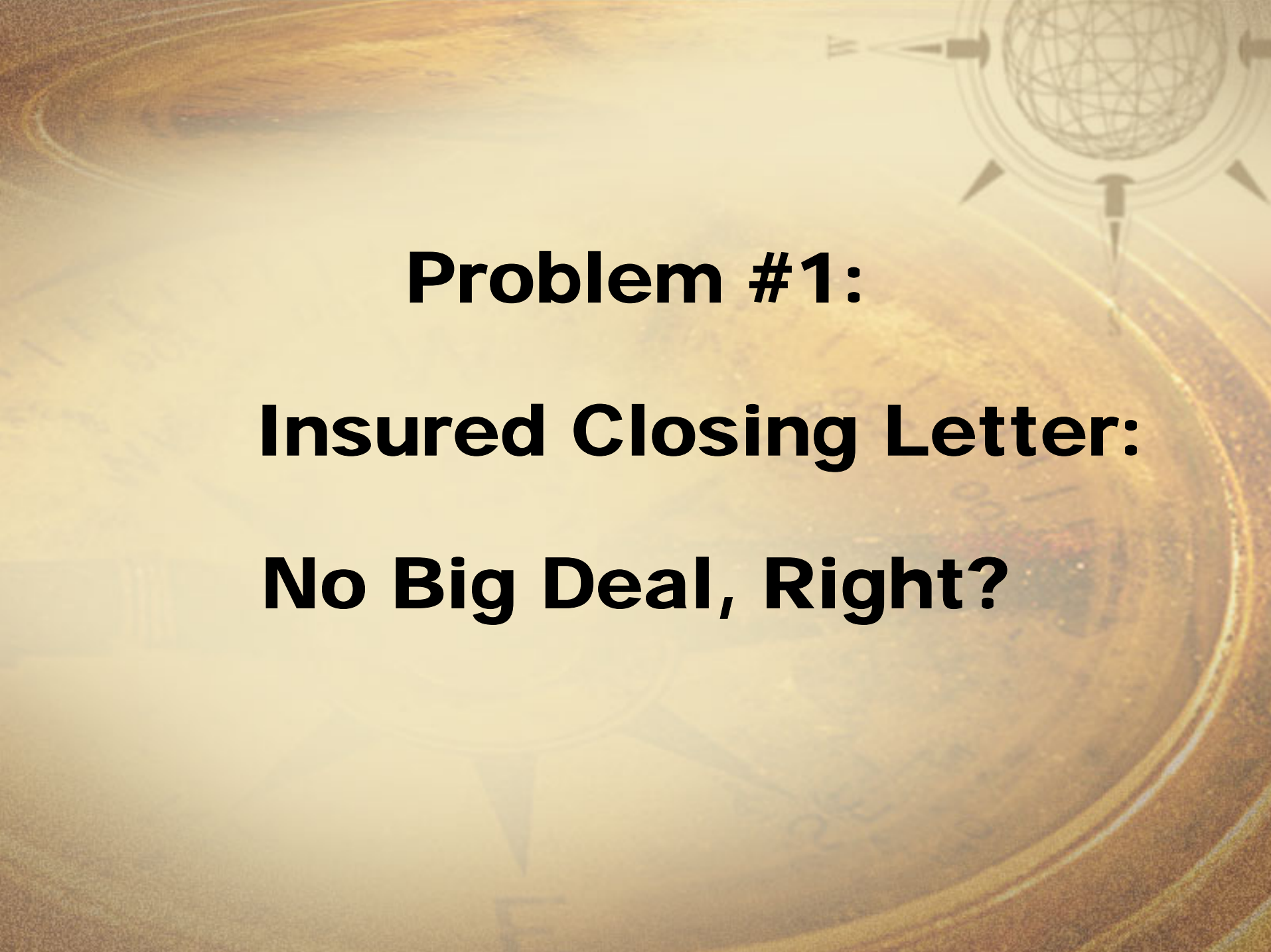
Nancy Short Ferguson  
Senior State Counsel, Vice President  
Chicago Title Insurance Company



Is This An  
UNDERWRITING QUESTION  
Or A  
CLAIM?

(How Does it Matter?)

- 
- The background of the slide features a faded, golden-brown image of a globe with a compass rose overlaid on it. The globe shows latitude and longitude lines, and the compass rose has four cardinal directions indicated by arrows. The overall aesthetic is that of an old map or a historical document.
- **“Pure” insured closing letter claims**
  - **“Quasi” insured closing letter claims**
    - **“Pure” title claims**

The background of the slide features a faded, golden-brown image of a globe with a compass rose overlaid on it. The globe shows latitude and longitude lines, and the compass rose has four cardinal directions. The overall tone is warm and professional.

Problem #1:  
Insured Closing Letter:  
No Big Deal, Right?

# Non-Title Closing Problems


- **Late or incomplete loan package**
- **Fraud**
- **Theft**
- **Not obtaining “clear” pest, well or septic report**
- **“Flipping”**
- **Attorney discontinuing practice**

# Title-related Closing Problems: Failure to . . .

- Deliver “first lien” required by written closing instructions
- Deliver final opinion & premium check timely
- Join all parties, appropriately
  - Borrower vs. Interest-holder
  - Open Estate
  - Spouse
  - Attorney-in-Fact
  - Guardianship

# Title-Related Closing Problems (cont'd)

- Improper or Incomplete Foreclosure
- Taxes not identified and paid
- Rerecording some but not all docs
- Erroneous recording
- Simultaneous recording
- Failure to follow up (cancellations, releases, subordinations, mobile home conversions)



"You are Judged  
by the  
Company You Keep!"



## Problem #2:

But the lender / realtor told me I didn't need a survey!

- Wrong property altogether
- Too much or too little property
- Poor legal descriptions
- New construction

## Problem #3:

"Here's the HUD that proves that old deed of trust was paid. Isn't that enough?")

- Equity line?
- Short payoff?
- Wrong account?
- No release?
- Is your title "coverage" enough?

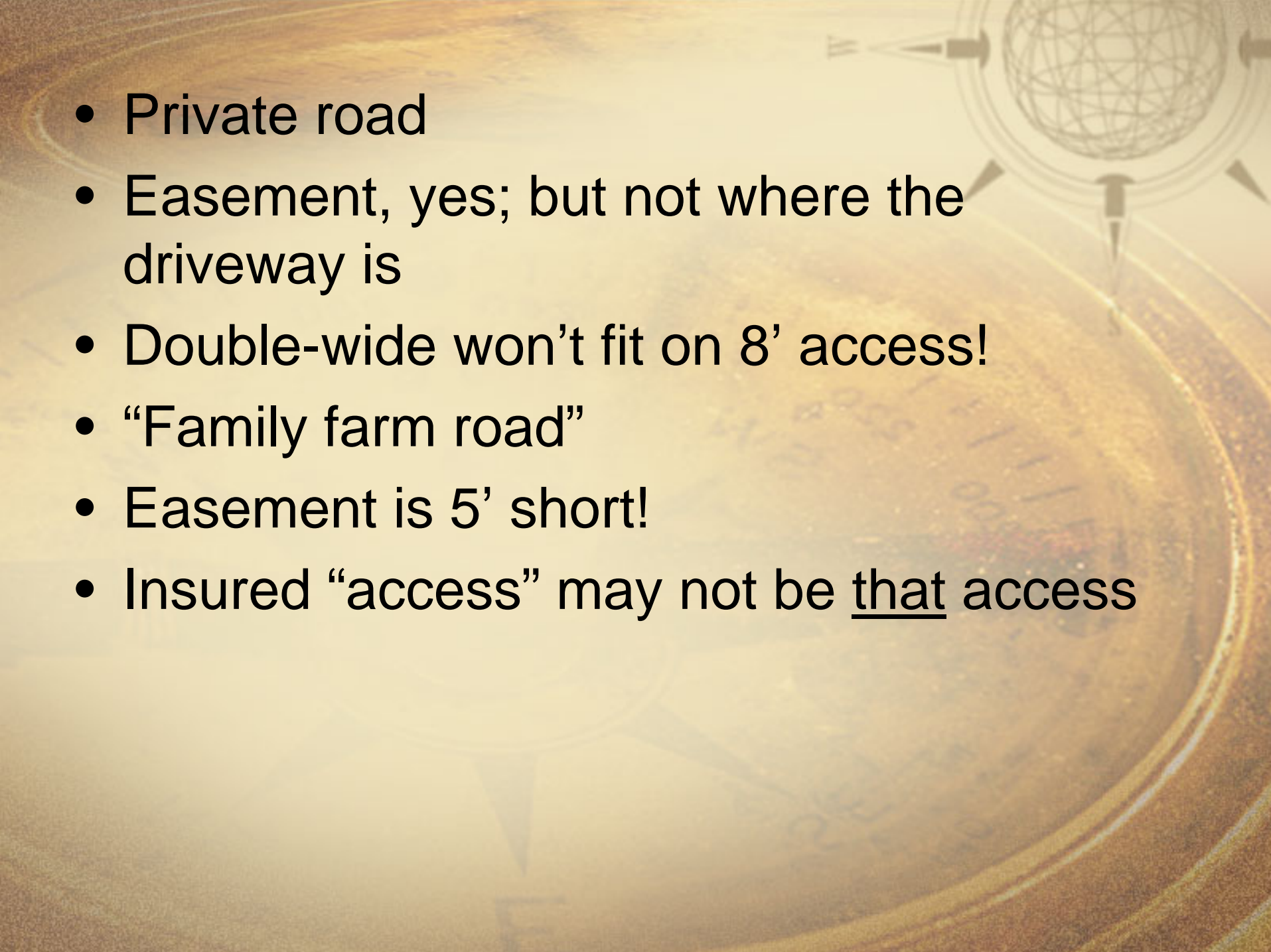


Problem #4:

"Sure I let him use my  
driveway

but I didn't know he was going  
to put a trailer and a hog barn  
back there!"

AKA "Access - to be or not to  
be?"

- 
- Private road
  - Easement, yes; but not where the driveway is
  - Double-wide won't fit on 8' access!
  - “Family farm road”
  - Easement is 5' short!
  - Insured “access” may not be that access

## Problem #5:

"A Tack by any other name  
would smell as ?"

- Title companies: Business decision
- Attorneys: Use tools judiciously

Wrong Property  
Not all of property  
Wrong plat  
Tack to Loan Policy

Generic Exceptions  
Judgments/Liens  
Missing Easement  
"Insuring Over"

# Problem #6: “That Darn Contractor!”

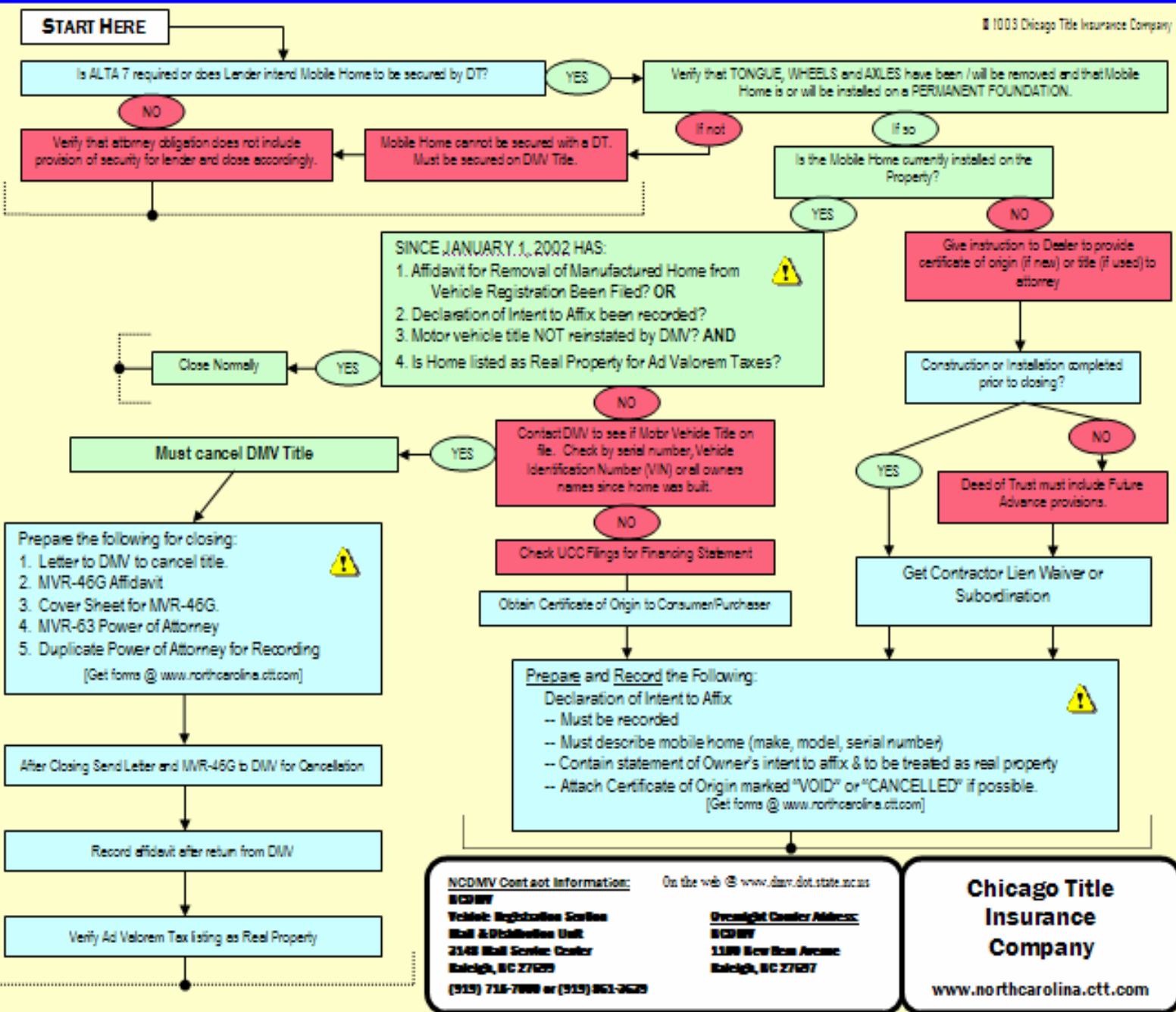
- What is a “lien waiver?”
- Who is a “contractor” under Ch. 44A?
- How safe is a “big developer?”
- How do you know if construction contemplated or begun?
- Deed of trust release vs. lien waiver

# Problem #7: The Car Without Wheels and other Mobile Home Nightmares

- Make the call: 919-861-3639
- Do NOT rely on the tax office to make legal decisions for your client!
- Simple question:  
MVR-46G or Declaration of Intent?
- Title cleared -- but TO WHOM?

**[www.northcarolina.ctt.com](http://www.northcarolina.ctt.com)**

**MOBILE HOME FLOWCHART**



**NCDMV Contact Information:** On the web @ [www.dmv.dot.state.nc.us](http://www.dmv.dot.state.nc.us)  
**NCDMV**  
**Vehicle Registration Section**  
**Mail & Distribution Unit**  
**2148 Mail Service Center**  
**Raleigh, NC 27609**  
**(919) 716-7000 or (919) 861-3629**

**Overnight Center Address:**  
**NCDMV**  
**1100 New Sun Avenue**  
**Raleigh, NC 27607**

**Chicago Title Insurance Company**  
[www.northcarolina.ctt.com](http://www.northcarolina.ctt.com)



## Problem #8:

Clerical error conundrum:  
When is a “clerical” error no longer a clerical error?

- If truly patent “clerical” error, why re-record?
- Significant error, is GS 47-36.1 enough?
- Re-establishing chain of title
- No original document = no re-recording



# Problem #9:

## Judgments & Federal Tax Liens:

The Good, The Bad & The Ugly  
(Buyers, Sellers & Bankrupts)

# Buyers' Issues

- **Structure ownership - other options (to prevent lien of a purchaser from attaching)**
- **Incompetency of purchaser / borrower**
- **Advise buyer of effects on ability to use property of co-tenants with judgments, federal tax liens or spouses**
- **Federal Debt Collection Procedures Act of 1990 (28 U.S.C. 3201(b) -- US judgment liens not subject to PM priority**
- **Loans for construction or equity lines -- bifurcated by Dalton Moran Shook case**

# Federal Tax Liens & Entireties Property

## United States v. Craft

Internal Revenue Bulletin 2003-39, Notice 2003-60 (September 29, 2003), "Collection Issues Related to Entireties Property"

# BANKRUPTCY REMINDER

An Order of Discharge (*personal liability*) is

NOT

a release of *liens* which attached pre-

Bankruptcy!!

The background features a faded, sepia-toned image of an antique map. A prominent compass rose is visible in the upper right quadrant, with a globe integrated into its design. The map's lines and text are subtle and serve as a thematic backdrop for the central text.

Questions?



*Thank*

*You!*