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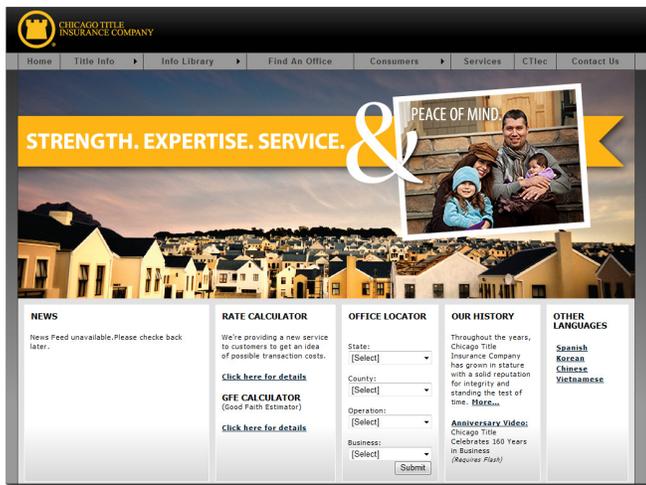


Year of the Water Snake

Feb 2013

FEATURED WEBSITE

By  CHICAGO TITLE



[WWW.CTIC.COM](http://www.CTIC.COM)

There are times that you wish you could direct your First Time Home Buyer or Seller to a website that can help them understand the Closing Process as well as everything about Title Insurance and Escrow Procedures. Your wish is now come true by directing them to www.CTIC.com, Chicago Title's most resourceful website for your Homebuyers & Sellers. The website is also available in 4 other languages: Chinese, Korean, Spanish & Vietnamese.

In addition, an online "Rate Calculator" is also included for a quick title & escrow quote! Take a tour TODAY!

February Facts & Events 2013

1. February Birthstone: Amethyst
2. Zodiac Signs: Aquarius - 02/01 - 02/18, Pisces - 02/19 - 03/20
3. February Flower of the month: Violet
4. Chinese New Year begins Sunday, February 10th, it's the year 4,710!
5. Fruits for the month of February: Oranges, Star Fruit
6. Veges for the month of February: Calabaza Squash, Chayote Squash and Bitter Melon
7. February is National African American History Month
8. February 14th is Valentine's Day
9. February 12th is Lincoln's Birthday
10. This year's President's Day is February 18th, it is always celebrated on the third Monday in February



ESCROW CORNER DOUBLE take

Marta Drobyn, escrow officer for Chicago Title in Washington state, knows the importance of adhering to the RESPA Rules. When the third party negotiator asked her to prepare two different HUD-1 statements for the same transaction she refused.

Short sale transactions can be quite challenging. Settlement agents act as a neutral third party working diligently to ensure all the terms of the transaction match up and the instructions of the parties are mutual. This is even more complicated in a short sale where there are multiple lien holders agreeing to take a shortage.

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▶ DOUBLE take

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In a short sale, the first lienholder regularly specifies the terms of their approval. The letter often includes the minimum amount due to them, approved closing costs, buyer's name, commission and the amount which may be applied to subordinate lien holders. If the second or third lien holder requires more than the approved amount, the settlement agent must ensure the terms of the first lien holder's approval letter are not violated.

In some cases, depending on the loan program, the buyer or real estate agents may contribute towards the short fall amount due the subordinate lender. In other instances the seller or their representative must negotiate with the second lender to settle for the amount permitted by the first lien holder. Regardless, everyone has to agree before the file can close and it all must be properly disclosed on the HUD-1 Settlement Statement.

Section 4 of RESPA dictates proper HUD-1 preparation. Appendix A to Part 3500 of RESPA states:

"This form is to be used as a statement of actual charges and adjustments paid by the borrower and the seller, to be given to the parties in connection with the settlement."

When closing a RESPA Regulated transaction, whether it is a sale or refinance, the HUD-1 must be a true reflection of all receipts and disbursements made as a part of the transaction. Marta knew the RESPA Regulations quite well, which is why she was shocked by the request she received. This transaction was being negotiated by a third party negotiator, who sent her an email which read:

"This HUD is to 1st mortgage for now. That is all 1st mortgage is going to pay to 2nd: \$4,649.91

We will need another separate HUD to 2nd, which the buyer will contribute the difference for payoff to 2nd total: \$12,000."

Marta was shocked and offended. The negotiator even went as far as to tell her other settlement agents have done it for her. This is when Marta decided to report the incident to her manager who reported it to settlement@fnf.com. She refused to accommodate the request, forcing the negotiator to do her job and negotiate with the second lender. The file successfully closed, without deceiving anyone by using only one HUD-1 settlement statement which properly disclosed all charges and adjustments.

IRS Tips for Taxpayers, Victims about Identity Theft and Tax Returns

The Internal Revenue Service is taking additional steps during the 2013 tax season to protect taxpayers and help victims of identity theft and refund fraud.

Taxpayers can encounter identity theft involving their tax returns in several ways. One instance is where identity thieves try filing fraudulent refund claims using another person's identifying information, which has been stolen. Innocent taxpayers are victimized because their refunds are delayed.

Here are some tips to protect you from becoming a victim, and steps to take if you think someone may have filed a tax return using your name:

Tips to protect you from becoming a victim of identity theft

- Don't carry your Social Security card or any documents with your SSN or Individual Taxpayer Identification Number (ITIN) on it.
- Don't give a business your SSN or ITIN just because they ask. Give it only when required.
- Protect your financial information.
- Check your credit report every 12 months.
- Secure personal information in your home.
- Protect your personal computers by using firewalls, anti-spam/virus software, update security patches and change passwords for Internet accounts.
- Don't give personal information over the phone, through the mail or on the Internet unless you have initiated the contact or you are sure you know who you are dealing with.

If your tax records are not currently affected by identity theft, but you believe you may be at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Protection Specialized Unit at 800-908-4490, extension 245 (Mon. - Fri., 7 a.m. - 7 p.m. local time; Alaska & Hawaii follow Pacific Time).

For more information, visit the website at www.irs.gov under section "Identity Theft".



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