

ChicagoBlog

where we share our knowledge and experience.



CHICAGO TITLE

Welcome to 2013!

Jan 2013

FEATURED APP

By  CHICAGO TITLE



Chicago TitleDIRECT®

Property profiles wherever you are.

Introducing Chicago Title's Mobile App that works with our Global Premier Services. With Chicago TitleDIRECT®, you can get immediate access to property information on your Smartphone or Tablets wherever you are and whenever you need it. Through this revolutionary tool, you can find things like:

- ✓ Property profiles
- ✓ Legal description
- ✓ Parcel and tract information
- ✓ Tax information
- ✓ Property characteristics
- ✓ Comparable sales
- ✓ Plat maps



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January Facts & Events 2013

1. January Birthstone: Garnet - Meaning: Constancy
2. Zodiac Signs: *Capricorn* - 12/22 - 01/19, *Aquarius* - 01/20 - 02/18
3. January Flower of the month: Carnation, Snowdrop
4. The name for the Moon in January is called Old Moon, Moon after Yule, Storm Moon
5. January is National Soup Month, National Hot Tea Month & National Oatmeal Month
6. Martin Luther King Jr. Day is January 21, 2013
7. World Religion Day is on 3rd Sunday of January
8. The Presidential Inauguration will be held in Washington, DC this year on Monday, January 21, 2013

ESCROW CORNER

Assisted Living Facility

Assisted living facilities are staffed by caregivers who manage personal care, medical care and financial affairs on behalf of individuals who can no longer manage on their own. It is thought to be a noble profession — one of caring, understanding and patience. In this story, however, find out how a caregiver used her position to attempt to bilk her patient out of the equity in her home.

A buyer and a real estate agent came to Chicago Title's La Quinta, Calif. office to open a For Sale by Owner with a rush closing in five days. Tamara Blackford, an escrow officer at the branch, sat down with them and explained

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ASSISTED living facility



they needed to seek the advice of an attorney with regard to the transaction. She then proceeded to write down the terms of the transaction, since they did not have a purchase contract.

When Tamara sat down to actually type the instructions quite a few red flags popped up. She noticed the following warning signs:

- Property was free and clear
- Seller was an elderly woman residing in an assisted living facility, with no family
- The sale price was \$125,000 with owner carryback financing in the amount of \$45,000 due in three months
- No earnest money deposit
- There was a side agreement between the buyer and seller that would enable the seller to buy the property back for \$195,000 for up to one year. The parties intended to record a memorandum of option outside of escrow.

Tamara was suspicious so she checked the assessor's records for their valuation of the subject property. The assessor valued the property at \$200,000. During the initial meeting the buyer and real estate agent mentioned to Tamara she needed to rush the closing because the seller was in complete financial stress and needed at least \$87,000 ASAP. They also mentioned the seller's caregiver had power of attorney over her.

Tamara said she would not accept the power of attorney to close given the circumstances of the transaction. The buyer and real estate agent agreed and left her office with the escrow instructions, deed and other closing documents to be executed by the seller.

The very next day the buyer returned with the signed escrow instructions, which had been acknowledged by the power of attorney — not the seller. The buyer also produced the power of attorney which had been executed two weeks ago... purportedly by the seller. The notary's last name and the witness on the power of attorney were the same. The appointed attorney—in fact was the caregiver at the assisted living facility.

The property owner did sign the deed herself with an approved notary, but the signature was much shakier than the signature on the power of attorney. They also produced a letter from a doctor stating the property owner was deaf, but did not have dementia.

When Tamara was given the letter, however, she requested an updated one, as the one they provided was addressed to "Stuart Title" and did not contain a phone number or license number for the physician. A sentence in the letter read, "She is very deaf but is not demented." It did not appear to be legitimate and Tamara was going to call the doctor to verify he issued the letter.

Tamara just did not feel comfortable with this transaction. She called the National Escrow Administration team who insisted the seller would have to speak to an attorney regarding this transaction. In addition, Chicago Title would require an approval letter from her attorney allowing the transaction to close. Tamara conveyed the requirements to the buyer and real estate agent.

The next day Tamara received a call from an attorney who indicated the seller, buyer, caregiver and real estate agent had just left his office and there was no way he was going to approve this transaction as it qualified as elder abuse. The attorney told Tamara he questioned the doctor's letter and the caregiver blurted out, "That is not the right letter. I have it here." She produced another letter with phone numbers and a license number.

The attorney called the physician and was informed the seller had visited their office once and he documented that she DID have dementia. The attorney reported the transaction to the Adult Protective Services and requested they assign a guardianship over the seller. He was glad Tamara and Chicago Title Company required an attorney's approval letter. Tamara assured him the transaction would be cancelled that very day.

Tamara later found out from the real estate agent (who must have come to his senses) the assisted living facility where the property owner resides might shut down soon, as they were behind \$87,000 on mortgage payments. That was the same amount the seller needed ASAP!

Tamara also found out the caregiver was a signer on the seller's bank account and she was siphoning off \$1,500 in social security paid to the seller each month, and stealing the \$1,600 monthly rent she received from her leasing her property. Tamara was also informed the seller was told she would have nowhere else to go if the caregiver did not come up with the \$87,000.

The real estate agent informed Tamara the caregiver was still trying to find a title and escrow company to handle the deal and close within days of opening. The agent said the seller has no family, no money and the house was her only asset. When Tamara heard the additional information she reported the transaction to her title officer, so the property address could be posted to the plant records as a warning to other title companies not to close any sales involving these parties.

This is an example of many of our transactions that demonstrate the professionalism, experience, knowledge, responsibility, and the service all Chicago Title's Escrow Officers provide to our clients. This is why all title companies are not the same when it comes to Title & Escrow. Trust Chicago Title for your next Escrow.



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