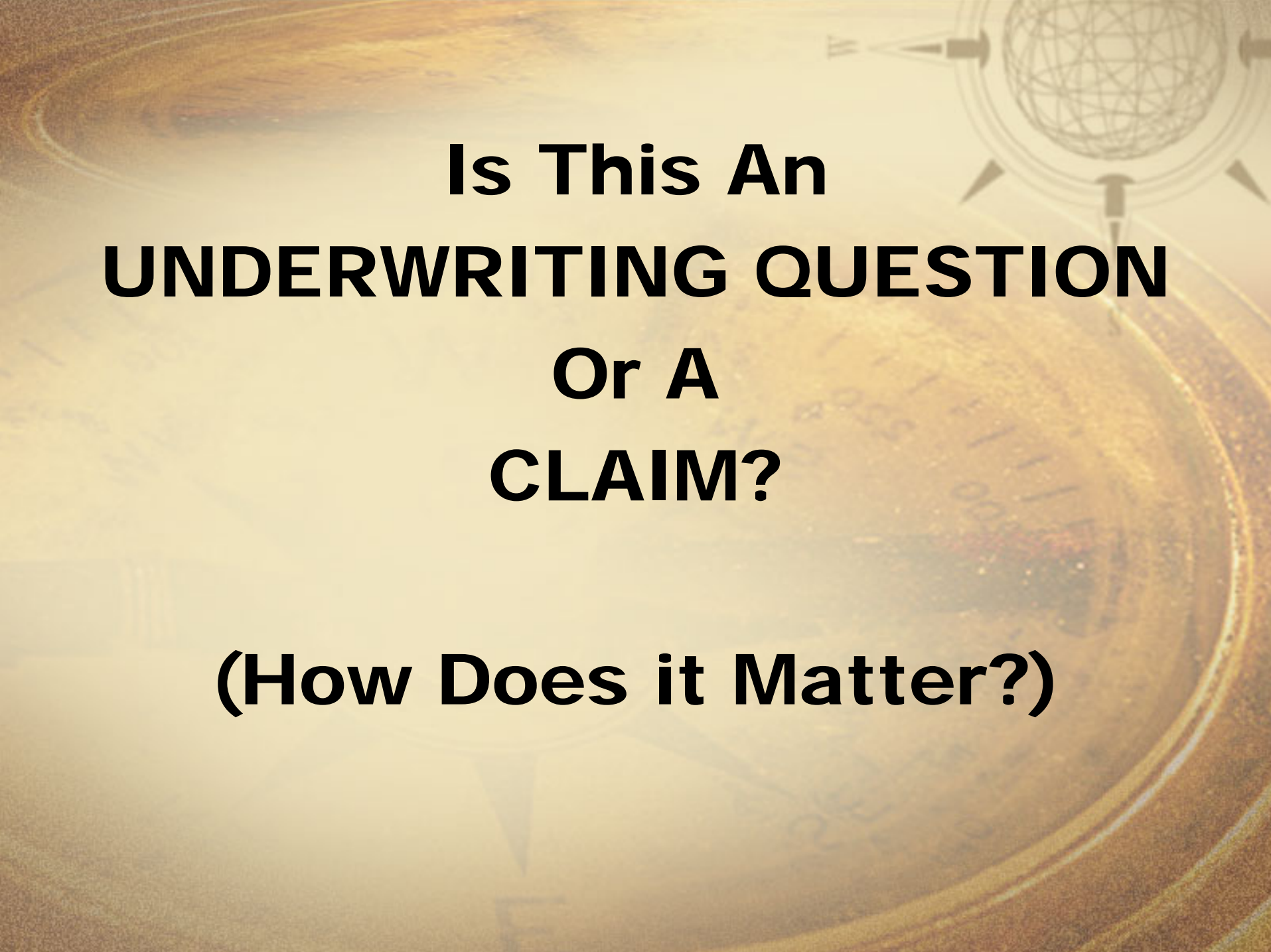




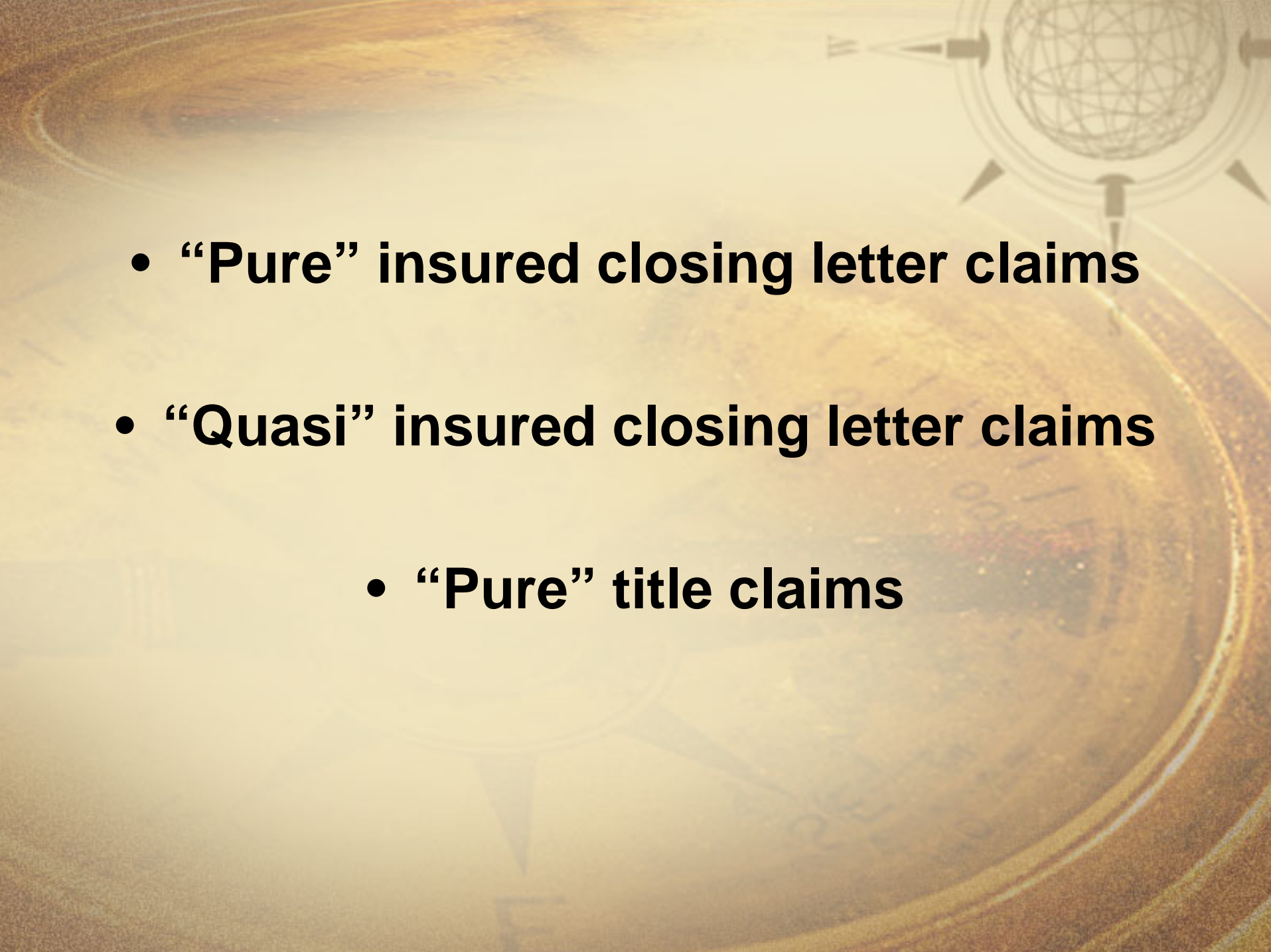
UNIQUE TITLE  
PROBLEMS THAT  
OCCUR EVERYDAY

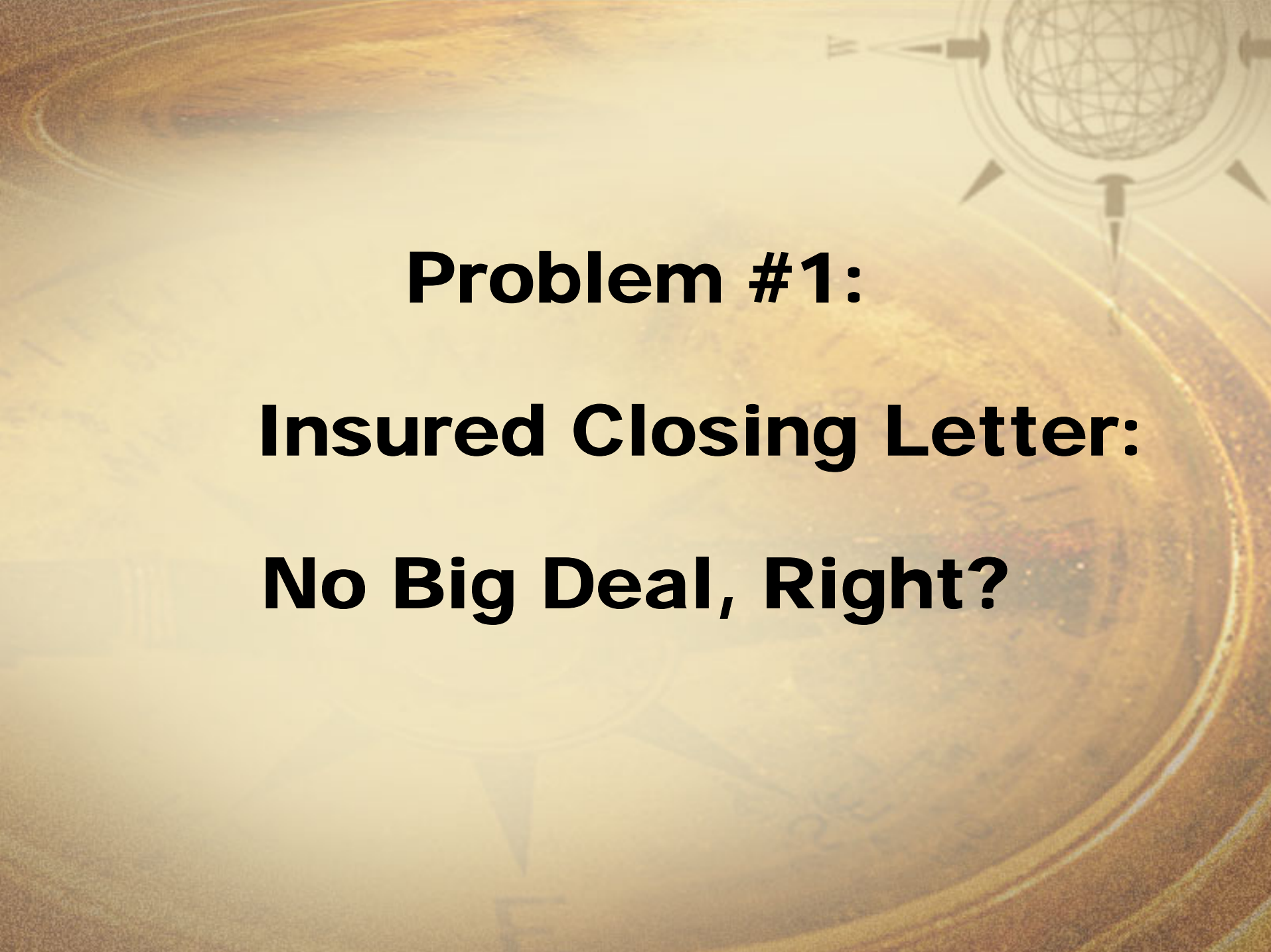
Nancy Short Ferguson  
Senior State Counsel, Vice President  
Chicago Title Insurance Company



Is This An  
UNDERWRITING QUESTION  
Or A  
CLAIM?

(How Does it Matter?)

- 
- The background of the slide features a faint, golden-toned image of a globe with a grid of latitude and longitude lines, positioned in the upper right quadrant. Below the globe is a compass rose with four cardinal directions indicated by arrows. The overall background has a textured, slightly grainy appearance with a warm, yellowish-gold color palette.
- **“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?

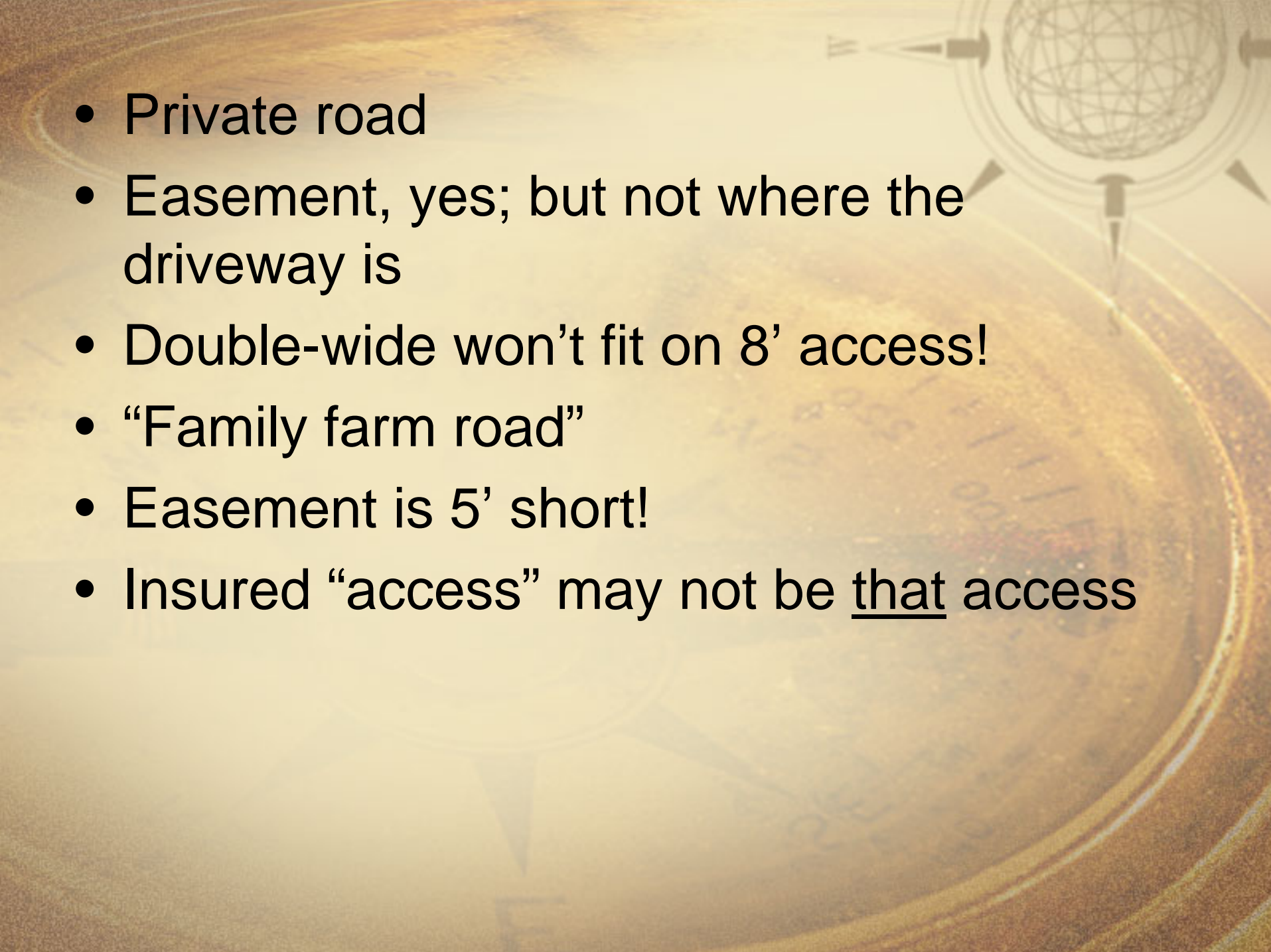


Problem #4:

"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!”

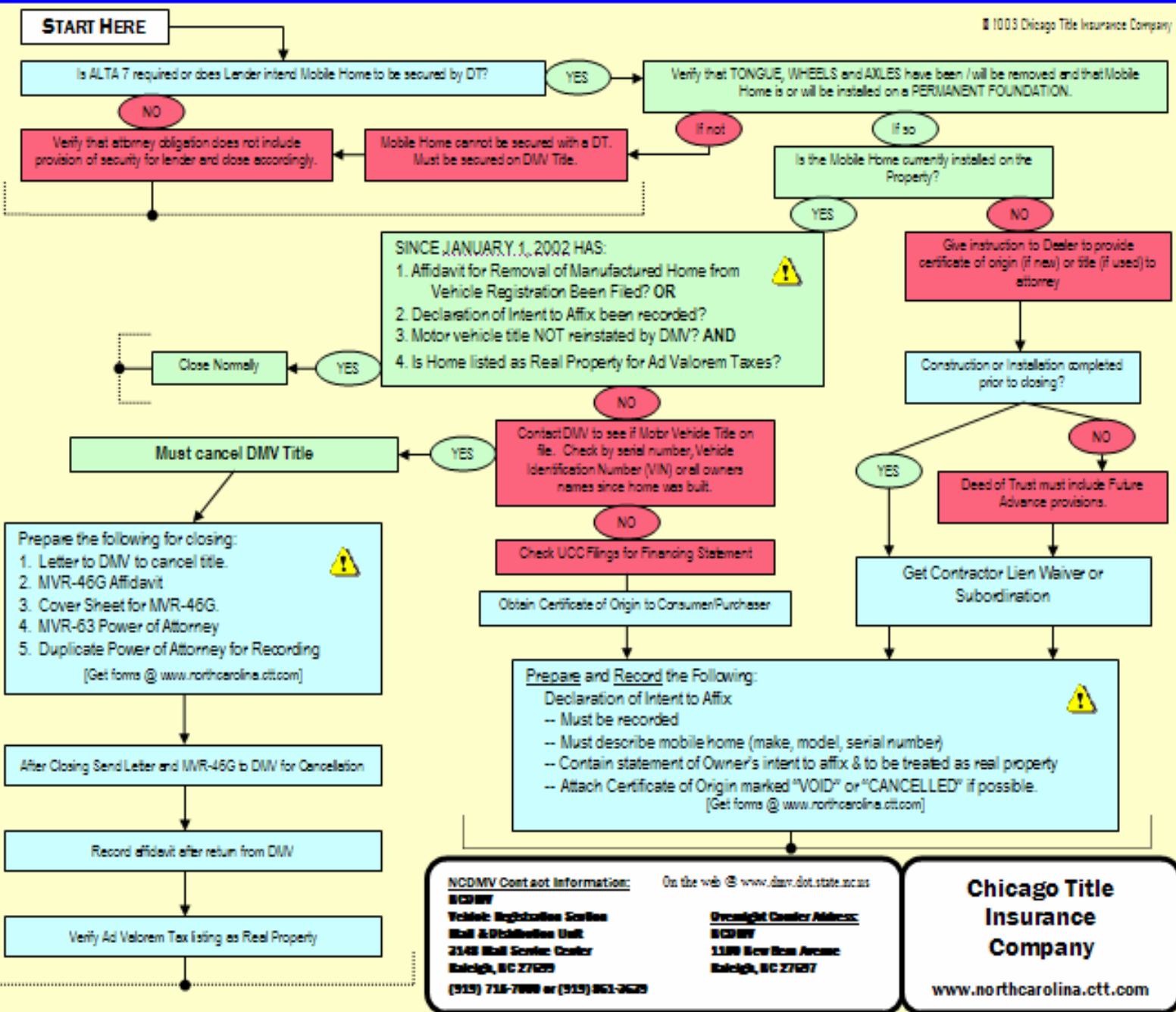
- What is a “lien waiver?”
- Who is a “contractor” under Ch. 44A?
- How safe is a “big developer?”
- How do you know if construction contemplated or begun?
- Deed of trust release vs. lien waiver

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 27629**  
**(919) 716-7000 or (919) 861-3629**

**Overnight Center Address:**  
**NCDMV**  
**1100 New Sun Avenue**  
**Raleigh, NC 27627**

**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 faint and difficult to discern. The overall aesthetic is historical and scholarly.

Questions?



*Thank*

*You!*