

C&I Council November meeting

Title Talk with Rich Weeber



Title topics

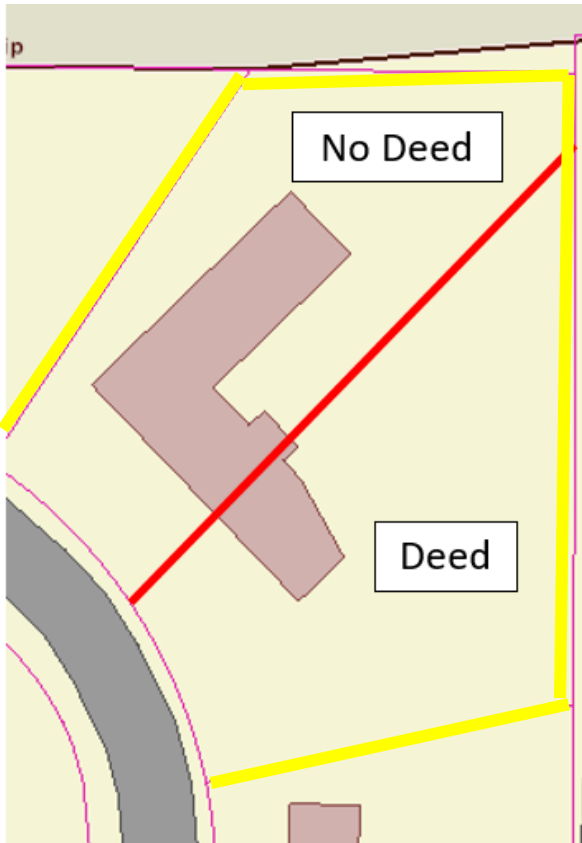
- **Settlements Post-COVID:** How have they changed during COVID and what is now permanent?
- **Acceptable Title Deficiencies:** What can we insure and how are those decisions made?
- **FIRPTA:** Yes, our area is now filled with “Foreign Persons” who own and sell real estate – how does that affect our industry?
- **Remote Online Notarization (RON):** Is it here yet?
- Helpful websites for finding information.

Settlements post-COVID

- Most closings are once again in-person
- Some clients are still asking for parking lot closings
- We see a fairly large number of clients (buyers and sellers) who are asking to pre-sign, and not attend closing
- We had effectively moved the majority of our staff to be off-premises. Over the summer we brought some staff back into our office, but have retained the ability to quickly move from working in the office to working at home
- We have had few county interruptions like we did early on during COVID

Acceptable Title deficiencies

- For the most part this is determined by the buyer, their counsel or their lender
- In the commercial world ALL buyers should carefully review the title commitment and read all copies of the “exceptions”. We have no idea what the buyer’s intentions are as to usage of the property. Reading the exception copies might reveal a major problem relative to their intended usage.
- Title problems examples on following slides

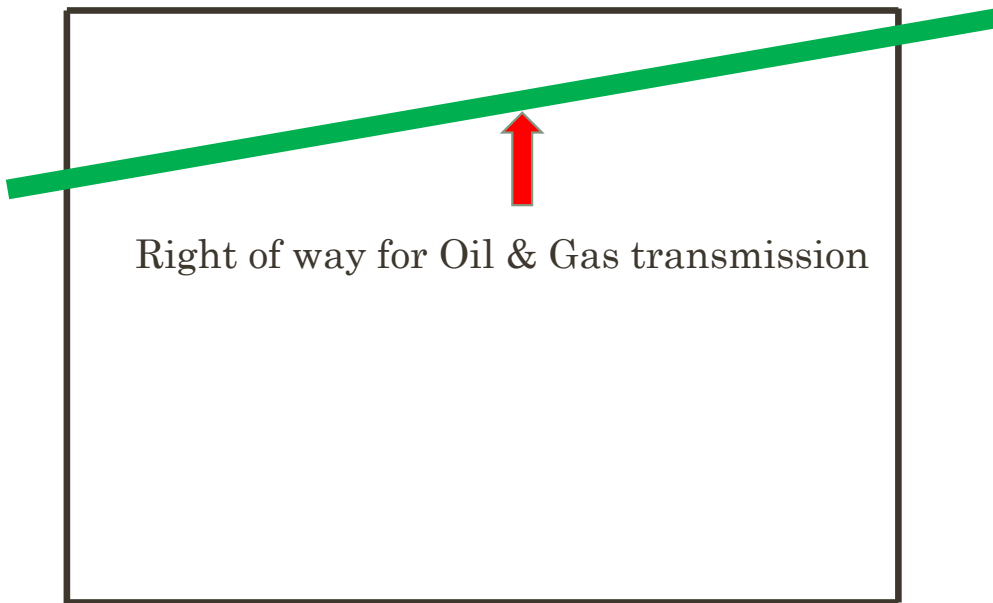


This is a residential property comprised of two separately deeded pieces.

Thru foreclosure the garage side of the house was deeded to the current owner. The main portion of the house was NOT.

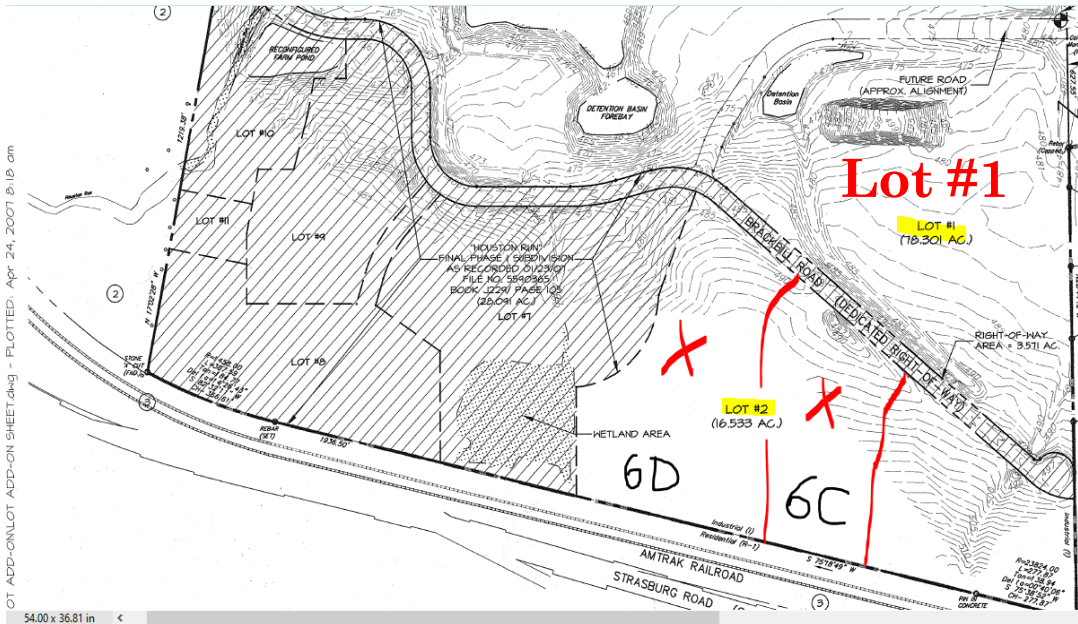
Based on various factors, I was able to convince our underwriter to insure the entire property as if the seller owned both tracts.

100 ACRE tract of land



Depicted to the left is a very typical scenario in Lancaster County. It shows a 100 acre farm, across which, in the 1940's an oil and gas transmission line easement was granted. The recorded easement agreement contained no map or identification of the location of the easement. The easement simply granted the easement "across my farm".

When searching this title the easement will show as an exception to title for every single piece of this farm tract, even if the farm has now been subdivided into 200 separate lots.



This is a commercial property. According to the title search, Lots 6C and 6D were to have been added to Lot #1.

The former owners of Lots 6C and 6D had moved to Texas and were generally unavailable.

This particular tract of land had gone thru numerous subdivisions and amendments. After about 10 hours of research we were able to conclude that 6C and 6D were NOT to be joined to Lot #1 shown in red, but to a different Lot 1, from a different plan.



This is the Community First Fund property on S. Duke St. This was built in 1983 as Meridian Bank's Lancaster headquarters. The bank purchased one house facing S. Duke, and two homes facing E. Vine.

The yellow strip is a 5' walkway alley which was first documented in 1868. Our 60 year title search in 1983 never located the easement. The building encroached on the easement and was a major title claim.

Meridian Title purchased the home with the red arrow for about \$90,000 as I recall. Its value was around \$25,000 - \$35,000.

FIRPTA

- The Foreign Investment In Real Property Tax Act (FIRPTA) was enacted under the Regan administration around 1980
- The purpose was to capture taxes from foreign owners of US Real Property, who might not have been properly paying income taxes to the IRS (this is not a real estate tax issue)
- If a foreign seller concludes a real estate sale, and does not properly file with the IRS, the unpaid tax liability falls to the Buyer!!!
- In January 2017 the IRS changed the 1099s form to include a check box to identify foreign sellers.
- For EVERY listing you must ask up front whether your seller is a foreign person or foreign entity. If they are, you need to let the buyer and selling agent know immediately!
- If you find out at closing that the seller is a foreign person or entity, your closing will not occur

Remote online notarization (RON)

- PA was one of the first states to codify e-Notary. However, as only PA can do, there was never any practical application to accompany this law.
- When COVID hit, the title industry loosened their standards regarding remote notarization. About 6 states in the US had remote online notarization statutes, with VA being the first.
- RON helped us to save about 60 transactions. However, RON will generally not work for commercial or residential purchasers.
- We have used it for cash purchasers, for sellers, and for appointment of POA – including a signing from Israel.

Useful websites

First American Abstract of PA: www.firstamabstract.com

Lancaster Recorder of Deeds:

<https://searchdocs.lancasterdeeds.com/countyweb/loginDisplay.action?countyname=Lancaster>

Lancaster Assessment – old site: <http://lancasterpa.devnetwedge.com/>

Lancaster GIS:

<https://lancastercountypa.maps.arcgis.com/apps/webappviewer/index.html?id=97a16dc9b3ae4648b0419a94a607f375>

Lancaster County Prothonotary:

[https://prothonotary.co.lancaster.pa.us/civilcourt.public/\(S\(n1a4axpko5qg1gsvsure1sht\)\)/default.aspx](https://prothonotary.co.lancaster.pa.us/civilcourt.public/(S(n1a4axpko5qg1gsvsure1sht))/default.aspx)

PA Attorney Lookup: <https://www.padisciplinaryboard.org/for-the-public/find-attorney>

PA Dept of State – Corp lookup: <https://www.corporations.pa.gov/Search/corpsearch>

Pipeline viewer: <https://pvnpm.phmsa.dot.gov/PublicViewer/>

PA Notary search: <https://www.notaries.pa.gov/Pages/NotarySearch.aspx>

Lancaster County realtors: <http://www.lcar.com/realtor-by-individual/>