



# News Flash

AUGUST 14, 2008

## LEGISLATIVE NEWS

*End of Legislative Session Approaches:* The big focus in Sacramento right now is on the overdue state budget, now nearly two months late. Every hour there are rumors of a “budget deal”, but if one doesn’t happen soon, positions could harden and make compromise truly difficult. Among non-budget related items, there is still intense negotiation over mortgage bills. Legislative leaders seem intent on sending more “predatory lending” bills to the Governor. Thus far there is no particular escrow implication in the subjects being discussed, but the overall ability to get a loan could certainly be affected. The Legislature has already passed **SB 1137** dealing primarily with foreclosures, but there seems to be an intent to pass more bills regulating mortgage products and lenders and brokers.

With just weeks left in the session, things could change, but as of now CEA has had a good year in the legislative process in Sacramento. Recently we helped oppose **AB 2204** a bill relating to illegal covenants that, while well-intentioned, threatened to slow down the recording process and significantly increase recording fees. The bill would have required that escrow provide all documents in the chain of title that might contain a restriction to the recorder at the time of recording a deed. Fortunately, the bill was held in the Senate Appropriations Committee and will not pass this year.

We also obtained amendments to **AB 2452** relating to notary commissions, eliminating language which would have doubled the

number of education hours necessary to renew a notary commission.

CLTA is sponsoring an important measure which is still moving in the Legislature in the final weeks. **SB 133** would require registration of title marketing representatives with the Department of Insurance (persons whose primary duties involve escrow would be exempt), and make important revisions to Insurance Code Section 12404 relating to payments to others as inducements for title business. CEA supports the measure.

On a related topic, the Department of Insurance has released proposed regulations relating to rebates and commissions. The proposal would require title companies to issue letters of appointment for sales representatives, with extensive reporting on marketing activities and expenses. The regulations do not contain an express exemption for escrow personnel, such as the language included in SB 133. CEA has submitted comments requesting that a similar exemption be included in the regulations if they move forward.

Space does not permit coverage of the many bills which will pass this year of interest to escrow practitioners. Watch your *CEA News* for details, or better yet, plan to attend the CEA Conference in Long Beach for a complete rundown!

## HUD

On July 30<sup>th</sup>, 2008, President Bush signed into law the Housing and Economic Recovery Act of 2008. There are several aspects of the Act which could affect escrow holders, including

those related to FIRPTA disclosures and processing, an end to seller-funded down payment assistance plans (note the Act places an end date for these of October 1, 2008 but newly-introduced federal legislation could extend that date or further authorize seller-funded down payment assistance plans) plus other changes including a FHA foreclosure rescue/refinance program and a first time homebuyer tax credit. You can obtain a copy of the text of the Act by following this link: <http://www.camgmt.com/blasts/ceahousing.pdf>

Look for more information to follow on this as it becomes available.

## **RESPA**

Thousands of comments were received by HUD, many from CEA members and others in the California real estate community. HUD continues to review and process comments. To view some of the comments submitted, you may long into the HUD Web site at: <http://www.regulations.gov/search/index.jsp> and enter the word RESPA at the prompt to 'Search'.

Recently, many state and national industry trade associations have sent letters to federal legislators and regulators calling on HUD to provide clear, simple explanations of the costs of loan and settlement services to homebuyers and requesting that HUD withdraw the current RESPA proposal and immediately initiate a new joint rulemaking with the Federal Reserve Board.

## **MEMBERSHIP**

Did you know...Active members can pay their 2009 dues in three easy installments? Check your mailbox for your renewal form and coupons, or click here for the letter and coupon: [http://www.ceaescrow.org/ Members\\_Default.asp](http://www.ceaescrow.org/ Members_Default.asp), note, this information is located in the Member's Only area of the CEA Web site, so be sure to log in using your userid and password.

Do you know someone who would benefit from membership in CEA? New members only can join for the balance of 2008 at greatly reduced rates (half off the CEA dues portion for the balance of 2008 for new members only). Click here for more information - <http://www.ceaescrow.org/pdfs/Discounted-Dues-Application.pdf>.

## **PROFESSIONAL DESIGNATION**

Short on PD credits? Forget to renew your membership? Don't lose your Professional Designation! There are still many opportunities to earn PD credits this year. Check out the CEA Education Calendar - <http://www.ceaescrow.org/Calendar.asp> or contact Headquarters for more information today! Also, remember that you can earn credits through the online education program – follow this link for a schedule of classes and complete details - [http://www.ceaescrow.org/Online\\_EDU.asp](http://www.ceaescrow.org/Online_EDU.asp).

## **CONFERENCE – Together We're Better on the Boardwalk of Education!!**

Be sure to register now to attend the 53<sup>rd</sup> Annual Education Conference – October 2-5, 2008 in Long Beach – <http://www.ceaescrow.org/Conference.asp>  
Featured national speakers include: U.S. Senator (Ret.) John Seymour, Phil Schulman, Esq., and Ann Dunham. In addition, Margaret Foster will wrap up our conference on Sunday. This is your opportunity to learn about the “hot” industry issues, network with your colleagues, visit the Escrow Expo and enjoy Long Beach! PD holders can earn up to 15.25 credits. Golfers can enjoy golf on Thursday. Come check out the Boardwalk and Midway!!

*Thank you for your continued support of CEA!*