



News Flash

NOVEMBER 17, 2003

NATIONAL TIDBITS OF IMPORTANCE

By Phyllis Yanagihara, AEA Director

While a more detailed report will be available in the *CEA News* and at the January State Director's Meeting, there are a couple of things that came out of the AEA Director's meeting this past weekend that I really need to get to you now.

1. AEA Conference: As most everyone is aware by now, it will be held June 17, 18 and 19, 2004 in Kona, Hawaii. What is critical is that on Thursday June 17th is the business meeting where officers are elected and matters of business are voted on. State elections for delegates are held in March and the early bird registration discounts are only available until April 7. Regional AEA Delegates must be elected in February and notification must be delivered to membership of that election in January 2004. 2004 Presidents will receive the credentialing form in January and those need to be returned to me by March 1.

2. Important FIRPTA change effective 11-1-03: Although most of us won't close an escrow without a tax identification number, many do and we all need to be aware that if a payment is sent to IRS for FIRPTA withholding and no tax identification number is specified, that taxpayer may not receive credit for that payment. Impact on escrow, if the Seller has to pay it again, who do you think they will come back on? The Seller does not need a social security number, they can obtain an individual tax identification number through IRS, their lawyers or even their accountants.

3. RESPA police are out and about! Fairbanks Capital agreed to pay \$40 million to settle alleged violations. HUD is going after civil money settlements. Secretary Mel Martinez has come under so much fire from allied industries that he is trying **not** to talk to anyone about proposed RESPA Reform.

4. US Patriot Act: Changes effective November 1, 2003 added another form to be signed and certified regarding the identification of our clients. Many of the lenders, of course, do not know our function and

the process. Our legislative advocate in Washington DC, Art Davis, is requesting that we send him copies of lenders instructions and ID certification forms. We would like to have responses regarding the various forms lenders are sending out due to the changes in the US Patriot Act and lender instructions which seek to impose additional and unacceptable duties on us. **Although this is ongoing, we would like to have an initial contribution by December 15th.**

5. PREP Update: PREP is "Property Records Education Partners" which is comprised of AEA, ALTA and two national organizations of the recorders and county election officials, NACRC and IACREOT. California is the first member state to establish their state ad-hoc committee and provide this group with our contact information. We are being looked at as a pilot program and this participation is vital to us all! Because of this affiliation, we are starting to catch the eye and ear of some of the people we need to work closer with us.

6. Service providers/vendors: I need names and contact information for your banks, hardware and software service providers, copy equipment, cell phones, etc. We are contacting these providers as potential sponsors of education and governmental cost related issues. On the national level there is much work to do and a level of education that we want to provide for you, including the opportunity to see these hidden pieces that affect our daily jobs. These efforts are extremely expensive but vital to our survival as an industry. Anything we can do to offset them is going to keep your cost down. Please e-mail me your list of vendors **NO LATER THAN DECEMBER 15TH** to Phyllis Yanagihara, escrowgrammi@pacbell.net.

Please be sure to visit the AEA website at www.a-e-a.org and use the log in of "aea" and password of "neal" to access the most recent publications. Also, this CEA Newsflash can be viewed on the CEA website under the Newsflash button.

California Escrow Association

530 Bercut Drive, Suite G, Sacramento, CA 95814

(916) 325-0600/(916) 325-9990 - fax

cea@camgmt.com/www.ceaescrow.org