



# Consumer Title

82 Columbia Street  
Bangor, ME 04401

Tel: (207) 973-1700

Fax: (207) 973-1711

## Notes from Sue:

*The revisions to RESPA will be upon us soon! Consumer Title has a 3-credit class approved by the RE Commission on THE REAL ESTATE AGENTS GUIDE TO THE 2009 REAL ESTATE SETTLEMENT AND PROCEDURES ACT REVISIONS. See below for dates and locations scheduled so far.*

*Contact me at [sestes@ctmaine.com](mailto:sestes@ctmaine.com) if you have comments, or to be removed or added to this list.*



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## Monthly Title Claim True Story: TITLE INSURANCE IN ACTION

### The Surprise Real Estate Tax Lien

Alice purchased land made up to two parcels, one parcel with a house and another abutting parcel of vacant land which made up part of her lawn. Alice purchased a First American Eagle Owner Policy. The seller did not disclose to the closing agent that, prior to listing the property for sale, he had applied for a separate tax parcel number for the vacant parcel of land in case he decided to sell each parcel separately. When the closing agent contacted the town to determine the amount of real estate taxes owed, the closing agent only provided the tax parcel number for the house lot. Following the closing, Alice received notice that the real estate taxes on the vacant parcel were past due and created a lien on her land. Alice contacted First American and made a claim under her title insurance policy. **Outcome:** First American paid the past due real estate taxes in the amount of \$757.60 to release the lien and clear title to the land.

## 3 Free Credits

The new RESPA Rules will be in effect on January 1.

How will it affect you?

Consumer Title will be offering 3-credit classes.

Some Dates & Times:

Somesville – January 6, 2009  
Machias – January 12, 2009  
Bangor- February 2, 2009

WATCH FOR MORE DATES and PLACES NEXT MONTH

Great LINKS:

November 2009 Homebuyer tax credit info:

<http://www.consumertitleofmaine.com/docs/Revised11-2009Homebuyerstaxcredit.pdf>

New RESPA rule info:

[http://www.hud.gov/offices/hsg/ramh/res/respa\\_hm.cfm](http://www.hud.gov/offices/hsg/ramh/res/respa_hm.cfm)

Mortgage rates:

[www.bankrate.com](http://www.bankrate.com)

## Should you avoid a foreclosure?

A foreclosure is the legal process that terminates an owner's right to a property. Foreclosures typically take place when an owner/borrower defaults on his mortgage payment, defaults by the borrower usually results in the property being sold at a public auction, with the lenders proceeds being used to cover the mortgage debt.

### Impact of a Foreclosure

A foreclosure can have a severe impact on your life. The adverse action can have several different affects, including:

- ❖ You lose your property: After having made the down-payment as well as some contribution towards your mortgage, you are left with no ownership to the property.
- ❖ Trauma of losing your home: You may have been living at the property. A foreclosure will necessitate that you move out. The label of being "homeless" can be extremely traumatic for you as well as for your partner and kids.
- ❖ Credit rating will deteriorate: A foreclosure tarnishes your credit record. Your credit score may be lowered by more than 300 points. Foreclosure has a devastating effect to your future credit availability. The option that you choose to take will impact your chances of securing a loan or getting credit cards for the next five to ten years.
- ❖ High interest rates: You have to list your foreclosure on any mortgage application that you make, which can greatly increase the interest rate you are offered in the future.
- ❖ Employment: Your chances of getting a job may be jeopardized because of a poor credit record. Foreclosures hamper your security clearance status, if you have one. It may be impossible to attain this status after a foreclosure. This means you will not be able to get a job in any federal or defense agency. You may find it difficult to keep a job following a foreclosure. A foreclosure can even be the reason for your termination from employment.
- ❖ You will not be eligible for any government insured loan for five to seven years after a foreclosure.
- ❖ A lender can take you to court in case the proceeds from the foreclosure are insufficient.
- ❖ Your income tax liability may be higher after a foreclosure due to a higher amount of canceled debt.

It is best to seek professional guidance for your foreclosure issues. For accurate information and expert advice, please consult an attorney.

## Wall Street opens up after home price data

NEW YORK (Reuters) - Wall Street rose at the open on Tuesday after data showed U.S. home prices were unchanged in October, ending five straight months of increases but suggesting a slow stabilization in the sector. The Dow Jones industrial average was up 20.63 points, or 0.20 percent, at 10,567.71. The Standard & Poor's 500 Index added 2.16 points, or 0.19 percent, at 1,129.94. The NASDAQ Composite Index rose 2.75 points, or 0.12 percent, at 2,293.83.

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