

We are just hours away from a new tool box.

It is not difficult to meet someone who has not been affected by the financial crisis our country is experiencing. I have heard of the electrician who hasn't moved his truck from the driveway in weeks, the pharmacist whose business is off 25 percent, and the grocer who is not able to stock his shelves, not to mention friends and colleagues who ignore the pile of unopened envelopes from brokerage houses.



NORTH AMERICAN  
Land Transfer

The federal government has put forth a very public effort attempting to fix the ongoing financial crisis; I'm just not sure the right tools for the job are being used.

I don't know if the tool box will be red or blue; I am just hoping "the handyman-in-chief" knows how to effectively use the tools.

And speaking of, dare I use the word, (frankly I am removing it from my vocabulary) "change," today marks the beginning of new recording requirements in the City of Philadelphia. Read on for more information.

Best regards,

Francine

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## City of Philadelphia Cracking Down on Fraudulent Conveyances

In an effort to thwart the rising number of cases of stolen property, *real property* that is, the City of Philadelphia has instituted a new policy effective November 3, 2008.

Anyone other than the Sheriff, attorney, or title company submitting a Deed for recording will have to produce supporting documentation to file the Deed. A corporate seller not utilizing the services of an attorney or title company will be required to submit its Articles of Incorporation along with the Deed to be filed. Similarly, in the transfer of property owned under a Trust, the full Trust Agreement must accompany the Deed. Title companies are not exempt from providing the supporting documentation if the Deed being recorded is not insured. Any Deed submitted via U.S. Mail must now be sent either "certified" or "registered."

Attorneys and Title Companies are not completely free of additional paperwork. Every Deed submitted by an attorney or insured Deed submitted by a title company must be accompanied by a General Affidavit signed by the submitter and notarized.

For its part, the Department of Records, within thirty days of the recording of any Deed, will notify the prior record owner by first class mail that a Deed has been recorded.

It is my belief that further clarification is needed, and I would not be surprised if we see changes or amendments to these new regulations in the coming weeks. We will keep you posted. Access the City's announcement and Affidavit at [this site](#)

November 4, 2008

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## Subdivisions-Taxes Require Special Attention

When buying a property that is part of a larger tract and where the parcels have not been separately assessed, buyers (and their representatives) should pay close attention to the taxes being

reimbursed to the seller on the HUD-1 Settlement Statement. We are also seeing more transactions where a single family residence is located on a substantial tract and a portion of the land is not included in the sale. The vacant land is either partitioned off for future development or purchased by an adjoining property owner. When it comes time to calculate the proration for the HUD-1, the new buyer should only be responsible for reimbursing the seller for a portion of the tax bill and not reimburse for taxes on the land not being conveyed. While not easy, an experienced title professional should be able to arrive at the appropriate tax liabilities.

And if you are involved with new construction in a large subdivision, follow the same process. A buyer should reimburse a developer based upon the percentage of land being purchased and not on the tax bill for the entire, unimproved parcel. The buyer can expect to receive an interim tax bill at a future date for the full improvement.

Please feel free to contact us at anytime with questions, if we don't know the answer, we will find it for you!