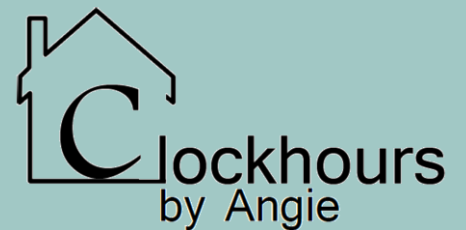


The COVID-19 Edition

Scary Stories from a Closer Part III



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*A Washington State Approved Real Estate School for Clock
Hour Education under R.C.W.18.85.*

CORRESPONDENCE CLOCKHOURS

INSTRUCTIONS:

1. Print out the class.
2. Read the class material.
3. At the end of the material there is a quiz (all the answers are in the material that you have read).
4. Answer the questions.
5. Return to me the Quiz, evaluation and a check for the class payable to **CLOCKHOURS BY ANGIE**, or complete your credit/debit card information on the sheet provided
6. Upon receipt, I will email you a certificate.

Disclaimer: I try very hard to have the latest known information on a subject in these classes, but, the real estate industry is forever changing with new updates all the time. The class materials are not to be used for legal advice. In our State, some items are handled different in the different regions. If you have any concerns, please do not hesitate to contact me at 509-216-3220 or at clockhoursbyangie@gmail.com

COURSE OBJECTIVE:

As a result of taking this class, the agent shall have a better understanding of how much COVID 19 has affected the closing process. I have some “horror” stories to tell of actual personal experiences I have had and agents seem to learn from my experiences as I like to tell what the problem was and how, if at all, it could have been avoided.

Some of the experiences:

1. Mobile homes can be challenging and having a check list upon listing of the property could help in so many ways along the selling process
2. We will review a “Writ of Mandamus”.
3. Silent seconds, they do exist and how to handle
4. Possession and oil in the tank, still problems no matter how much you prepare your client.
5. Sometimes the listing you take on has prior problems that were never completed.
6. Forbearancesomething you need to address with your seller ahead of time.
7. COVID timelines at the courthouse..... many changes going on there that could delay transactions

CURRICULUM

Session/Hours	Topics	Method of instruction
15	COVID 19 changes	Read material/discussion
30	I just got a mobile home listing...now what?	Read material/discussion
10 20	Listing appointment check list How Silent is a silent second	Read material/discussion
20 20	When things go wrong.... The Past will come to haunt you	Read material/discussion
15 20	Yes, we require a mask. Forbearance.....it is here	Read material/discussion
15	Mobile Homes during COVID	Read material/discussion
15	Interpleading during COVID	Read material/discussion

COVID 19 CHANGES



March 2020, everything changed. At WFG we had instructions from management that most of the employees would be working from home, and we'd have at each of our offices a "skeleton crew" of the receptionist, a processor and a signing person. The offices were locked down and no one was admitted without an appointment. Real estate agents and

loan officers were not allowed to be in a signing appointment with their clients.

Purchasers and sellers' appointments were scheduled with 30 minutes in-between appointment so they would not pass any one else scheduled.

All offices were disinfected continuously. Masks were worn by all. No one was admitted without a mask. Temperatures were taken daily for all employees and for anyone coming into the office. Hands were washed frequently. Disinfecting wipes were on all desks and counters and used often.

Mobile notaries became in high demand as many people insisted not coming into the office to sign. Many mobile notaries were signing in excess of 10 transactions in one day! And a mobile notary fees was anywhere between \$90.00 and \$200.00. There were hundreds of applications into the Department of Licensing Notary Section, but they were in the middle of a complete update of their programs so the licenses were being delayed up to 90 days.

In the Spokane area, the following are what some of the operations adopted:

1. Meeting the client in the parking lot and giving them their documents to sign and review and when they were done, they would call the office and

someone would come out to pick up the documents and take a picture of their identification and have them sign the notary journal.

2. Another office set up a “signing station” in the hallway of their office with plexiglass separating the mobile notary from the clients.
3. Another operation even told me that they would meet the clients outside their office and sign the closing documents on the hood of the car!

Always social distancing!

4. Many of the mobile notaries would travel with a card table and a couple of chairs and set up a “signing station” outside the client’s home.



Have you had any unusual “settings” for your clients signing appointments?

Let’s discuss.....

I just got a mobile home listing! Now what?

An agent called me and said I took your mobile home class and I remember you saying that mobile home closings can go smooth if the listing agent does some checking as soon as they get the listing. So, the agent called me. She said she couldn’t remember what she was supposed to do so could I remind her as she thought this mobile on land would sell fast and she wanted to be ready. So, I asked her some very basic questions:

1. Does the seller have the original mobile home title?

2. Does the seller owe money on the mobile home?



She then explained to me that Grandpa and Grandma purchased this mobile home, brand new, in 2003 for cash and had it put on land they owned, so she knew it was free and clear. Grandpa and Grandma gave the mobile home to their son and daughter-in-law in 2010 and they were the sellers listing the property as

Grandpa and Grandma are now deceased.

So, I asked for the address of the property and did my searching for her. I first checked with Department of Licensing and was told that they do not show a mobile home ever being placed on this property. It is assessed as land only.

I then went on Spokane County Assessors site and put in the address and a looked at the previous deeds that were recorded and I did find a quit claim deed recorded in 2010 from the parents to the son and daughter-in-law. It was a gift and the gift WAC was used and only the \$10.00 fee was paid. No mention of a mobile home anywhere. Usually this is where I would find also the mobile home excise tax affidavit with information on the mobile home. So, no help there.

I then called the listing agent and told her the problems I was having. Could she go out to the mobile home (which was vacant) and take a picture of the VIN number. She did and what she sent me was just the Manufacturer's label, which listed the Make and model number, but I needed the VIN#

I asked her to call the sellers to see if they have any of the paper work when it was purchased and from whom. Hopefully, the dealer was still in business.

What she sent me was a Building and Planning Permit to "place" the mobile home on the property, but did not give any information about the mobile except the make and year. No VIN# still. I called Building and Planning and found out a

permit was purchased to “place” the mobile on the property, but never inspected after it was placed, so they are not showing a mobile on the property either.

30 minutes later I got a call from an agent who was a selling agent who just wrote and offer on this mobile home and the listing agent told him to call me to see if I would have a time frame when this could close as his purchasers were paying cash and wanted to close as soon as possible. Thankfully, the seller had not accepted the offer yet. I didn’t want to give him too much information yet, but told him I was working on it for the listing agent and as soon as I knew more details, I would have the listing agent give him a call.

The next day I see a new closing come in, the seller accepted the offer AND, the projected closing date was in 14 days! What were they thinking?

I immediately called the listing agent and said I hope you have some more information for me because I just saw the new closing come my way with a 14-day close date. She said the sellers found a whole bunch of more information and she would be sending it my way



tomorrow and was sure it was everything I would need so that is why the sellers accepted the offer.

Well, she sent me everything the sellers found. All it did was confirm the year, make and model but no VIN# still. And, now we knew the name of the dealer who sold it to them. The listing agent said she called the dealer, who is now out of business and has no access to any of their records, as they kept for the required 6 years and destroyed everything!

I explained to the agent that I was hoping the dealer had copies because what could have “saved” this transaction was a dealer who could produce an invoice that shows the VIN# and that the sales tax was paid. And, they could petition the manufacturer, if still in business, for a duplicate MSO (Manufacturers Statement of Origin). Duplicates can cost between \$200 and \$250.00. It is like the “birth certificate” of a mobile home and it, with a completed Vehicle Application would establish the mobile home on this property and who the owner was with Department of Licensing and Spokane County Treasurer. (Of course, they would also have to pay B&P to go out to the property to inspect the placement of the mobile home because it was never done in 2003).

I hated to be the bearer of bad news, but had to tell the agent the only thing that could be done (and I confirmed this with Department of Licensing prior to making the call, hoping I was wrong) was to have the sellers hire an attorney and the

attorney to petition the court to award the mobile home to our sellers and create a title in their name thru the courts. I have done this process before and it takes 3-6 months and right now with COVID and most of the courts being closed or being selective on what they take, who knows how long a process and spendy. Plus, that is only part of the problem. The other part is



there is no way of proving that Use Tax was paid by the dealer of the mobile home to Department of Revenue. Typically, the dealer charges sales tax to the purchaser of the new mobile, then turns in the sales tax with a form called Use Tax Return. If DOR can not find anything, then sales tax would have to be paid based on what the value of the mobile was brand new in 2003!

So, now the other problem, we had a contingent sale. Thankfully the agent countered the offer and wrote “contingent upon the sellers finding the title to the mobile home”.

So, this offer flubbed and now we have sellers who are so upset that they have to deal with this. To make matters worse, they had tenants in this mobile home that they gave a “notice to vacate’ prior to listing, so they could go in and clean up. Now, they had no income!

What could the agent have done differently?

Well, nothing really. She called me the day after she got the listing and gave me what information she got from the sellers and the story behind the family purchase. If I were an agent, I would probably not have listed the property until I was a little more certain of the mobile home title, though. Mobile home closings can be perfect (most of the time) or your worst nightmare. Seems like there is no in between.

In all my years of being a real estate closer (48 years now!) I have run across this exact same problem, numerous times! And, it seems to occur when an owner of a lot pays CASH for a mobile home that is placed on the lot. When it is cash, the dealer of the mobile usually prepares the proper documents but gives them to the owner with instructions what to do to get the inspection done. Plus, the MSO (Manufacture’s Statement of Origin) is given to them with further instructions on how to get the mobile “titled’ with Department of Licensing. I have found transactions where these documents and instructions were found some 20 years later in a file folder and the transaction was saved. We can only hope that would happen, but not likely. Especially in a case like this one where Grandpa and Grandma purchased the mobile in 2003 and now, they are both deceased and no files sitting around to be looked at!

If they had financed the purchase of the mobile home from the dealer, it would not have happened because the lender would require security either by having the mobile home titled in the owners name with the lender as lienholder, or



required the title to be eliminated and a deed of trust recorded as the lenders security.

What's to happen to this mobile home now?

The owner's called an attorney and told him their story and gave them copies of whatever they had. The attorney did some checking and told the owner's that the

only thing that could be done was to file a petition to the courts to have the mobile home titled in their name. He would need a retainer fee upfront, of course, of \$2,500.00 and thought it could take more than 6 months to complete.

The sellers hired a local attorney who specializes in mobile homes. He has closed many and has fixed many more. I sent him all the information I had on this and he proceeded to petition the courts establishing the ownership and the mobile home VIN number.

After sixty days, the listing agent called me and said she heard from the attorney and he said the mobile is now in the seller's name and a VIN number has been established. I was shocked he got this done so quickly. And, what shocked me more is the form he sent to me to submit to Department of Licensing with all my completed forms. It is called "WRIT OF MANDAMUS". Of course, I had never heard of it so I had to "google" it for an explanation of what it was.

The following is the explanation:

What Is a Writ of Mandamus?

A writ of mandamus (also called a writ of mandate) is a court order issued by a judge at a petitioner's request compelling any government, corporation, or public authority to execute a [duty](#) that they are legally obligated to complete.

A writ of mandamus can also be issued when the authority of a higher court is required to order a lower court or government agency to complete a duty to uphold the law or to correct an abuse of discretion. The writ of mandamus can be

used to order a task to be completed, or in other cases, it may require an activity to be ceased. A writ of mandamus is acquired through a petition to the court.

KEY TAKEAWAYS

- A writ of mandamus is a court order compelling someone to execute a duty that they are legally obligated to complete.
- A writ of mandamus is also used to order a lower court or government agency to complete a duty to uphold the law or to correct an abuse of discretion.
- In general, a writ is a written command in the name of a court or other legal authority to act, or abstain from acting, in some way.
- Writs of mandamus are unique because they can be made without completing the full judicial process or before a case has concluded.
- A writ of mandamus is deemed necessary when the actions (or inaction) of government bodies or corporate officials are so inappropriate or egregious that immediate, emergency action needs to be taken by the legal system.

Understanding a Writ of Mandamus

In general, a writ is a written command in the name of a court or other legal authority to act, or abstain from acting, in some way. There are many types of writs, including a writ of attachment, a writ of execution, and a writ of seizure and sale.

A writ of mandamus is unique because it can be made without completing the full judicial process or before a case has concluded. For this reason, this type of writ is very powerful. At the same time, they are rarely used because a petitioner must prove there are no other remedies to the situation and that someone is suffering an injustice due to the failure to comply with the law. Judges prefer not to issue [writs](#) unless it is completely necessary because of the disruption they cause to the legal process.¹

A writ of mandamus is deemed necessary when the actions (or inaction) of government bodies or corporate officials are so inappropriate or egregious that immediate, emergency action needs to be taken by the legal system.²

In general, if a writ of mandamus is ordered from a court of superior jurisdiction to a lower court in the course of a continuing case, it will not be reviewed by higher courts until there is a final judgment in the case. For example, on the federal level, appellate review of lower courts must be postponed until after a final judgment has been made in the lower court.¹

The following is a form I created to help listing agents ask the right questions when they have an appointment with sellers of a mobile home.

LISTING APPOINTMENT CHECK LIST FOR MOBILE HOMES

In Washington State, it is unlawful to offer for sale any manufactured housing/mobile home that has been altered without first obtaining a permit, having an inspection performed and getting an insignia of approval from the Department of Labor & Industries (RCW 43.22.360(1)).

MOBILE ON LEASED LOT:

- Does seller have original mobile home title? Escrow will need the original
- Is there a lienholder on it? Escrow will need payoff information AND borrower's authorization
- Did seller have an L&I inspection when they purchased the property?
- Has seller done any improvements since purchasing the mobile without obtaining a permit from L&I and an inspection of the work?
- What is the space rental fee? Is there a deposit required?
- Has seller advised management they are going to be selling their unit and the new owner would be applying to lease the lot? Some parks may have first right of refusal built into lease agreement.
- What is the personal property tax number? Taxes will need to be paid in full for the year at closing.

- Does seller know where the VIN number is and has it been verified with the registration? *(Agent suggestion: Take a picture of the VIN number and HUD sticker with your smart phone.)*

MOBILE/ LAND SALE NOT ELIMINATED

- Does seller have original mobile home title? Escrow will need the original
- Is there a lienholder on it? Escrow will need payoff information AND borrower's authorization
- Did seller have an L&I inspection when they purchased the property?
- Has seller done any improvements since purchasing the mobile without obtaining a permit from L&I and an inspection of the work?
- Does seller know where the VIN number is and has it been verified with the registration? *(Agent suggestion: take a picture of the VIN number and HUD sticker with your smart phone.)*
- Have the real property taxes and the personal property taxes been merged into one.
- Need allocations for land/mobile home in order to prepare two excise tax affidavits

MOBILE/LAND SALE WITH TITLE TO BE ELIMINATED

- Does seller have original mobile home title?
- Is there a lienholder on it? Escrow will need payoff information AND borrower's authorization
- Did seller have an L&I inspection when they purchased the property?
- Has seller done any improvements since purchasing the mobile without obtaining a permit from L&I and an inspection of the work? If not, the necessary permits need to be purchased and the inspections done.
- Did seller check with Building and planning to see if a VIN certification was done when MH placed on property? If not, this permit needs to be applied for and inspection arranged. 2012 and after, this permit was included when placing the mobile. Prior to 2012, there was no VIN certification so it will need to be done and the cost is \$119.60

Call 477-3675 and ask for a Project Coordinator and they will advise if needed.

- Does seller know where the VIN number is and has it been verified with the registration? (*Agent suggestion: Take a picture of the VIN number and HUD sticker with your smart phone.*)
-

MOBILE/LAND SALE WITH TITLE PREVIOUSLY ELIMINATED

- Did seller have an L&I inspection when they purchased the property?
- Has seller done any improvements since purchasing the mobile without obtaining a permit from L&I and an inspection of the work? (*Agent suggestion: take a picture of the VIN number and HUD sticker with your smart phone.*)

Because title was previously eliminated, escrow will have to do nothing to transfer the mobile home. It is treated like a stick-built home!

HOW SILENT IS A 'SILENT SECOND'?

The listing agent had an appointment with the seller and did what she usually did and ordered a "listing packet" from her favorite title company. In case you have never ordered a "listing packet" or a "property profile", whatever your title company information department calls it, it contains the following information:

1. Treasurers tax information sheet
2. Copy of deed when your "seller" came into title as the "purchaser"
3. Copy of plat map
4. Copy of any deeds of trusts or mortgages recorded against this property

Now she knew that there was a first and a second on the property. Plus, with the deed vesting in the owner's name, she knew she was single coming into title. A

listing packet will also include if the owner ever did a quit claim deed from themselves individually, to their trust or LLC. Lots of information can be obtained from ordering this packet prior to a listing appointment.



When the agent went on the appointment, she told the seller approximately what she thought the property would be worth as there were similar sales in the block recently. She did an estimated “net sheet” but said it was just estimated until she ran further comps. She asked the seller what did she owe on the property? She had a copy of her last statement from the lender on

the first. The agent said and what do you owe on the 2nd which confused the seller because she bought this property 7 years ago and did not remember the 2nd. Agent said it started out as \$10,000.00 The seller then remembered that it was not due for 30 years, or when she sold the property and had a zero percent interest rate.

The agent worked up a net sheet and told the seller she would net about \$60,000 and was excited about the figure. The property sold 3 days later.

The agent called the closer and said I just wanted to let you know there is a first and a second and after reviewing the title report agreed. The closer said she recently closed a couple of these types of transactions with the zero percent “silent second” and typically the payoff for the 1st also had the payoff on the 2nd listed. She was glad to hear that because the seller could not find any loan numbers for the 2nd. In fact, had never received anything in the 7 years she had the property. (This is pretty common too.)

35 days later and the closer sets up appointments and sends both agents a copy of the settlement statement for review. Listing agent was out of town and briefly

reviewed the statement and told the seller everything looks great. Seller signed and was a little surprised that her net was \$11,400.00 more than she thought. She didn't say anything to the closer or her agent who was not at the signing. During COVID, agents and lenders are not allowed to be in the signing appointment.

Loan funded and recorded. Sellers money was wired into her account and everyone got paid.

Listing agent called Monday morning and asked if this transaction funded on Friday as it was scheduled and we told her yes. She said that Friday evening she received an addendum extending closing for 14 days so the purchaser could do a feasibility study! She asked if we received it. We did not. And, we funded Friday as scheduled! She asked what we could do about this problem and I told her it is closed and funded, nothing more we can do.

Then, two weeks later the listing agent called and said the feasibility study was done to the satisfaction of the purchaser and everything was okay. She sent me an email to place into the file.

One month later, the listing agent called and said she was looking at the settlement statement and saw how her seller netted \$11,400 more than she estimated and she did not see a payoff on the statement for the "second". She was sorry it took her so long to really take a look at it, but she was out of town when this closed and it was sent to her ahead of time to review, but she put it in a file and just now was looking at it!

I immediately called the closer and has her check into this and she got back to me and said she missed it! She called the seller who said she spent her entire proceeds on another home she bought and didn't have the money.

The closer had to file a "claim" for the amount she was short to payoff the 2nd and I don't know if the seller ever had to pay any of it back! As the title/escrow we had a duty to the purchaser and new lender to be sure the purchaser was vested in title and the only encumbrance was the purchasers new deed of trust. That is why you buy title insurance!

THERE ARE MANY 'SILENT SECONDS' ON PROPERTIES AND MANY OF THEM HAVE INTEREST AT ZERO OR 1% AND THEY ARE NOT DUE UNTIL THE SALE OF THE PROPERTY OR 30 YEARS. SELLERS FORGET THEY HAVE THESE AS THE LENDERS DO NOT SEND OUT REMINDER STATEMENTS, SO REALLY PAY ATTENTION TO THE TITLE REPORT WHEN IT LISTS TWO DEEDS OF TRUST.

WHEN THINGS GO WRONG.....

It was about 4:00 on a Friday an agent I've known for years who was a favorite of mine, more like a friend than an associate called. He said he was very concerned because he was just contacted by an assistant in our office who said the seller MUST sign on Monday as they just received loan documents from the lender and it was scheduled for a same day sign / fund. He told the assistant that the lender has delayed this closing for the past 3 weeks and there were already 3 extensions already and thought it would not close for at least 2 more weeks. Now it was a rush and the seller, who is an elderly lady has not even started packing.

He was upset to say the least. I told him I would do some checking and get right back to him. I checked with the closer and found out that yes, it had to sign and fund on Monday. They made an appointment with the seller for 8:30 and the purchaser for 9:00 on Monday and I was scheduled to sign both appointments.



He said that the seller would try to get her children to help her over the week-end but was not sure she would be out in time. I told him I'd see him Monday morning and we could discuss at that time.

The seller and the agent showed up at 8:30. I had to explain to the agent that I could not let him in the signing room due to our COVID 19 restrictions. The seller wanted him in there as she felt more comfortable with him there. I told him what I would do for him was leave my door open and put a chair right outside my door for him to sit in and listen – it was the best I could do.

He told me he had not seen the closing statement yet, which I apologized for as the closer just balanced it with the lender and I made a copy for him to review while I was signing the seller.

The first thing the seller questioned was the 3% seller paid closing costs of over \$6,000.00 – she said I never agreed to that. And, the agent heard us and said she is correct, she did not agree to that. I printed a copy of the PSA and showed him the line that said the seller would pay up to 3% in purchasers closing costs. He looked at it and said, "I missed that, I'm so sorry".

Then the agent said because of the rush, the seller did not get a chance to have the oil in the tank read and Banner Fuel was coming out today to measure what was left in the tank and would get an invoice to us later today. I told him that the purchaser was coming in next and I would let the purchaser know because of the rush, she did not have time and would get an invoice to me later today and I'd send it to the purchaser. I did disclose to them both that it was supposed to be submitted prior to this time so it could be included on the closing statement, but I'd explain to the purchaser.

The purchaser came in at 9:00 to sign. Before I started his review of documents, I told him how the seller did not realize it was going to close so fast with all the delays from the lender and did not get a chance to have the oil in the tank measured. He had already got his cashiers check and said it would be no problem, just to email him a copy of the invoice and he would drop off a personal

check made payable to the seller later that day. He signed all his documents and left.

I gave the file to the closer to process and get back to the lender so it would fund in time. An hour after the purchaser left, I got a call from the selling agent who went absolutely nuts on me and said how dare I add something to the closing without her knowledge. Her purchaser will not pay for the oil in the tank, as the PSA said it was to be on the closing statement when he signed, not afterwards and she would not allow him to pay it under any circumstances.

The purchaser called me a few moments later and said did my agent call you and I told him she did. He said to ignore her as he wants to pay the seller for the oil in the tank and as soon as I had the invoice to send to him and he'd drop off a check!

And he was a man good for his word!

The closer came into my office when she was getting ready to fund the loan and said I have something to tell you. I missed the 6% commission on the sellers closing statement! She added it and gave me a corrected statement. I told her to let me call the listing agent and personally tell him before she sends him a



corrected one and I will call the seller. I called the listing agent and told him and there was a long pause before he spoke. I told him how sorry we were for omitting this and I would personally call his seller on this. I tried contacting the seller and no answer. I emailed her. I kept her phone number by my phone and tried every hour on the hour and kept leaving messages but never got a chance to talk to her. I called the listing agent to let him know

that I was not able to reach her and he said he'd keep trying too.

The loan recorded and funded. The listing agent called and said he talked to the selling agent and told them the seller would need until 9:00 pm to get out. They talked to the purchaser he said he was not planning to move in until the morning, so not a problem. What a delight it was to have such a nice, understanding purchaser. As it turned out, our 89-year-old seller and her children were not done packing up and cleaning until 2:00 am!

I received an email from the listing agent the next day that said:

“With 20-20 hindsight& if this happens again, I will insist on extending closing to allow ALL involved parties to get their information and documents prepared correctly with a review for accuracy plus allow a seller time to move out!! This was crazy for everybody. Too many errors were made by everyone involved”.

I totally understood his email and his being upset – I would have been also.

This is one of the points I always make regarding these same day sign/fund closings. We are rushed to get it done, then the listing agent doesn't get to review the closing statement before the seller comes in to sign.

POSSESSION STILL REMAINS A PROBLEM, NO MATTER HOW MANY TIMES YOU HAVE DISCUSSED THIS WITH YOU CLIENT.

AND, OIL IN THE TANK IS OFTEN MISSED.

HAVE YOU HAD ANY OF THESE PROBLEMS?

LET'S DISCUSS.....

The past will come and haunt you.....

I was called by a listing agent regarding a mobile/land purchase he had listed and it recently sold. The agent said the closer called him and said the land was transferred to the seller, but the mobile home never was. He called the agent who retired and gave him the listing referral and she told him to call me because when it was closed a few years ago I assisted the closer in preparing the documents. He gave me the address and I sure jogged my memory – I recognized the address right off as some transactions you never forget!



So, logged on to our “old system” and pulled up the address and then asked to have the file pulled from storage. Two days later I receive the file and what do I find in the front of the file but original documents and checks that never got processed!

Of course, the closer that worked on this file retired and her assistant didn't remember much about the file. All I could think of is the file got sent to storage in error because there were numerous notes in the file from me to the closer on what needed to be done. I had even done a few letters to some of the parties on how to clear the title.

So, here goes the problem, or rather problems and it is a doozy! (if that is even a word!)

Mom and Dad owned the land and the mobile. The eldest daughter was selling the land and mobile as Mom and Dad were now both deceased. She was able to produce copies of the death certificates and also many, many documents on the mobile. She had the original purchase agreement, then the financing agreement,

and even had a letter from the lienholder saying it was paid in full. All those documents were about 25 years old!

I checked with Department of Licensing and verified that Mom and Dad were listed as owners and DOL said for me to find out if there are any other siblings as they would all need to sign off. I checked with the daughter who signed the purchase and sale agreement and she said, yes, there were 7 siblings in all, including her, but one was deceased. DOL said we would need the death certificate of the 1 sibling who was deceased and the other 6 would need to sign off. I prepared all the release of interest and affidavit of inheritance and sent them to all the siblings to sign, notarized and return to us. Two of them lived in our area but the rest were out of State.

I then called Department of Licensing back and they told me that there is another problem, there is a lienholder and it was Nationwide. I sent DOL all the Nationwide documents I had in the file and they said they needed someone to sign a release of interest. I googled Nationwide and found three different addresses and sent out 3 letters, 2 of them were returned, addressee unknown. The third one wrote back and said this was not their loan.

I can not believe the closer even closed this file 3 years ago without getting a release signed or even trying to get a release. It was as though it was just overlooked or assumed it was cleared, I'm not sure.

So, I took the file and put together copies of documents to send to Department of Licensing to be sure I had all the sibling sign offs done correctly from the previous file. DOL sent me a return email saying everything looks good, except the year of the mobile home is a 1978, not a 1977 as I have on all my documents. I reviewed the file again and saw the discrepancy. The treasurer had it listed as a 1977 and Nationwide had it listed as a 1977, but the loan documents all said 1978.

So, I had to re-draw all the document to the siblings and get them mailed out again (3 years later) with the correct year of the mobile on it. Luckily these

siblings have long life lines because they all are aged over 80, what are the chances of all of them still alive! They re-signed all the documents.

Now, we still had the problem with Nationwide.

I talked to both the listing agent and the selling agent and told them what we were up against. They had a sale pending for over 4 weeks now and the purchasers needed to get this closed and wanted a time line from me. I told them I was contacting our legal counsel today to get advice on what we should do next and would get back to them in the next few days.

I talked to my boss and legal counsel and they said all that could be done at this time was to have the sellers file a claim against the title. The sellers filed a claim and heard from the attorney within just a couple of days. I had the attorney information and told them that I have the original file in my possession that should have transferred the title 3 years ago and would be happy to assist in any way. I asked if she had any timeline available that I could convey to the pending purchaser's agent as they don't want to lose this purchaser and she said she'd have to find an attorney in Spokane to take this on. I mentioned to her a name of an attorney who specializes in mobile home problems and she said she'd reach out to him, which she did.

The attorney called me and I shared what has happened on this file. I sent him a copy of the file and he said he'd get started on a "quiet title" action right away. I told him about the "pending" purchase and could he give me any time frame. He said during COVID, things just are taking so much longer. Normally, it would be about 60 days, but he thought perhaps 90-120 days! That was in March and here it is end of May and it is still not complete. And, the purchasers are still

“pending”.

MORE UPDATES TO COME.....I HOPE SOON!

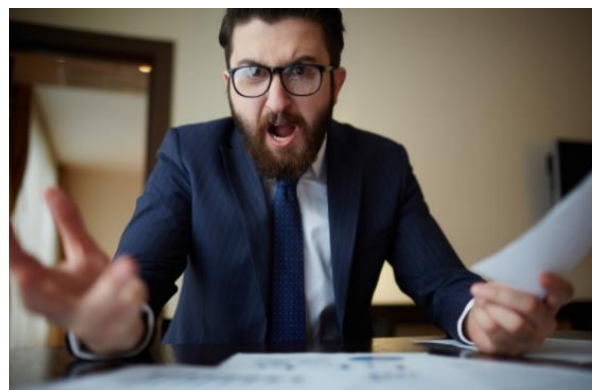
ANY DISCUSSIONS ON THIS ONE?????

YES, WE REQUIRE YOU TO WEAR A MASK!!

A seller stopped into our office during COVID and was not wearing a mask. Our receptionist said if he did not have a mask, we have extras. He said no thank you I will not wear a mask. I’m only dropping of my opening letter documents. Of course, he talked very loudly when informing us that he would not wear a mask and our manager came out of her office and told him it was required. She further asked if he had any health reasons why he could not wear a mask and he said he didn’t have to answer that question, nor would he. She took the opening letter documents from him and said that when he had his signing appointment, he would need to wear a mask and he told her he would not.

He started to talk even louder and got very mean in her face and said no one can require me to wear a mask. He left.

The manager called our boss and he asked if we had the signs posted on the outside of our door which we did. Mind you, it was the end of March and COVID 19 was in full swing and our operations only had limited staff at the office.



When it came time for the sellers signing appointment it was noted on the file that he refused to wear a mask. He was contacted and asked one more time if he would abide by the rules and wear a mask and he said absolutely not! The government could not mandate this and to not expect him to wear one during his signing appointment.

We contacted our mobile notary who has been in our office doing all the signings and she said unless he had a medical condition, she would not sign him.

We called another mobile notary we used and he said he would take the documents to the seller's home to sign him outside the house, or if they would open the garage door, they could do it in there since it looked like rain.

We contacted the seller and told him the arrangement we made for him and he said, no, he wanted to be treated like everyone else and he would come to our office for his signing. We further explained this would not work for our office and he demanded the name and number of our manager, which we gave him.

His agent called us back and said he would never send us another transaction and he does a lot of business in this town and was sure to spread this story within the industry of how we treated his client.

Our mobile notary met with the seller and got everything signed and back to our office and it funded two days later. When we called to tell the seller, his check was ready to pick up he asked if we could mail it, as he could not leave the house, he had COVID 19!

COME ON PEOPLE, WE DON'T CREATE THESE RULES, WE ARE JUST FOLLOWING THEM TO TRY TO KEEP EVERYONE SAFE (WHETHER WE BELIEVE IN THIS OR NOT IS NOT THE ISSUE).

DISCUSSION?

FORBEARANCE.....BE CAREFUL

“A forbearance is a temporary postponement or reduction of mortgage payments. It is not payment forgiveness. Under the CARE ACT, borrowers are entitled to an initial forbearance of up to 180 days, upon a borrower’s request. Also, upon a borrower’s request, the forbearance must be extended for up to an additional 180 days. A borrower can, at any time the borrower chooses, shorten the forbearance and resume repayment of the loan.”

Remember, the missed payments must be repaid, although they may be paid back over time. Forbearance of payments doesn’t mean forgiveness of payments.

Recently, an email came out of our home office in Portland of a potential problem regarding payoffs and forbearance.



A closer ordered a payoff and when it came in, her assistant entered it into the system using the payoff amount and a per diem. Most closing files are “paperless” now, so the assistant enters in the information and then scans the payoff into the file.

When this was ready to close, the closer entered the payoff amount and then used the per diem to update the payoff until the date the lender received the payoff, which is typically what is done.

BUT the seller just recently started making payments on their loan, and the forbearance department had not “caught up” to the payoff department. The forbearance amount the seller owed was \$22,204.50 and was not added to the payoff! Documents were overnighted to the seller and seller just signed and returned the documents, not even letting the closer know about these unpaid amounts.

On the funding date, the closer happened to see an email that was sent to all the closers that was headed:

KNOWLEDGE IF POWER!

The mortgage servicer may not be aware of any past or present forbearance agreement. Before ordering a payoff demand, ask these questions of your seller:

1. Did they apply for a mortgage forbearance after 2/1/20 (regardless if they are currently making monthly payments)?
2. Has any payment been made to a different loan servicer?
3. Have they exited the forbearance agreement? (the forbearance must be exited before a payoff is ordered and typically this will be verified by the new lender for refinance transactions.

The closer read this over a couple of times and told her assistant effective immediately, we will ask the above 3 questions before ordering any payoff. She further said and any closings that are pending right now, before they are funded, the sellers are to be asked these questions.

She immediately sent an email out to the seller on the closing that was going to fund today and the seller indicated that yes, they were in forbearance! She saved the company a claim of over \$20,000.00

So, the above 3 questions are part of the sellers opening letter that is sent out.

LISTING AGENTS:

THERE ARE MANY PEOPLE IN FORBEARANCE.....THIS SHOULD BE A STANDARD QUESTION AT YOUR LISTING APPOINTMENT.

MOBILE HOME TRANSACTIONS DURING COVID

It was March 2020 and the COVID 19 restrictions just came into play. Everyone was asked to stay at home if they could and that included the Spokane County Courthouse. Only a few people in various departments were allowed to work in the building and it was shut down to the general public. Each of the title companies had “recording runners” that were allowed to record at specific times of the day.

There are many steps to eliminating title and it typically could be done in one or two trips to the courthouse, not anymore.

Here are the new steps during COVID 19.

1. **Building and Planning to sign off:** Rather than stopping at B&P and meeting with the next associate that is ready, you had to mail the form to them and include in your envelope a stamped, self-addressed envelope back to yourself. The turn around time for this was 2-3 weeks, average.
2. **Next stop, Spokane County Treasurer:** You had to call them and make an appointment to meet with them. When you got there, you had to call them and let them know you were there. Each department had a table set up outside their door with a plexiglass on it so the employee could stand on one side and the customer on the other.

First you had to get the taxes certified that they were current and if they were not you had to bring a check to bring them current. Then the second part was you had to have a mobile home excise tax affidavit, and \$10.00 fee, along with a copy of the excise tax affidavit when you paid excise with the sale, if there was a sale. The waiting process was averaging 30-90 minutes and there were wooden benches throughout the hallway you could sit and wait at.

- 3. Next stop, Department of Licensing:** You had to ring the doorbell on their door and someone would come out and take all your documents to review. Sometimes they told you could wait, but most of the time they said to leave them and when they were done with the review, they would call you to come back to pick up. The recording runner would pick up at her next run, or bring them back to the closer for corrections yes, there seemed to always be some type of correction. If there was a correction, then it would be fixed and the documents would have to be dropped back off at Department of Licensing to be assured they were corrected to their specifications.

- 4. Next stop, Spokane County**

Auditor: You had to call and make an appointment to meet with a member of the recorders department. When you got there, you would have to call a specific number and let them know you were there. They would send an associate out to review what documents you had to record and the fees they needed to collect. Of course, there was a major fee change that occurred 7/1/20, so counting pages was very important for you to have the correct fee for recording. **Another major fee change is coming 7/24/21 and recording will increase by \$100.00 each.** Once they reviewed and felt it was all in order, they would take the documents back and record. This also took



anywhere from 15-45 minutes and you waited on that “hard” benches in the hall again.

- 5. Next stop, back to Department of Licensing:** Once again, you rang the door bell and someone would come out and review your documents and tell you they would call you when done. Sometimes you could wait for it, but most of the time you left it and they would call and the recording runner would pick up on her next run.

So, what used to take about a total of 2 hours to accomplish, if you didn’t have any corrections, now averaged 2-3 weeks.

And, please remember, 90% of the time, the elimination is done AFTER the closing, so everyone has already gotten paid and finds it strange to get a phone call from the closer to re-sign a document with a change on it AFTER closing.

Here are some of the minor corrections we have all had to deal with:

1. The VIN number has an “0” (zero) in it but the closer inserted a “O” (the letter) one is thin and one is fatter.
2. The VIN number has an “1” (the number) in it, but the closer inserted a “l” the letter instead. Most of the time when reading the VIN number, you can’t tell if it is a 1 or a l or a 0 or an O. But Department of Licensing knows and will have you correct it.
3. There can be no white-outs or cross outs on ANY Department of Licensing form. Many times, you have the documents overnighted to a mobile notary in another state and even though we are very clear in our instructions to them, they still make cross-outs and initial like any other recordable document out there. But, no, you can not do that with DOL documents and they are rejected.
4. The placement of the notary seal can also be a problem, or if the stamp is too light.
5. Where the notary signs is a little complicated and there is a place you print the clients name and next to that the notary’s name and title, this is often

confused with mobile notaries or even our own area closers who have not had something rejected. Once you have something rejected, then need to have it re-signed, you remember for the next time!

6. And, many times when you mail to Building & Planning the associate forgets to date it or put their ID number in the area where they are to sign. This gets missed and is discovered by Department of Licensing that it is missing and it gets a “reject letter”.

These are just to name a few of the common “reject letters”. Yes, those are real letters. When Department of Licensing finds a problem, then actually have to return the documents to you with a “reject letter”. I actually like this process because there is nothing worse than having 5 sticky notes all over your documents with instructions on what is wrong and you understood when they were explaining and now you are back at your office and cannot make sense of what you are to fix. So, they are very clear “reject letters”.

SO, YOU CAN SEE WHY THINGS ARE TAKING SO MUCH LONGER. AND WE ARE IN PHASE 3 AND DON'T KNOW WHEN THINGS WILL GET BACK TO NORMAL.....BASED ON WHAT THE NEW NORMAL WILL BE.

DISCUSSION?

INTERPLEADING DURING COVID 19

Typically, when you interplead the earnest money to the attorney who will be completing the documents, the money and documents go to the Court within one to two days. Then the Clerk of the Court will assign to a judge. Court documents are sent out to the purchaser and seller within the week and the action starts.

Most will be completed within 60-90 days.



BUT, during COVID 19, things have changed drastically.

I just learned of one of the transactions that I interpleaded January 2020 and as of May 2021 the money is still being held and the parties have heard from no one. I find that very unusual because the court docs should have gone out to the parties by now, but after checking I find that both the sellers address (which was the property address they moved out of) did not have a forwarding address, and the

purchasers address was the address on their earnest money check which was a temp address and no forwarding address. So, after checking I found that was the problem, but no one at the court reached out to anyone for better addresses.

Remember, every department is working with skeleton crews still. I know we are in Phase 3, but still many employees are working from home.

INTERPLEADING SHOULD BE THE LAST OPTION AFTER YOU HAVE DISCUSSED WITH THE PURCHASER AND SELLER HOW MUCH MONEY IT WILL COST AND THE TIME.

DISCUSSION?

Quiz for Scary Stories from a Closer Part III

1	Our entire industry changed Mid-March 2020	True	False
2	Agents and Lenders are not allowed to be in a signing appointment at this time.	True	False
3	A VIN number is always in the same place and easy to find.	True	False
4	Building and Planning requires a "placement" permit.	True	False
5	A "Writ of Mandamus" is a court order issued by a judge	True	False
6	A "silent second" can have zero or 1% interest rate.	True	False
7	Many sellers forget they took out a second that is due upon sale.	True	False
8	Mobile home closings are very easy to do.	True	False
9	Same day sign/fund closings often can be rushed and parties miss things.	True	False
10	The closer needs an addendum extending closing if prior one expired.	True	False
11	Department of Licensing rules can be so different than the county Auditor	True	False
12	Eliminating the title to a mobile home may be a problem.	True	False
13	Every signing office can have their own set of rules in place with COVID 19.	True	False
14	Forbearance is a temporary postponement of mortgage payments.	True	False
15	Under the Care Act, borrowers are entitled to 180 days + another 180 days.	True	False
16	Agents should discuss forbearance at their listing appointment, just to be sure.	True	False
17	During COVID 19 the courthouse is open to the public.	True	False
18	There are no delays at the courthouse during COVID 19	True	False
19	Interpleading is the best option for return of earnest money	True	False
20	There are no fees associated with interpleading.	True	False

I hereby attest that I have read the material and answered the questions.

Signature

Date completed



Mandatory Evaluation for Scary Stories III

Please fill out the following form and return with your completed clock hour class quiz.

Name: _____

Company: _____

Address: _____

Phone: (personal) _____ (work) _____

Email: _____

License Renewal Date: _____

Signature: _____ Date: _____

1. What are 3 things that you learned from this course?

- 1. _____
- 2. _____
- 3. _____

2. Do you feel the clock hour material was easy to follow? _____

3. Did the material give you information to help you in your profession? _____

4. Will the material help you with future transactions? _____

5. Why did you choose to take this course? Topic __ Time __ Cost __ Ease __ Other__

6. How long did this class take you to complete? _____ (a "clock hour" is 50 minute)

How will you pay for this correspondence class?

_____ cash _____ check _____ debit/credit information needed:

Card number _____ exp date _____

3 digits on back _____ zip code of where bill is mailed _____