

# Title Talk



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## TITLE ALERT!

Being an **Approved Attorney** with Penn Attorneys Title Insurance Co. just turned into an even better deal. Act 79 of 1995 (a/k/a House Bill 602), which was signed by the Governor on December 21st, 1995, went into effect on February 19th, 1996. This act imposes major and costly requirements on **Title Agents**.

**THIS ACT DOES NOT AFFECT YOU AS AN APPROVED ATTORNEY FOR PENN ATTORNEYS — NO ACTION IS REQUIRED ON YOUR PART.**

Some of these requirements are:

1. CONTINUING EDUCATION. (Certain CLE Courses will satisfy this

requirement if approved by the Insurance Department.)

2. ERRORS AND OMISSIONS INSURANCE. (At this time it appears that Lawyers Liability Insurance will not satisfy this requirement.)
3. A BLANKET FIDELITY BOND covering all employees.
4. Posting of a SURETY BOND.
5. Various and sundry REPORTING REQUIREMENTS.

Call us with any questions — and please, alert your Colleagues to the **PENN ATTORNEYS ADVANTAGE!**

## Corporate Lien Certificates

A recent letter from Dorothy Totton, Department of Revenue reminds us:

- 1) Lien Certificates will not be faxed.
- 2) Information will not be given over the phone.
- 3) You must be specific when giving a name - Smith Corp. will not get you the information for Smith Corporation.
- 4) They will attempt to mail certificates within 4 days of the receipt of request.

(P.S. Those of you currently using a service to obtain these reports might want to do a cost/benefit analysis in light of #4.) ■

## Update on Inheritance Taxes

Due to the adoption of Act 48 of 1994 (72 P.S. 9111 and 72 P.S. 9116) and amendments, the inheritance tax due on the interest passing to a surviving spouse who was not in title is 0% as to decedents dying after January 1st 1995. ■

## It's that time of year again

The IRS has included lawyers as one of their seven targeted groups to audit. They are currently building lists from bar associations, yellow pages, etc. to check if a return was filed. Their research claims that 14% of all practicing attorneys do not file a return with the IRS. ■

## Where's the Map?

You've probably noticed that when your legal description references a map and lot numbers on that map we'll ask whether the map is recorded or unrecorded. The reason for this

is that an unrecorded map with lot numbers is useless in describing the lots on that map and so therefore we will require the addition of the tax I.D. number to the legal description. ■

# R.I.P. - Finally

According to a recent conversation with the Department of Revenue, they are going back to a strict interpretation of 72 P.S. 9169 in deciding when a lien for inheritance taxes expires - that is, 20 years and 9 months after death, inheritance taxes cease to be a lien against the property. (N.B.: Assuming a sale has taken place transferring the property out of the estate and/or heirs.)

According to an attorney in the office of Chief Counsel they are preparing a position paper on this change which will be ready in a few months.

Any special situations should be detailed in a request for a ruling to:

John Loomis  
Deputy Chief Counsel  
Office of the Chief Counsel  
Pennsylvania Revenue Dept.  
Dept. 281061  
Harrisburg, PA 17128-1061

Our thanks to Scott Schreffler, Esq. of Emlenton for alerting us to this change. ■

## To Err is Human

We remind our Lawyers using outside abstractors for searches that they should insist that the abstractor be covered by an Errors and Omissions policy. Granted, these policies are typically written on a "claims made" basis and are useless to you

if he subsequently lets the policy lapse but it is still a sign of professionalism that he is able to get such a policy. Beware the part-timer that you may be tempted to use in a crunch; it could turn out to be a very expensive search. ■

## Marketing Tip

Order a supply of blank personalized note cards with matching envelopes and keep them in the office. Whenever you hear or read about promotions, awards, etc. concerning

current or past clients, business contacts, or acquaintances drop them a quick line. With the cards on hand there's one less excuse for keeping up contacts. ■

### BULLETIN BOARD

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### Psst ... look in the bag

Just a reminder that IRS form 8300 must be filled out when any cash payment of \$10,000.00 or more is made in any one transaction or group of related transactions. In addition to cash, certain monetary instruments trigger the requirements — bank drafts, cashiers checks, and money orders for example. ■

## Upfront and Personal

During an average business day you might receive several fax transmissions, a few messages in your e-mail and stare endlessly at the almighty computer screen. Indisputably, in the "impersonal" world of business, nothing can take the place of personal attention and service. While Penn Attorneys strives to provide faster and more efficient service through electronic means, we also realize that nothing is more important than keeping our personnel available to answer your questions or solve your problems, review forms and procedures, and/or work with your support staff. In addition to our toll-free phone line (800-352-2216) which will put you in touch with any member of our staff, you may request a personal visit from one of our facilitators. Marketing Representative **Heather A. Melhorn** is one of our qualified facilitators and is now working with attorneys in the Western half of Pennsylvania. Heather's full knowledge of PennAttorneys' policies and procedures comes from hands on experience with title processing since 1992. By providing attorneys and their assistants with commitments and policies, and by assisting in the accounting and data-processing departments of the Company, Heather has developed special insights and problem solving capabilities. In addition to her title experience, Heather boasts an associate degree in specialized business from Erie Business Center and is a skilled executive administrative assistant with proficiency in Wordperfect, Lotus, Harvard Graphics, Mas-90 and Unix.

Providing the same personal service on the eastern side of the state, Marketing Representative **Marie U. Price** works out of our Montgomery County office. Marie has a total of seven years experience in the title industry and as an independent closer. In addition, her unique background (29 years of experience) in banking, insurance and securities, direct sales and management, have given her a wealth of understanding and knowledge to help make the transaction close. If Marie Price, Heather Melhorn or any member of our staff can be of assistance to you, please contact us for an appointment. ■

## DPW Revisited

Act 1995-20 amends 1994-49 (estate recovery) in that now a purchaser for "adequate consideration in money or something worth money" (read: arms length transaction for fair market value) will not be held liable for claims against the estate.

This exemption would obviously not apply to heirs and specific devisees. We will continue to put this requirement in the commitment with the notation "if applicable" — your reply of "not applicable" will satisfy the requirement. ■

## What Do You Think?

In an effort to offer you ever higher levels of service we ask that you please take a minute to complete the enclosed survey and return it to us. ■