

May 2015

# ChicagoBlog

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**CFPB** Website

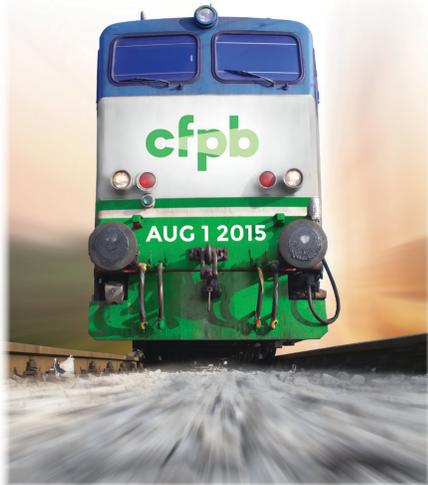
By  CHICAGO TITLE

Just to remind you that it's only less than 79 days for the new CFPB Integrated Mortgage Disclosure Rule goes into effect on August 1<sup>st</sup>, 2015.

Are you or your company prepared to meet the new requirements? What are the changes that will affect your transactions on or after August 1<sup>st</sup>? Most importantly, are you prepared to guide your clients under the new rule and feel confident in your knowledge and preparation for August 1<sup>st</sup>? Don't get panic if your answers are no to these questions, we have you covered.

As your partner in Closing, our mission is to guide you every step of the way through this journey. Our CFPB Readiness Program

includes those of Seminars, Training Classes, Email Campaign, as well as a full CFPB Communication & Marketing Library. Start by visiting our website at [www.chicagotitlelibrary.com/cfpb.html](http://www.chicagotitlelibrary.com/cfpb.html) today!



## May Fun Facts & Events

1. May Birthstone: Emerald, symbolizes success and love
2. Zodiac Signs: Taurus - 05/1 - 05/20, Gemini - 05/21 - 05/31
3. May Flower of the month: Lily of the Valley
4. May is the third and last month of the season of spring
5. The month of May is devoted to the Virgin Mary in the Catholic Church
6. May 1<sup>st</sup> is May day celebrating the arrival of Spring
7. May 5 - Cinco de Mayo
8. May 6 - National Teacher Day
9. May 10 - Mother's Day
10. May 16 - Armed Forces Day
11. May 25 - Memorial Day - National Holiday
12. May is Asian American and Jewish American Heritage Month

## ESCROW CORNER

### Naughty Notary

Amanda Walsh, an escrow assistant at our sister's office in Portland, Oregon, was reviewing the documents received from a co-borrower involved in a refinance transaction. The documents were signed in the presence of a mobile signing agent, because the borrower was located in the state of Florida. The loan documents had to be shipped to co-borrowers in two different states for signing.

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In a follow-up conversation with a borrower after the signing had taken place, Amanda took note that the borrower referred to the notary as “he.” Amanda was looking at the documents that came back and they were clearly notarized by “she,” a woman by the name of Denise Doe.

Amanda took the documents to the escrow officer, Kim White, who also thought it suspicious the borrower referred to the notary as a man. Kim began an investigation by calling the signing service company. The president of the signing service company called the commissioned notary, who said she had conducted the signing herself and she would not notarize documents she had not witnessed being signed. The signing service president passed this information on to Kim and suggested there had been a misunderstanding.

Since the loan documents had to be signed in two different states by two different borrowers, Kim thought perhaps there was confusion with the male notary on the second signing appointment. Amanda made another call to the borrower in Florida. It became crystal clear that someone named David Smith conducted the signing and someone named Doe notarized the documents. Amanda knew this was a case of notary fraud.

Amanda and Kim agreed the loan documents they had in hand were fraudulent, and they needed to report the incident to the lender and have new documents signed. Kim and Amanda contacted the signing service company president again with more facts. The notary was cancelled effective immediately by the signing service company. The notary can never perform signing services on behalf of the Fidelity Family of Companies again.

In addition the signing service company filed a complaint of misconduct with the Notary Section of Executive Office of the Governor in Florida, where she is commissioned as a notary public. This particular notary had been completely vetted, certified by the association and background-checked.

However, it appeared she became greedy or desperate somewhere along the way, by deciding

to have her fiancé go out and conduct signings even though she was notarizing the documents. Even worse, the borrower in Amanda and Kim’s transaction, who was a former notary public herself, stated Doe had actually pre-stamped these documents so they had her seal and signature on them before the borrower signed them!

Beyond the notary fraud, Amanda and Kim recognized there was also a breach of security because the borrower’s confidential information was in an unintended party’s hands — the fiancé. The breach was reported to [privacy@fnf.com](mailto:privacy@fnf.com) and a breach of security letter was sent out to the borrower along with a certificate for one year of free credit monitoring.

The signing service company instructed the notary to destroy any personal information she or Smith obtained in the course of the transaction. As a result, the signing service company waived all signing fees and our Company issued a credit for the title insurance premium for the borrower’s inconvenience.

The original documents were signed on the last possible signing day in order to have the loan fund by month end, so Amanda and Kim knew having the loan documents redrawn and re-signed was not going to make the lender happy. To make matters worse, the lender is a very good customer of the company, but Amanda and Kim did not hesitate to do the right thing.

Amanda and Kim sent out new documents for signature and had them all re-signed and notarized properly.

### MORAL OF THE STORY

Despite how many controls are in place for approving and monitoring notaries, they can still do something stupid or unethical! We are fortunate to have employees that are honest and are cohesive to our strict policies that our clients are well protected at all times.



Your CFPB readiness partner - every step of the way.