



ANNOUNCING THE ARRIVAL OF:

Newsletter Date

July 4, 2006

Volume 1, Issue 1

WWW.RESTINC.COM

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No more "This page is under construction"

Although REST, INC. had a website up very early on when the information super highway arrived, the original site was taken down due to a change in web hosting. Then, we got so busy providing the training and services our clients needed that the website project was put on the back burner.

Once the ink was dry on the contract for this new website a continuous stream of setbacks delayed the launch of the new bigger and better than ever website.

We are very pleased and proud bring to you a website that will not only make it easier to use and access the training and services of REST, INC., but

will also be an information tool that can help you on a daily basis.

All seminar dates will be posted on the website. Students can conveniently register online for the class dates they need.

REST.NET services are listed so that anyone needing closing support services can see a list of the services we offer and the cost of the services.

Our Resources Page provides hyperlinks to many of the sites our clients need to access daily.

Our newsletter will be issued quarterly to provide you with new information, and the latest on how to be successful in our industry.



**Construction Zone
is
Closed**

We hope everyone enjoys this new website and will find it a useful tool.

Thank you to all of our clients: past, present and future for helping REST, INC. become your source for training and closing support services.

ATTEND CLASS ONLINE

We now offer courses online to make learning convenient for you.

Check out the new three hour courses online so far:

Mortgage Fraud 101

Fundamentals of Clearing Title

Docu-Drama

Real Estate Law Office Practice Management

Post Closing Clinic

The Road to Successful Closings

AND

COMING SOON:

Residential Loan

Closing Seminar

ONLINE

RamQuest - the best closing software on the market!

"It does everything but butter your toast!" That's an under statement.

Check out our webpage on this incredible software to see for yourself. Ask yourself the questions. Can your software do what RamQuest can do?

RamQuest has been designed to accommodate the paperless

closings of the future TODAY!

REST, INC. can help small to medium size firms purchase RamQuest at a price that meets their budget. You don't have to be "big" to afford the "best."

REST, INC. can assist Ram-Quest users with Admin support and user training.

And, for all of you who are in the job market, expand your job opportunities to firms using RamQuest. In just one day of online user training you can add RamQuest to your resume.

REGISTER TODAY AND GET THAT NEW JOB

Online user training class are forming NOW!

Feature Story - Supreme Court Advisory Opinion No. 04-1



Georgia. Attorneys who conduct "sign only" types of closings should definitely contact the State Bar of Georgia to be sure the closings they are conducting fall within the rules.

Did you know that The Supreme Court of Georgia issued a new advisory opinion regarding real estate closings in Georgia? Formal Advisory Opinion No. 04-1. The question before the court was: "May a lawyer participate in a non-lawyer entity created by the lawyer for the purpose of conducting residential real estate closings where the closing proceeds received by the entity are deposited in a non-IOLTA inter-

est bearing bank trust account rather than an IOLTA account." The Court's opinion sets forth that "all funds involved in a residential real estate transaction must be handled in accordance with Rule 1.15 (II)." Further, the Court again said that the "closing of a real estate transaction in the state of Georgia constitutes the practice of law." "Thus, to the extent that a non-lawyer entity is conducting residential real estate clos-

ings not under the supervision of a lawyer, the non-lawyer entity is engaged in the practice of law. If an attorney supervises the residential closing, then that attorney is a fiduciary with respects to the closing proceeds."

All attorneys conducting real estate closings should read the Court's opinion in its entirety. Any questions as to the application of the opinion should be directed to the State Bar of

THE UNDERWRITER'S NOTE

It is not news, but it is dealt with at almost every professional gathering. If you were at the Real Estate Institute, you had several speakers on it. If you were at the recent Atlanta Bar Real Estate Section breakfast, you were exposed to it again. If you attended the Dixie Land Title Association lunch, you know it is on everyone's mind. GREFPAC (Georgia Real Estate Fraud Prevention and Awareness Coalition) is having a two day Convention in August on it. IT is mortgage fraud. Georgia has the unenviable distinction of being rated number three in the country for instances of mortgage fraud. Metro areas are not the only places of mortgage frauds activity. Commercial transactions are not immune.

Other than the admonition to: **USE COMMON SENSE**, here are some suggestions:

1. **DO NOT** issue title insurance commitments that do not accurately represent the status of title (current status of record title—not how it is going to be). A refinance transaction cannot take place if the borrower is acquiring title.

2. **DO** read and follow the Closing Instructions from the lender. Most lenders prohibit recent transfers of title. Most lenders prohibit a borrowed down

payment, no matter how cleverly it is disguised.

3. **DO NOT** make disbursements that are not reflected on the Closing Statement. Verify that everything on the Closing Statement is appropriate.

4. **DO NOT** make disbursements to entities that do not have a legitimate claim to closing funds. The most recent method is to add payments to the Closing Statement to entities (usually shell corporations owned by an "interested party") not related to the closing (often reflected on an Amendment to the Contract that increases the Purchase Price by the amount of the new disbursements).

5. **DO VERIFY** recent pay offs of Security Deeds. It is increasingly the case that Satisfactions of Security Deeds are fraudulent.

6. **DO** make a clear copy of the front and back of the borrower's driver's license. **LOOK AT IT**. There may be unidentified "interested parties" attending the closing. Get identification verification from everyone.

7. **DO VERIFY** the accuracy of the Loan Application with the borrower.

8. **DO NOT** close multiple primary residence transactions for the same borrower.

9. **DO NOT** participate in "illegal flip" transactions. An "illegal flip" is a sale that uses any number of techniques resulting in a resale of property at a fraudulently inflated price.

DO COOPERATE AND COMMUNICATE with the lender. Most lenders now have a Loan Officer trained in Mortgage Fraud Prevention. The Loan Processor may not have the training or experience to understand your concern. Ask for the person who has authority to make a decision.

ABOVE ALL, use your experience, training and common sense. If it doesn't seem right, it probably isn't. Fraudsters are very clever, so **BE ALERT**.

NEWS

The American Land Title Association, at its June 17, 2006, meeting, approved a significant modification to the majority of title insurance forms in general use. The new forms will be phased in over the next few months. It is ALTA's intention to decertify the old forms on December 31, 2006. You'll be hearing a lot about this in the near future.



Don't let
Mortgage Fraud
put you behind
BARS!

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Register TODAY

Mortgage Fraud 101

Learn techniques to spot
mortgage fraud in your
titles and your closings.

Attorney of the Issue - A.J. Mitchell

Attorney A. J. Mitchell is a member of the American Bar Association, State Bar of Georgia, and Gwinnett County Bar Association. As a commissioned army officer, he served in various executive management positions of contract and real estate management both in the U.S. and abroad. Upon retiring from the Army as a Major, Mr. Mitchell joined General Electric Corporation (GE) and, after finishing law school, served as a GE Risk Attorney, providing legal, contract, and risk management advice to management, sales, and pro-

ject management teams. Mr. Mitchell left GE in early 2003 to pursue a real estate law practice and established *The Law Offices of A. J. Mitchell, LLC*. Mr. Mitchell also serves as an adjunct professor with DeVry University's Keller Graduate School of Management, where he teaches Business Law and Contract Management. He received a B.S. degree from the University of South Alabama, an M.S. degree in Contract and Acquisition Management from Florida Institute of Technology, an M.B.A. in Project Management from

Keller Graduate School of Management, and a Juris Doctorate (J.D.) from John Marshall Law School.

The Law Offices of A. J. Mitchell, LLC is a general practice law firm with a primary focus on residential and commercial real estate matters. Other practice areas of the firm are as follows:

Contracts (Formation and Negotiation); **Corporate Law** (Incorporations, LLC's and Partnerships); **Family Law** (Uncontested Divorces, Wills) **Personal Injury**

Customers may order titles



directly from our website www.ajmitchell-law.com. We are generally able to obtain titles in the Atlanta metro area within a 24-hour period.

The Law Offices of A. J. Mitchell, LLC is located at 3555 Koger Blvd., Suite 374, Duluth, GA 30096 and we may be contacted at 770.931.3600 or fax 770.925.7303.

Reconciler's Corner

FRAUD IS RAMPANT

External and Internal

WHAT CAN YOU DO ?

Below are recommended controls to safeguard the escrow account and assist your agency to operate in a more efficient manner. Once these controls are implemented they will improve internal controls, minimize accounting errors, and minimize potential losses to your agency.

- Dual signature should be required on escrow checks.
- Background investigations (criminal & credit) should be performed on all escrow signatories.
- A second signatory should compare disbursement to the HUD, ledger, and incoming deposit amount
- Incoming funds should be compared to the amount of outgoing disbursement to verify adequate funds were collected.
- Deposit slips should be pre-numbered (similar to checks) and this number should be used as the reference number

when posting checks

- Wires should be entered into a wire log and include a wire no. the amount, date, the file no., and initials of who verified the wire. The wire no. should be used as the reference no when posting to the system.
- Deposits and incoming wires should be posted to the computer system daily utilizing their reference no. once validated by the bank.
- Ledger cards should be printed after checks and deposits are posted and the balance of the file verified.
- Voided checks should be marked through to eliminate the possibility of reissue, and the void posted to the system.
- Stop payments should not be posted until it is confirmed the check has not cleared and a stop payment notice has been complete.
- A trail balance of open files should be printed weekly and follow-up performed on all balances.
- An outside source (Escrow PROS!) should perform monthly escrow account reconciliations.
- Reconciliations should be completed by the 20th of every month.
- Follow-up should be performed on all outstanding checks greater than 60 days old.
- In-transit deposits should be verified with the validated deposit slips that they clear within the first 3 business days of the following month. In-transit deposits should never be listed on the reconciliation for two consecutive months.
- Reconciling adjustments should be cleared on a monthly basis to accurately reflect escrow file balances.
- Recording fees should be paid directly out of the escrow account on a per file basis. Files pending recorded documents should be stored in a separate area and follow-up should be performed weekly.



- Underwriter premiums should be paid directly out of the escrow account on a per file basis or deposited into a separate underwriter premium escrow account.
- Prior to storing files as "closed" a final review should be performed.

Escrow PROS will continue to bring you valuable tips and information in each REST, INC. newsletter.

Escrow PROS

Title Industry

Accounting Experts

103 Park Place Way

Carrollton, GA 30117

678-890-8127

800-360-2046

www.escrowproslc.com



The IT Guy

Scott Sawyer

Scott Sawyer Consulting

Technology Service Provider

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Time to buy a new computer?

Have you been to a computer store lately? Amazed by the dizzying array of options presented? How do you know what computer you need?

If what you need is a business machine, keeping your costs down should be your number one concern. It is easy to get carried away with tremendous monitors, graphics cards, huge hard drives and TV tuners, but these will all increase your costs and probably with little benefit. Sure its fun to be able to play the latest online video game and watch movies with a cinema sized screen, but will it make you any more money? First you need to consider what it is you need your computer to do. Graphic designers and AutoCAD operators need tremendous hard drives (maybe 250 gigabytes [gb] or bigger), tons of memory (2 gb), and graphics cards with 256 megabytes(mb) of RAM. But if your computer is just a business tool; you use MS Outlook, Word, and Internet Explorer and maybe some other business software, I say cheaper is better.

I am often asked, "I heard Macs don't get viruses, should I buy one?" And my answer is, "It depends." Let me dispel the myth, most viruses are written for Windows based computers, but not all. And most Mac people don't use anti-virus software. Windows machines are more vulnerable out of the box, but with the help of some **free** software, some configuration

and some good online practices, you can all but eliminate your risk of catching anything too nasty. The next thing to consider with Mac is whether or not it will run your software. Most of your Microsoft applications are available in Mac format and Windows emulators have come a long way. But if you want a Mac for its "ease of use", aren't you just making your life more difficult? Plus, much industry specific software just doesn't work right for Macs and people may have a hard time opening the files you email them. Apple makes a good machine, and for certain industries there is no substitute, but in a business environment, I recommend staying away from Mac.

Microsoft is about to launch their new operating system, Windows Vista. Should you go out and buy a new machine (it won't run on your older hardware)? NO! Always wait at least until the first round of patches come out. These programs usually have problems that are impossible to test until thousands of users get their shot at using it in ways the big brains at Microsoft never imagined. Also, this presents a great opportunity to get a deal on a Windows XP machine, which there are now two service packs and dozens of updates and fixes available. I feel the same way about most of the new gadgets for computers, many are great ideas but still need a generation or two before they are very useful.

So what do I recommend? Cheaper, cheaper, cheaper. Today desktop computers can be had for less than \$400. But what components? Make sure you are getting at least 512 mb of memory, 80 gb hard drive and a 1.5 megahertz (mhz) processor (I don't care about the brand). Compared to what is available, these specs may seem unexciting; remember a computer will only last 3-5 years. You might get a couple more if you try real hard, but you can easily spend more than cost of a new computer maintaining an old one.

Now the real deals are laptops, with well equipped models coming in around \$700. Laptops are ideal for many situations and offer a higher level of freedom, unless you need an excuse to not take your work home. To take advantage of all that new found freedom, consider getting one with a built-in wireless card. Don't worry if yours doesn't, wireless cards can be found for under \$40. I do recommend MS Windows XP Professional. Don't go to a "Big Box" retailer, the selection will be limited with the focus on features you won't need. Try a computer store like Microcenter or Vision and don't worry about brand names.

Last but not least, never buy the extended warranty. Think about it: \$400 for the computer and \$300 for the warranty? Good luck and happy computing!

Employee's Voice

.Time after time I have been hired by real estate law firms only to have the position I thought I was hired for become a different position. I enjoy doing preclosing, and I know it pays less than the position of closer. I don't want to be a closer because I have children and need to be home at a set time.

But as soon as the firm learns I can do the closing position, a closer I become. However, I still get paid the salary of the preclose position. It's not that I mind helping out, and I always try

to be a team player, but this just is not right.

If an employer wants you to do a job that pays twice as much as the job you were offered and accepted, then you should get paid for it.

This cycle always ends the same way. I become burned out and bitter. The employer has gotten away with taking advantage me, and continues pushing the envelope. Then I quit. And, in the end, it looks like it is all my fault because I didn't want to do

what I said I didn't want to do in the first place.

Is it too much to ask to be expected to do what you were hired to do and what you are being paid to do?

Employers please be fair in your expectations. If you intend to expect other job duties be up front at the time of hiring and say so.

These problems can easily be solved by employers providing us with a written job description so the position is spelled out and it is clear what you are paid for.



This will be a regular feature in the newsletter. Employees are welcome to submit their own articles for future issues.

Submit your entries via email

All employee articles will be anonymous

The continuing saga of Rapunzel

Once upon a time there was a girl named Rapunzel. Rapunzel was very talented and had worked very, very hard for years to be the best at what she did. Rapunzel knew how to grow long, beautiful golden hair. She became the only one in the land who could teach others how. Rapunzel loved helping others learn and truly enjoyed her work and giving the gift of knowledge to others.

Then, one day, while strolling through the forest, Rapunzel came upon a troll. But she did not know it was a troll, because the troll cast a spell on her to make her see a golden goose. The golden goose promised Rapunzel that if she would only follow the golden goose would lead her to a land where she could help many more people than she ever could have imagined.

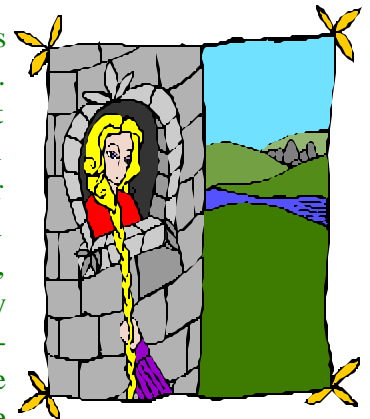
And, as a bonus, Rapunzel would be able to do even greater things to help the people of the land.

Now, Rapunzel had always been a little on the gullible side. And, she had always trusted too much, too quickly. She was of a kind and gentle nature, and always sought to find the good in everyone. Rapunzel made the biggest mistake of her life. She believed the golden goose, and happily followed the golden goose into the darkest regions of the forest.

Once the troll had Rapunzel in his clutches the sinister plan of the troll began. The first thing the troll wanted was all of Rapunzel's knowledge on how to grow long, beautiful golden hair. Next, the troll needed to

know how Rapunzel was able to teach others. Somehow the troll thought that by doing so he would receive all of the credit for what Rapunzel had worked so hard to create. And then, the troll would be able to pass Rapunzel and take everything for himself. The troll thought it would be like taking candy from a baby.

Day by day, the troll set about to drain poor Rapunzel of all of her knowledge and skills. But before long the troll started to realize that, while Rapunzel was very trusting, Rapunzel was not stupid. Blonde does not equal dumb. The troll began to get very frustrated that his plan was not going to be as easy as he originally thought it was going to be.



Stay tuned for the next issue of the REST, INC. newsletter to follow the story of Rapunzel and the troll.

Can Rapunzel figure out that the golden goose is really a troll?

Can the troll succeed in taking all of Rapunzel's knowledge?

Or will Rapunzel turn the tables on the golden goose?