

THE NATIONWIDE STANDARD

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A Free Quarterly Newsletter for Lenders

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Serving you since 1987

Our Mission

"We are committed to being the foremost provider of accurate information and quality customer service at a competitive price for our clients."



Portfolio Clean-Up Tip:
Be sure to send us your deletions!

Nationwide Real Estate Tax Service, Inc.
425 Tesconi Circle
Santa Rosa, CA 95401
(707) 528-7852
(800) 528-7803
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www.nationwidecompliance.com



Certified since January 2005

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THE DANGERS OF 'ADDRESS ONLY' FLOOD RESEARCH

Sometimes referred to as "instant hit" or McFlood Certs, they (as in 'the computer') give your flood zone determination back to you in seconds or minutes. They look like any other flood cert, presented as required on FEMA Flood Form 81-93. They satisfy a legal requirement for loans. They are intended to advise you of risk.

Let's have a Q&A session regarding the subject:

Q) Who cares if a flood cert is researched by a human or spat out by a computer?

A) The borrower would care... if they knew. They pay the insurance premiums (or not). They don't want to pay any more than they have to... or any less.

Q) Isn't it better to get a flood cert back in seconds rather than an hour or so?

A) Is it? If you had the choice between watching a movie in 5 seconds versus 90 minutes, which would you choose? A borrower would most likely enjoy the entertainment value of a 90 minute movie, as they would the knowledge that a person took a few extra minutes to do the flood research on their property to make sure the zone designation was correct.

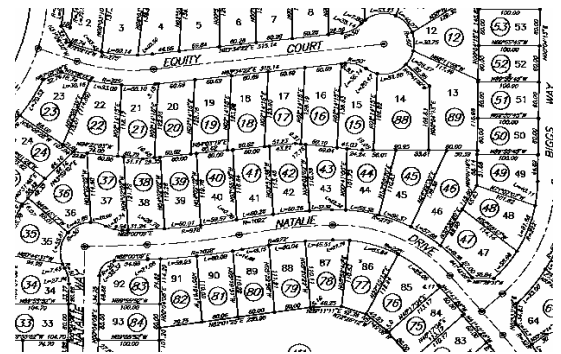
Q) Isn't it better that computer flood determinations are cheaper?

A) There's an old saying: "You get what you pay for." Yes, it does cost a few extra dollars to have a human research flood zones --- perhaps the price of a mocha latte --- to insure the thousands of dollars of a loan is properly evaluated for flood risk.

Q) Why is it important to match an address to a parcel?

A) Because properties are not points on a map, as much as they appear that way on Google maps. Properties have size and dimension and can cross multiple flood zones. Computer searches... well, they just plot points on a map.

Look at the picture to the left above. Now look at the picture below. One is a computer plot of a property based on address and one is a county parcel map based on a parcel number.



Q) Can you tell which one is which?

Q) Wouldn't you rather have a person using both maps to aid in their flood research rather than a computer just using the plot point in the top left picture?

Q) Don't you think your borrower would?

A) Your customer is you...

A Tale of Two Flood Companies

(Or, How I Threw My Money Away without Even Knowing It!)

It was the best of times it was the worst of times, but despite that enigmatic fact I needed a flood zone determination company and I needed one fast. I had a borrower itching for The American Dream and I was more than ecstatic to help them on their way with that. Heck, I had money to lend and Charles Dickens knew I could use the business.

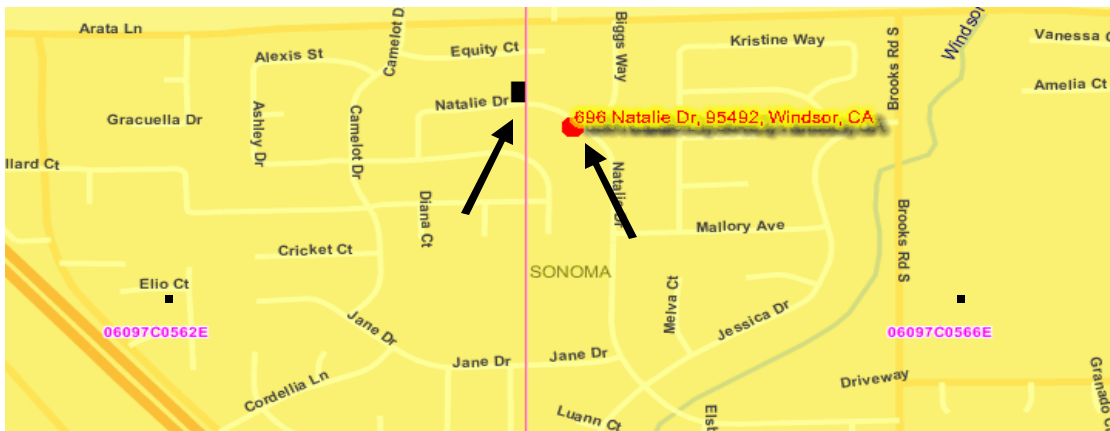
Company A looked nice: sleek website design, all high-fives and handshakes. They were cheap and fast, just the way I like it. \$10 per flood cert and they could fling them back at me before my fingers pulled away from the keyboard. And they only required an address! Slick!

Company B looked alright, except they cost a few dollars more per flood cert and take an hour or two to send it back to me. I don't have that kind of time... I like my pop tarts micro waved in 5 seconds, Mister! And \$15? What, were they bucking for early retirement? And I had to provide a parcel number with the address? What am I, an encyclopedia?

I had to make a decision and I had to make it fast. Ah, they're all the same... I'll just go with good 'ol fast and cheap: Company A.

INTERRUPTION: *What the person in this story doesn't know is that the address he is using: 696 Natalie Dr, Windsor, CA 95492 will be plotted on the wrong FEMA map by the computer. Company A will give him a flood cert that says the property is on FEMA map 06097C0566E.*

He just paid for the wrong information! He just threw his money away without even knowing it! Fast and cheap is how he likes it and fast and cheap is what he got!



*Company B does manual research. The flood researcher pulled up the parcel map and found out that the **property is really on FEMA map 06097C0562E**. It took a little bit longer and it cost a little more, but the information is real and accurate. Now, back to our tale...*

So, one day I'm reading an article by Company B about computer determined floods versus manually researched floods, so I decide to test them out with that loan I made on Natalie Dr. I couldn't believe it! Company B found out that Company A gave me the wrong information! I can't believe I threw my money away without even knowing it!

I found out a couple other differences between Company A and Company B. Real live people answer the phones at Company B and they provide free consultations. The HMDA Census Tract information was included without additional charge and they even provided free rush service. And Company A? Well they merged so many times and had their fingers in so many things that they finally went bankrupt!

Now I'm a changed person, no longer fast and cheap. Now that I have experienced the quality of Company B's Flood Service, I think I'll try their Tax Service. But that is a story for another day...

Hours of Operation:
Mon – Fri, 8am – 5pm

Important E-Mails:

General Info

info@nationwidecompliance.com

Business Development

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Flood Questions

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Tax Questions

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Independence Day, 7/04

"We must be free not because we claim freedom, but because we practice it." ~ William Faulkner

Parent's Day, 7/26

"Don't worry that children never listen to you; worry that they are always watching you." ~ Robert Fulghum

Aviation Day, 8/19

"The scientific theory I like best is that the rings of Saturn are composed entirely of lost airline luggage." ~ Mark Russell

Labor Day, 9/07

"Work isn't to make money; you work to justify life." ~ Marc Chagall

9/11

"He conquers who endures." ~ Perseus

Grandparent's Day, 9/07

"The reason grandchildren and grandparents get along so well is that they have a common enemy." ~ Sam Levenson

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SPRING... ER, I MEAN SUMMER CLEANING

Isn't it amazing what we accumulate? We emerge from a drab and dreary winter to sunnier days. Time to mow the lawn, clean up the yard, shake off our hibernation, open the garage... oh my, look at all that stuff. Maybe it's yard sale time...

Time has a habit of getting away from many of us. We go about our standard routines, and hours turn to days turn to months. The seasons shift. Time moves forward and we trail along in its wake. And all the while we accumulate stuff.

Tax and Flood servicing portfolios can get like that, especially if they are not integrated into the process of closure. When a loan pays off or closes, everything associated with it should close out, too. Here are three ways to get caught up and keep up:

1. **Arbitrary Audit:** Contact us for a Tax and Flood audit of your servicing portfolio; it is part of the service fee. Go through the list and inform us of any closed loans.
2. **Season's Cleaning:** After each Tax season ends and you finish reviewing the report, fax it back to Nationwide noting any closed loans.
3. **Daily Deletions:** An excellent way to avoid going through a bulky audit is to stay current. Fax in loans as they pay off or delete them online.

Isn't it nice to have a dean and tidy home... and portfolio?

Did You Know?

Some "instant hit" flood companies put this disclaimer in their Service Agreement:

"Client acknowledges that [Company]: (a) shall have no responsibility to verify that the legal description or tax parcel number matches the street address furnished by Client for the Subject Property; and (b) will use the street address furnished by the Client to locate the Subject Property even in case of a conflict between the street address and either the legal description or the tax parcel number furnished by client."

Is that acceptable to your lending operations?
Are you working with such a company?

Recent News

FEMA's new Elevation Certificate (EC) was approved for use, effective March 16, 2009, through March 31, 2012. For more information, go to:

www.fema.gov/business/nfip/elvinst



Need to apply for a LOMA/LOMR to change a zone determination? Go to:

www.fema.gov/plan/prevent/fhm/ot_lm.txt

If you would like assistance in completing the application, you may call the FEMA Map Assistance Center toll-free at 877-336-2627. Agents are available M-F from 8:00am to 7:30pm Eastern Standard Time.

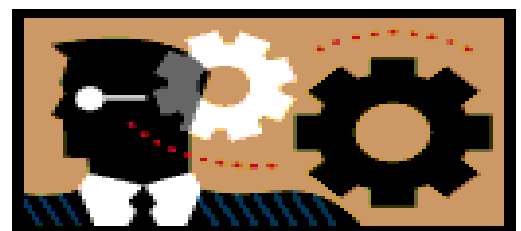


As of 2/24/09, Nationwide is using the current FEMA Form 81-93, Standard Flood Hazard Determination Form (SFHDF) with a December 31, 2011 expiration date. For the FEMA notice, go to:

www.fema.gov/business/nfip/sfhdform



In regards to the recent OCC Bulletin (OCC 2008-4), Nationwide does cross check information against the Community Status Book, as FEMA and the OCC recommend.



Quote for the Quarter

"Courage is resistance to fear, mastery of fear - not absence of fear." (Mark Twain, author and humorist, 1835-1910)



Just For Laughs

Holmes & Watson

Sherlock Holmes and Dr. Watson go on a camping trip. After a good dinner and a bottle of wine, they retire for the night, and go to sleep. Some hours later, Holmes wakes up and nudges his faithful friend.

"Watson, look up at the sky and tell me what you see."

"I see millions and millions of stars, Holmes," replies Watson.

"And what do you deduce from that?"

Watson ponders for a minute. "Well, astronomically, it tells me that there are millions of galaxies and potentially billions of planets. Astrologically, I observe that Saturn is in Leo. Horologically, I deduce that the time is approximately a quarter past three. Meteorologically, I suspect that we will have a beautiful day tomorrow. Theologically, I can see that God is all powerful and that we are a small and insignificant part of the universe. What does it tell you, Holmes?"

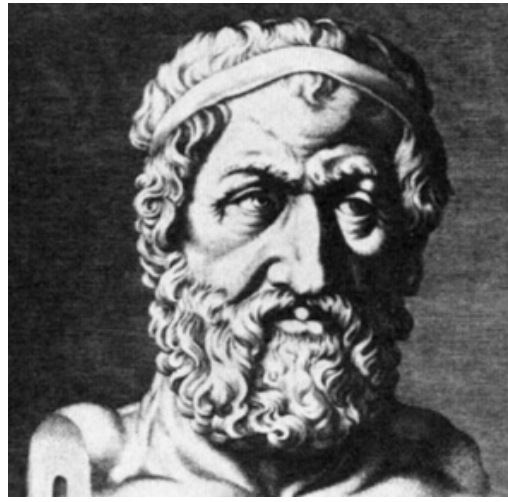
Holmes is silent for a moment.

"Watson, you idiot!" he says. "Someone has stolen our tent!"

Funny Quotes

"My doctor is wonderful. Once, when I couldn't afford an operation, he touched up the x-rays." – (Joey Bishop)

"Politics is supposed to be the second oldest profession. I have come to realize that it bears a very close resemblance to the first." – (Ronald Reagan)



The Tale

Zeno's Paradoxes - Part 1

Zeno of Elea (circa 490 BC? - circa 430 BC?) was a pre-Socratic Greek philosopher of southern Italy and a member of the Eleatic School founded by Parmenides. Called by Aristotle the inventor of the dialectic, he is best known for his paradoxes.

Zeno's paradoxes have puzzled, challenged, influenced, inspired, and amused philosophers, mathematicians, physicists and school children, for over two millennia. The most famous are the so-called "arguments against motion" described by Aristotle in his *Physics*. The first of three is given here, in the order, and with the names, as given by Aristotle, followed by a plausible modern interpretation:

"You can never catch up."

The Dichotomy: Motion is impossible since "that which is in locomotion must arrive at the half-way stage before it arrives at the goal."

(Aristotle *Physics* VI:9, 239b10)

That is, suppose an object moves from point A to point B. To get to point B the object must first reach the midpoint B1 between points A and B. However *before* this can be done the object must reach the midpoint B2 between points A and B1. Likewise *before* it can do this, it must reach the midpoint B3 between points A and B2, and so on. Therefore the motion can never begin.

WORD WEIRD

ARGY-BARGY: chiefly British : a lively discussion.

ETYMOLOGY: 1887, reduplication of Scots & English dialect *argy*, alteration of *argue*

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