

# THE NATIONWIDE STANDARD

Special Tax Edition

A Free Newsletter for Our Clients

4/3/2008

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## Our Mission

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

**HAPPY  
NEW  
YEAR!**

**Nationwide Real Estate Tax Service, Inc.**  
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## Are Your Liens Protected?

By Jason Engels

Through my daily contacts and observations I have come to the conclusion that the lending industry is pretty much split 50-50... half of the industry is ordering tax service on all of their loans secured by real estate and the other half only orders tax service on their first trust deeds. Of course, that split does not include those that do not order tax service at all.

The reasons given to me by lenders ordering tax service on all loans secured by real estate far outweigh the reasons given to me by lenders who only order on their first trust deeds.

Here are some of the reasons given to me by those who don't order tax service on their seconds:

- o "We don't feel the need, we have never taken a loss"
- o "It's the lender in first position's responsibility"

Compare that to the reasons given to me by those that order tax on all loans secured by real estate:

- o "We took a loss"
- o "We don't want to take a loss"
- o "We only rely on the competency of our own staff to deal with delinquent tax issues if they arise"

Can you really rely on the lender in first position's competency if there is a delinquent tax issue? Or would your interests be better protected by relying on your own staff using your own tax service vendor?

Some lenders only track on their first trust deeds, relying on the lender in first position to report to them if there is a problem on their second trust deeds. *Did you know that they don't need to report a thing to you until foreclosure?*

Tax Service helps protect the lender by notifying them if their borrower has not paid their property taxes. Early notification to the lender can help the lender be aware of the situation before tax penalties are assessed. If a borrower doesn't pay their taxes after 5 fiscal years in California the county will proceed to auction off the property for any and all back taxes paid and the lenders lien will be expunged.

Are your liens protected?



## Quote for the Quarter

"I ain't saying that the service in my bank is bad, but when I went in the other day and asked the teller to check my balance she leaned over and pushed me."

**(Rodney Dangerfield – Comedian/Actor: November 22, 1921 – October 5, 2004)**

**THE NATIONWIDE DIFFERENCE**

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- Free Consultation on Reports & Questions
- Flat Fees – one price per parcel regardless the size or type of the loan
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- Client Newsletter
- Business Recovery Plan
- Notification When Delinquent Reports are Mailed
- Offer the Option of Dispersal on Impounds
- Hand Mapped Floods – NFDA Certified; Avg. Turnaround Under 2 Hrs; Free HMDA / 2000 Census Tract Data
- And So Much More!

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**2006-2007 Average Delinquency Rates**

For the 2006-2007 property tax season (all installments), Nationwide reported the following average delinquency rates in the West by state:

- California = 10.5%
- Nevada = 6.7%
- Oregon = 6.7%
- Washington = 9.1%

Are all of your liens protected by tax service?

**Did You Know?**

Together, California and Florida have:

- 36.4% of all the prime ARM loans in the country
- 42.4% of the nation's prime ARM foreclosure starts
- 28.1% of all the subprime ARM loans in the country
- 33.7% of the nation's prime ARM foreclosure starts

**Did You Know?**

The Mortgage Bankers Association reports that:

- Less than 1 percent of mortgages in 2005 went into foreclosure
- However, the number of mortgages in default rose to 4.70% (up from 4.38%)

A couple state statistics on 2004-2005 Property Tax delinquency rates:

- Washington = 4%
- California = 2.6% (secured) and 4.8% (unsecured)
- Oregon = just below 4%

