



Note from Sue:

I have heard you are enjoying the housing report attached. I will be sending a bit more information monthly, hoping to be able to give you a bit of useful information.

Please let me know if you would like to be removed from this email; or even more exciting, if you would like to request a certain topic for John or me to provide information on; or if you know someone to who would like to be added to this monthly email.

Thanks so much to all of you for being included in our list of friends.
Sue Estes

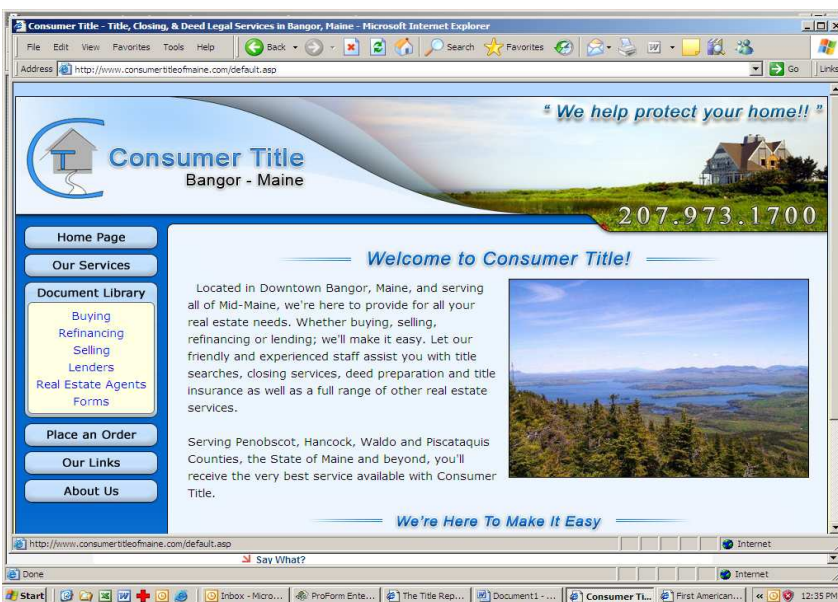


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Have you heard?

U.S. Economy: New-Home Sales Up 11%, Most Since 2000

By Courtney Schlisserman and Bob Willis
July 27 (Bloomberg) -- Purchases of new homes in the U.S. climbed 11 percent in June, the biggest gain in eight years, underscoring evidence that the deepest housing slump since the Great Depression is starting to stabilize.
Sales increased to a 384,000 annual pace, higher than every forecast in a Bloomberg News survey and the most since November, figures from the Commerce Department showed today in Washington. The number of houses on the market dropped to the lowest level in more than a decade. Cont.....

Read the full article at Bloomberg.com

Monthly Title Claim True Story: **THE PIRATED PAYOFF**

Brick Township, NJ--First American insured a refinancing of this residence for \$107,800.

Weeks before funding the closing agent mailed a request for payoff information to the existing lender. There was no immediate reply.

On the eve of closing a secretary called the lender and took down the following payoff demand:

"Per Audrey at Central File \$44,591.81 - payoff as of 7/27 - \$14.57 per diem - (loan number) 5001200017."

After closing, the payoff check was sent with a request that the canceled mortgage be forwarded by return mail.

Anchors Aweigh --When this home was refinanced the owner saw his ship come in.

Months later First American was contacted by its insured lender. It seems the borrower had two mortgages with the prior lender, one against his home and another against his boat. When the payoff check was received the lender canceled the boat mortgage and sent boat title documents to the borrower. The borrower made a few more home mortgage payments, then abruptly moved out of his house, abandoned his business (Richie's Fender Bender Repairs and Auto Sales), and sailed away on his free-and-clear boat (a 31-foot Bertram).

First American hired attorneys to file suit for judicial foreclosure, and for a declaration of priority over the prior lender. But the judge ruled for the prior lender, concluding they were without fault and shouldn't bear the loss.

First American paid \$62,927 to satisfy the offending mortgage, plus legal expenses of \$18,032.

The borrower's whereabouts remain unknown.

MORAL: Although not a favored practice, real estate transactions are sometimes closed based on verbal instructions or payoff demands.

When this is done, the opportunities for misunderstandings are limitless. The better practice is to get all instructions and demands in writing, with all essential understandings spelled out.