



To: All Maryland Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: June 10, 2019
Bulletin No. MD2019-06
Subject: Updated Information on Baltimore City Ransomware Attack

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This Bulletin supplements and amends, where applicable, WFG Bulletin WFG MD 2019-05.

Title industry representatives, including from WFG, attended a very productive meeting with the Baltimore City Mayor’s Office on Wednesday, June 5. Although a final resolution of the City’s ransomware problems does not appear to be imminent, there are several important developments to report to WFG agents and associates:

I. NEW PROPERTY TAX BILLS WILL BE ISSUED ON OR BEFORE JULY 1, 2019

The City announced that new property tax bills for the period of July 1, 2019 – June 30, 2020 will be sent to property owners on July 1, 2019.

Transactions that do not close by Friday, June 28, 2019, will require a Baltimore City Lien Certificate (BCLC) that is based on the new tax bill sent to the property owner. Therefore, if you know your transaction will not close until after June 28, do not order your BCLC until July 1 or later.

The City has also established a telephone number to verify real property tax amounts. Effective July 1, 2019, you may call Janice Simmons at 410-396-3961 for this purpose.

II. WATER BILLS CAN NOW BE CONFIRMED WITH THE CITY

The Baltimore City Department of Public Works, which is located at the Abel Wolman Municipal Building, 200 Holliday St., First Floor, Room 8, now has the ability to confirm water bill amounts.

Please note that title companies closing on properties in Baltimore County for which water bills are generated by Baltimore City will no longer be required to escrow funds if a confirmed water bill has been obtained.

III. TAX SALE STATUS CAN NOW BE CONFIRMED BY THE CITY

The Baltimore City Revenue Bureau, also located at 200 Holliday St., can now confirm the tax sale status of real property. This must be done in person, and will be required as part of the process of recording documents (see below for additional details).

IV. WHAT IS THE LATEST PROCESS FOR RECORDING SALE DOCUMENTS WITH BALTIMORE CITY?

- a. Complete the application for a BCLC and present it in person at 200 N. Holliday Street, in Room 1.
- b. Once the BCLC is issued, the applicant will be instructed to proceed to the Revenue Bureau for clearance. If the property is not in a tax sale, the BCLC will be stamped “Not in Tax Sale.” If it is determined that the property is in tax sale, an amount to redeem the taxes will be added to the BCLC.
- c. Next, the applicant will be instructed to go to the Department of Public Works to obtain a water bill.
- d. Get a Seller’s Affidavit signed.
- e. After your closing, you will need to hand-deliver the BCLC with the Seller’s Affidavit attached, along with the payment of all sums known to be owed, including City transfer taxes, state recordation taxes, and City yield taxes, if applicable, to 200 N. Holliday Street, Room 1B.
- f. After processing your documents, you will need to walk the recording package to the Land Records Department of the Baltimore City Circuit Court and pay the recording fees and state transfer taxes.

The City informed title company representatives that, once a BCLC has been obtained, and is presented for recording along with a properly executed and notarized Affidavit, the City will process the transaction upon payment of all charges known at the time of recording.

V. ADDITIONAL CONSIDERATIONS FOR RECORDING SALE DOCUMENTS IN BALTIMORE CITY

- a. The City has made it clear that it will not provide a BCLC for sale transactions which are not made to a bona-fide purchaser for value and without notice of existing liens. For example, if your transaction is not an arms-length sale (e.g., it concerns an intra-family transfer), the City may refuse to issue a BCLC. In such cases, you should confirm with the City, in advance, that your transaction will qualify for a BCLC.
- b. The current application for a BCLC asks 4 questions that may delay or prevent a BCLC from being issued:
 1. Is this a foreclosure deed?
 2. Did seller receive a homeowner’s tax credit for the current tax year?
 3. Did seller receive a new construction credit?
 4. Does the transfer involve five or more properties?

In the future, the City may also ask if the property was sold in a short sale.

- c. The City indicated that it will accept a Seller Affidavit from almost any type of seller (e.g., a trustee, personal representative, REO, etc.)

In the event a seller will not sign the Seller Affidavit, the City will allow the buyer to sign the Affidavit, so long as they agree to be responsible for charges that would otherwise be owed by the seller. A revised Affidavit which can be signed by seller or buyer is forthcoming from the City.

IMPORTANT: In the event a buyer signs the Affidavit, it will be necessary to take exception to possible City liens in the new owner's and/or lender's policy. The City will not provide lenders with protection against liens filed against the property after closing.

- d. The City is very concerned that any person or entity that signs the Affidavit have the ability to pay the sums due when such charges can finally be determined. If you process any transaction in which the financial viability of the person or entity that signed the Affidavit is in question, you should notify the City, in advance. Examples include:
 1. Short sales;
 2. Foreclosure sales;
 3. Transfers from a bankruptcy estate;
 4. Estate sales;
 5. Transactions after which the entity will not survive, e.g., single-purposes LLCs or corporations whose only asset is the real property.

In these cases, the City may ask to review the ownership documents relating to these entities, and may require personal indemnities from the P.R., the LLC members, corporate shareholders, or other individuals.

VI. WHAT IF I HAVE A BCLC DATED MAY 7 OR BEFORE, MAY I STILL CLOSE BASED ON THAT INFORMATION?

Yes, you may. However, please remember the following:

1. These BCLCs expire within 45 days; and
2. You will still need to obtain a seller or buyer Affidavit.
3. Please consult WFG Bulletin MD 2019-05 as to additional requirements for these transactions.

For additional information, please contact Ned Livornese, Maryland underwriter, at nlivornese@wfgnationaltitle.com, or at 443-286-5964. You may also contact John Micciche, Maryland agency manager, at jmicciche@wfgnationaltitle.com, or 410-913-1884.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.