

WFG Underwriting Bulletin



To: All WFG Policy Issuing Agents; All WFG Title Examiners and Officers
From: WFG Underwriting
Date: June 9, 2025
Bulletin No. PA 2025-05
Subject: Tax Sales: County's Appointment of Company to Provide Personal Service Found Invalid Under the Real Estate Tax Law (RETSL)

A recent Commonwealth Court decision found that a company used by Erie County to provide service of notice of tax sales on owner-occupied properties was not properly appointed under the Real Estate Tax Sale Law (RETSL).¹ The Court found “the letter from the County Executive purporting to appoint Palmetto [Posting, Inc., a South Carolina corporation] to make personal service was ineffective because the appointment was not ‘by resolution’” as required by RETSL.² Therefore, even though the taxpayer was personally served with notice, the Court held the service was invalid and set aside the tax sale. A copy of the Court’s Opinion can be found here: [Commonwealth Court Opinion](#)

This holding invalidates service made by this company in Erie County and by any other person “appointed” in a similar manner. Service in other Counties by persons who are not the County Sheriff or their Deputies is also subject to the same requirement under RETSL; proof of proper appointment “by resolution” is necessary.

This decision illustrates why insuring properties that have been through a tax sale is always an extra-hazardous risk. Pennsylvania Courts have long held that the requirements of the tax sale statutes must be followed exactly, or the sale can be set aside. Some tax sales are attacked years or decades after they occur based on the failure to follow the statutory requirements. While the taxpayer in In re: 2023 Erie County Tax Sales filed objections to confirmation of the sale, other taxpayers may attack the sale after the property has been renovated and insured to a new owner, which would then become a claim under either a loan or owner’s Policy. Even after a sale has been absolutely confirmed by a Court, the sale can still be attacked with respect to the giving of notice under RETSL.³ Courts routinely hold that taxing authorities, Sheriffs, and Courts are not title insurers, and each tax sale is “buyer beware” – placing the burden of examining the tax sale on the bidder or, as a practical matter, the title company insuring the next sale.

¹ In re: 2023 Erie County Tax Sales, No. 982 C.D. 2024, slip op., 2025 WL 1553326 (Pa. Commw. Ct. Jun. 2, 2025).

² Id. at 10-11.

³ See 72 P.S. § 5860.607(g).

There are multiple statutes under which a tax sale can proceed in Pennsylvania, which is why it is extremely important that an insuring agent 1) is familiar with the rules and procedures of the tax sale under which the property was sold, and 2) is able to completely review the tax sale file and confirm that the property owners were personally served and all procedures were properly followed. If there is any doubt or missing proof of personal service, then curative action is needed. Curative action includes 1) completing a quiet title action with proper service, 2) obtaining deeds from prior owners and releases from lienholders, or 3) a combination of 1 and 2. The purchaser at a tax sale is often obtaining a property for well below fair market value so the additional cost and time needed to perfect a tax sale title should be taken into account by these investors.⁴

Issues like this are why it is WFG's policy to not insure properties until at least 1 year has passed from a tax sale deed. Further, if your seller obtained the property through tax sale, if there has not been an insured sale for fair market value since the tax sale⁵, or if there is a tax sale in the back chain of title less than 5 years ago, you must submit for underwriting approval in advance of closing. In all other cases, you must be satisfied in your review that all tax sale procedures were followed and there was personal service of the tax sale notices. Taxing authorities can make mistakes, especially when selling hundreds of properties at a time. Therefore, you cannot assume a tax sale was handled properly just because a Court confirmed it or a Deed was recorded. If you have any questions or concerns regarding a particular file, please contact Underwriting.

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

⁴ An exception to these requirements can be made if the property is not vacant land and has been held without challenge for more than 21 years since the tax sale deed.

⁵ Even if there has been an insured sale, it is important to also obtain a copy of and review the Owner's Policy. If the Policy Amount is below market value, or there are Exceptions for tax sale issues, then curative actions will be needed.