



NATIONAL NOTARY ASSOCIATION

August 23, 2006

The Honorable John Garamendi
Commissioner
California Department of Insurance
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

RE: Opposition to Proposed Drastic Cutbacks in Title, Escrow Fees

Dear Commissioner Garamendi:

On behalf of the more than 286,000 California Notaries Public and the National Notary Association, the nation's preeminent professional association for Notaries, I am writing to formally oppose the proposed regulations of the Department of Insurance that would drastically and unjustifiably slash title insurance and escrow service fees. These cutbacks will work to deprive consumers of one of the great services and conveniences to have arisen in the mortgage loan industry over the past decade — mobile Notary Signing Agents who visit borrowers in their homes, as well as adversely affect the livelihoods of tens of thousands of Notaries.

The contemplated interim reduction of title insurance and escrow fees by 27% from year 2000 levels undoubtedly will have an unintended effect on consumers purchasing homes, refinancing their existing mortgages, or applying for additional loans secured by their properties. During the recent refinance boom, title and escrow companies came to rely upon a new professional — the Notary Signing Agent — to handle the execution of home sale and financing papers. These Notaries worked tirelessly to help title and escrow offices close record numbers of transactions by traveling to the homes or businesses of consumers to conduct settlement signing appointments at the home buyer's or borrower's convenience and ensure that all signed and notarized papers were expeditiously returned to closing offices for processing. Without the Notary Signing Agent, the sheer volume of transactions resulting from the recent boom would not have been possible. Title and escrow officers alike will vouch that these Notary professionals provided a valuable service that both their offices and consumers appreciate.

Notary Signing Agents often are paid for their services out of escrow fees. With the prospect of having to reduce fees for escrow services imposed by the proposed rule, the National Notary Association believes the effects will go much deeper than title and escrow offices simply cutting the fees paid to Notary Signing Agents by 27%. In an attempt to cut costs, escrow offices may be forced to return to the days where their officers conducted the signing appointments. Consumers may once again have to go hat in hand to the brick and mortar offices of title companies and escrow services during the business day to execute papers, forfeiting the conveniences to which they have been accustomed.

You should also consider that the proposed fee reductions will lead to layoffs in the title insurance and escrow services industries. Among the losses will be hundreds, if not thousands, of

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professionals who hold a California Notary Public commission. The National Notary Association is concerned for the personal welfare of these public servants who protect real property titles from fraud and safeguard the property rights of California property owners. A reduction of Notaries from the ranks of employees in these industries will have an unintended effect on the availability and quality of notarial services to title insurers and escrow service providers and the security of real property transactions.

There is a reason why the California Secretary of State is charged with commissioning a sufficient number of Notaries for the public convenience (Government Code Section 8200). The official witnessings by the state's public servant Notaries provide important protective assurances for real property and mortgage financing transactions that are critical for ensuring the integrity of property titles. Your proposed cutbacks will result in a reduction of the number of Notaries available to serve the public, visit prospective borrowers in the comfort of their homes and could ultimately result in higher instances of fraud.

Sincerely,

A handwritten signature in black ink that reads "Timothy S. Reiniger". The signature is written in a cursive style with a large, sweeping initial "T".

Timothy S. Reiniger, Esq.
Executive Director

TSR:snw