

title insurance



The Public Option: A case for reconsideration in the title insurance world

bf Brian Fitzgerald



National Land Tenure Company, LLC

“The Public Option” is a proposed dramatic change in the title insurance world, which is currently on the legislative agenda.

This would create a New York State-run title insurance system, which in theory, would decrease title insurance premiums and provide funding for affordable housing, road and bridge repairs, and property tax cuts. The rationale is that title insurance companies are profitable; they pay limited amounts in claims, and therefore would be a good business for the government to run in order to create revenue. Proponents insist that the reform effort will make it easier and cheaper for New Yorkers to buy homes or businesses.

Stalco Const. holds 3rd L.I. Real Estate Movers & Shakers Reception

ISLANDIA, NY Nearly 200 commercial real estate, architecture, and finance professionals attended the 3rd Stalco Real Estate Movers & Shakers Networking Reception. The event was open exclusively to principals and senior executives of New York City and Long Island’s leading real estate and design firms. Stalco Real Estate Movers & Shakers Networking Receptions serve as the region’s main venues for exchanging ideas and networking among the building industry’s heavy hitters. Held at Stalco Construction, Inc.’s headquarters, the latest event was themed the “Roaring Twenties” and celebrated Stalco’s impressive 100% growth in 2009.



Shown (from left) are: Gary Robertson of BBS Architecture & Engineering; Nautilus Consulting president Ian Street; Stalco Construction vice president Kevin Dunathan; Atlantis Marine World’s Ray Doyle; and Stalco’s vice president Robert Isbit, president Alan Nahmias, office manager Carol Donato, director of marketing and business development Lauren Mancuso, and principal Kevin Harney.

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I wonder how far the potential government-run title insurance employees would go to ensure that

Plain and simple, this title insurance proposal is Socialism masked as helping New York residents. The cause may be admirable, but the means of achieving it is highly caustic and a dangerous precedent to private enterprise in the State of New York.

closings scheduled for Monday would close in an efficient, timely, and worry free manner? If you can’t

sense my sarcasm, I assure you, there wouldn’t be a government employee to assist with a closing problem this Friday...nor answer an email on any weekend day. And don’t count on any government-run title insurance office to be open past 4 p.m. to fund transactions prior to the Federal Reserve’s wire cut off time of 6 p.m. – or to make last minute changes to the settlement statement at 1 in the morning.

Without considering the upheaval of such a drastic change, the cause sounds admirable. Who doesn’t applaud affordable living, infrastructure improvements and cheaper taxes? Why stop here? Perhaps New York State should take over all profitable businesses to capture revenue and support them. Again,

can you sense the sarcasm? Plain and simple, this title insurance proposal is socialism masked as helping New York residents. The cause may be admirable, but the means of achieving it is highly caustic and a dangerous precedent to private enterprise in the State of New York.

Let me assure everyone that a public option in the title insurance world is just plain wrong. The proposal will lead to real estate closing delays and increased claims. Plus it will be another highly inefficient government-run program that will be the hostage of constant political instability as the parties in power change. Simply stated, this is a bad idea for our real estate community, and I urge proponents of this proposal to reexamine the ramifications

of such a drastic change.

I conclude by asking homeowners, closing attorneys, bank attorneys, mortgage brokers, lenders, and any other parties with access to a real estate closing statement from a recent transaction, to review the statement. Add up the mortgage tax and transfer tax on the statement. I guarantee all of you that the best paid party on that statement will be our government – and New York State does not currently have an employee that attends the closing! Do not support this reform effort.

Brian Fitzgerald is a vice president and counsel to National Land Tenure Company, LLC, Garden City, N.Y.

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