

PENN ATTORNEYS TITLE ALERT

DATE: 04/07/09

RE: Title Alert 2009-03

Philadelphia Nuisance Liens

Ah Philadelphia, the City of Brotherly Love...but not loved by property owners receiving collection letters from a company hired by the City to collect unpaid nuisance liens. Be advised that the collection company is issuing these letters by the dozens, and that the lien "violation date" may predate our policy, although the search done at the time of closing had not revealed any such nuisance lien in the City's "Agency Receivables" system.

These liens represent fines for boarding up, removing rubbish, cutting high grass or similar work done by the City. The lien exists from the date of the violation, and exists without the need for a separate filing in municipal court. To determine whether liens are indexed against a property, the property address must be checked in both the "old nuisance system" and the "new nuisance system." Dual systems searching is required because the systems contain different data. These searches may only be performed on a computer in City Hall, not online or in any other database. There are two separate logins and the searches are free, but there is a cost to print the results when liens are found. A search which results in "nothing found" cannot be printed: our only record of no liens will be the searcher's notes that "both the old and new systems searched: nothing found." A lien which has been paid will still appear in the search results, but will have a \$0.00 balance.

NOTE: The City is not promptly entering the liens in these systems but you can order a certification from the Department of Revenue which will identify any "bills" in their system which have not yet been entered into the two public searchable systems, and will also provide you with payoff amounts for known liens.

Effective immediately, please institute the following practices:

1. Instruct searchers to perform the lien search in both the old and new nuisance systems, provide printed results when liens are found, and require a notation in the search when both systems were checked but results were "nothing found". Report liens on your application for title insurance, and check for additional liens on bringdowns prior to closing and upon recording.
2. For **ALL** Philadelphia property transactions, regardless of any found liens,
Send attached Certification and Payoff Request Form to:
Philadelphia Dept of Revenue, Agency Receivables Fax: 215-686-6828 Tel:215-686-9039
3. Foreclosure in chain or a pre-foreclosure search, when liens are found: these liens arise under the Municipal Lien Act meaning they are a first lien from the date of assessment and as such, are not divested by giving the City notice of the Sheriff's Sale - these liens are **divested in a Sheriff's Sale only to the extent they are actually paid**. If the liens are not paid at the time of the Sheriff's Distribution, open liens must be paid at the time of your transaction.

Commitments: For **ALL** Philadelphia property transactions, regardless of any found liens:
The following will appear on Schedule B-I of all Commitments:
"Possible outstanding City of Philadelphia Municipal Charges. Certification to be ordered from Department of Revenue, Agency Receivables."

If you have any questions, please contact us.

Title Alerts from 1997 to present are available on our website at: <http://www.pennattorneys.com>

Penn Attorneys Title Insurance Co.

900 State Street, Ste 320 Erie, PA 16501
Tel 814-454-8278 or 800-352-2216
FAX 814-453-5983 or 1-800-234-2352

erie@pennattorneys.com

To: Philadelphia Dept. of Revenue, Agency Receivables - Fax 215-686-6828

Date: _____

BILL CERTIFICATION AND PAYOFF REQUEST FORM

From: Company _____ Name: _____

Telephone #: _____ Facsimile #: _____

Date of Settlement: _____ Date Information Needed By: _____

PLEASE PROVIDE BY RETURN FAX, PAYOFF AMOUNTS & GOOD THROUGH DATES FOR ANY LIENS LISTED BELOW, AND FOR ALL BILLS IN YOUR SYSTEM FOR:

Address: _____

BRT# _____

(type known lien # and date or attach copy of City's "Agency Receivables Inquire Bill" from title search)

Lien #: _____ violation date: _____ PAYOFF: \$ _____ if paid by _____

Lien #: _____ violation date: _____ PAYOFF: \$ _____ if paid by _____

Lien #: _____ violation date: _____ PAYOFF: \$ _____ if paid by _____

Bills: _____

IF THERE ARE NO BILLS AND NO LIENS IN THE CITY'S SYSTEM PLEASE CHECK HERE:

NO BILLS & NO LIENS IN THE CITY'S SYSTEM FOR THIS ADDRESS AS OF _____ (enter Today's Date).

Form completed by: _____
Dept. of Revenue employee name