Los Angeles County **REGISTRAR-RECORDER/COUNTY CLERK**

DEAN C. LOGAN
Registrar-Recorder/County Clerk

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 September 24, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

September 10, 2013

SET FOR HEARING: October 22, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REVISED

AUTHORIZE ADDITIONAL NOTICES RELATING TO NOTICES OF DEFAULT OR SALE; INCREASE FRAUD NOTIFICATION FEE PURSUANT TO SENATE BILL 62; AMEND THE REAL ESTATE FRAUD NOTIFICATION SERVICES AGREEMENT; AND AUTHORIZE THE REGISTRAR-RECORDER/COUNTY CLERK TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF CONSUMER AFFAIRS
(All Supervisorial Districts) (3 Votes)

SUBJECT:

The Registrar-Recorder/County Clerk (RR/CC), in accordance with Senate Bill 62 is requesting your Board adopt a resolution authorizing the RR/CC to provide fraud notice to parties subject to a notice of default or sale in addition to those executing deeds, quitclaim deeds, and deeds of trust under the current program. The RR/CC also requests that your Board increase the fraud notification fee which relates to the Fraud Notification Program. RR/CC proposes the current fee of four dollars ($4.00) be increased by $3.00 (not to exceed $7.00) for the recording of deeds, quitclaim deeds, or deeds of trust and a new fee of $7.00 for the recording of notices of default or sale. The $3.00 increase will cover administrative fees incurred by the RR/CC and the actual cost to provide information, counseling, or assistance to recipients of the notices. The new fee of $7.00 will cover the cost of mailing notifications of the notices of default and notices of sale, administrative costs, as well as the actual cost to provide information, counseling, or assistance to recipients.

JOINT RECOMMENDATION WITH DEPARTMENT OF CONSUMER AFFAIRS THAT YOUR BOARD:

~~1. Adopt a resolution (Attachment I) authorizing additional notices be mailed to a party or parties subject to a notice of default or notice of sale within a specific timeframe.~~

1. Approve for introduction the accompanying ordinance (Attachment I) amending Title 2—Administration of the Los Angeles County Code to add Section 2.32.091 which revises the fraud notification fee.

2. Instruct the Executive Officer of the Board of Supervisors to publish a notice and set for public hearing, pursuant to Government Code sections 66018 and 6062a, the consideration of a fraud notification fee increase.

3. Instruct the Chief Executive Officer and the Sacramento Advocates to sponsor or support legislation that would extend or remove the sunset date of SB 62 (Chapter 141, Statutes of 2011) which allows for notifications to homeowners and lawful occupants of properties that are subject to notice of default/notice of sale and provides for counseling, information, and assistance to all notification recipients.

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a resolution (Attachment II) authorizing additional notices be mailed to a party or parties subject to a notice of default or notice of sale within a specific timeframe.

2. Adopt the ordinance implementing a $3.00 increase for the recording of deeds, quitclaim deeds, or deeds of trust (not to exceed $7.00) and a new fee of $7.00 for the recording of notices of default or sale. The $3.00 increase will cover administrative fees incurred by the RR/CC and the actual cost to provide information, counseling, or assistance to recipients of the notices. The new fee of $7.00 will cover the cost of mailing notifications of the notices of default and notices of sale, administrative costs, as well as the actual cost to provide information, counseling, or assistance to recipients.

3. Delegate authority to the RR/CC or designee to execute the attached Amendment #7 (Attachment III) to Agreement # 76358 with Corelogic Information Solutions, Inc. (Corelogic) for Real Estate Fraud Notification Services to include mail notifications for recorded notices of default and notices of sale documents to the existing agreement in accordance with the enactment of Senate Bill 62.

4. Delegate authority to the RR/CC to enter into a Memorandum of Understanding with the Department of Consumer Affairs (DCA) in exchange for a portion of the fee ($2.96) to provide information, counseling, or assistance to persons who receive mail notifications of recorded deed, quitclaim deed, deed of trust, notice of default, and notice of sale documents pursuant to Government Code sections 27297.6 and 27387.1.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Real estate and foreclosure fraud continues to be a major problem in Los Angeles County. With the economic downturn in 2008, the County experienced a dramatic rise in foreclosures. Notices of default topped 44,000 in 2012 and combined notices of default and notices of sale are projected to remain above 40,000 in 2013.

The dramatic rise in foreclosures saw the number of complaints to the DCA rise significantly. Complaints against fraudulent foreclosure consultants alone rose from only 44 in 2007 to more than 565 in 2009. Each year, the DCA receives more than 10,000 calls from homeowners on the existing Fraud Notification Program and conducts more than 500 case investigations.

Expansion of the Fraud Notification Program is critically needed. The cost of foreclosures, fueled by foreclosure fraud, to families, the County and lenders is significant. Many of the victims to foreclosure fraud are those most vulnerable including the elderly, the poor, and those less educated. Desperate to save their homes, they fall prey to real estate scammers who promise to save their home. Complaints received by DCA document that homeowners pay from $5,000 to as much as $25,000 or more to real estate scammers who promise to get funding or refinancing, but fail to do so. Many are defrauded more than once.

The purpose of the recommended action is to increase the fraud notification fee, in accordance with Government Code sections 27297.6 and 27387.1. The RR/CC proposes that the current fee of four dollars ($4.00) be increased by $3.00 for the recording of deeds, quitclaim deeds, or deeds of trust, and a new fee of $7.00 be collected for the recording of notices of default or sale. The $3.00 increase will cover administrative fees incurred by the RR/CC and the actual cost to provide information, counseling, or assistance to recipients of the notices. The new fee of $7.00 will cover the reasonable cost of mailing notifications of the notices of default and notices of sale, administrative costs, as well as the actual cost to provide information, counseling, or assistance to recipients.

Senate Bill 62 which amended Government Code sections 27297.6 and 27387.1, until January 1, 2015, modifies the existing Fraud Notification Program to include recorded notices of default and notices of sale, and allows notices to be sent by mail to a party or parties subject to a notice of default or notice of sale, including the occupants of that property, within 5 days but in any event no more than 20 days, of recordation. The law regarding mailing notices of recorded deeds, quitclaim deeds, or deeds of trust within 30 days of their recordation to parties executing such documents remains unchanged. The authorized service to the recipients of these notices is also only effective until January 1, 2015, at which time it is repealed and the original law providing notice to parties executing deeds, quitclaim deeds, and deeds of trust becomes operative. The County will continue to be authorized to contract for this service pursuant to Government Code section 27297.6(d).

The proposed fee reflects the cost for mailing notifications, administrative costs, and assistance and counseling services. The Auditor-Controller has reviewed these costs as submitted previously by DCA and by RR/CC in May 2013. As of now, the Auditor-Controller is conducting a further fiscal review to determine the reasonable cost of the program and the related fee. Once the review is complete, the Auditor Controller will report its findings to RR/CC, DCA, and your Board prior to the scheduled public hearing on this matter.

Implementation of Strategic Plan Goals

This request supports the County Strategic Plan as follows:

Goal No. 1: Operational Effectiveness: Maximize the effectiveness of processes, structure, and operations to support the timely delivery of customer-oriented and efficient public services.

Goal No. 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

Approval of this recommendation will increase the current fee of four dollars ($4.00) by $3.00 (not to exceed $7.00) for the recording of deeds, quitclaim deeds, or deeds of trust, and will create a new fee of $7.00 to be collected for the recording of notices of default or sale. The $3.00 increase will cover administrative fees incurred by the RR/CC and the actual cost to provide information, counseling, or assistance to recipients of the notices. The new fee of $7.00 will cover the reasonable cost of mailing notifications of the notices of default and notices of sale, administrative costs, as well as the actual cost to provide information, counseling, or assistance to recipients. The fee will be distributed as follows: the contractor will continue to receive its unit price of $3.39 for mailing notifications, the RR/CC will collect its incurred and authorized 10% administrative costs of $0.65, and the remaining balance of $2.96 will be allocated to the DCA to cover the cost of providing information, counseling, and assistance to owners or occupants who receive these notifications. The fee distribution is structured and based off of the RR/CC's contractual obligation for mailing services. Any fluctuation in the cost of mailing will require the distributions to DCA to change. There is no impact on the County General Fund or fiscal impact to RR/CC's budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Upon adoption of an authorizing resolution by your Board and after public hearing and adoption of the fees, RR/CC will be able to mail notices to parties subject to notices of default and sale, in addition to the existing notifications which are mailed for related real estate documents. Once the resolution is adopted and the fees are imposed, pursuant to Government Code section 27297.6(e) the County, shall, on or before January 1, 2014, submit a report to the Senate Committee on Judiciary and the Assembly Committee on Local Government which included the following information: (1) a copy of each type of notice mailed ; (2) the number of filed notices of default and notices of sale for which a fee is collected; (3) the amount of fees collected for the filing of notices of default and notices of sale; and (4) the amount of fees spent to provide housing information, counseling, and assistance.

Government Code section 27387.1 authorizes RR/CC to collect a fee not to exceed $7.00 for recorded deeds, quitclaim deeds, deeds of trust, notices of default or notices of sale to cover mailing costs, administrative costs, and the actual cost of providing information, counseling, and assistance.

Government Code Section 66018 requires a local agency to hold a public hearing at which oral or written presentations can be made. The Executive Office of the Board of Supervisors, in accordance with Government Code Section 6062a, will publish an official notice of the time and place of said meeting, including a general explanation of the fees to be revised. After the public hearing, RR/CC requests that your Board approve the attached ordinance in order to implement the proposed fee increase.

As stated above, the Auditor-Controller is further reviewing the costs associated with this program, and County Counsel has prepared the attached ordinance regarding the proposed new fee and fee increase.

Government Code section 27297.6 continues to allow the County to contract for mail notification services for these documents. Your Board's approval of the attached Amendment will allow RR/CC to expand the current Real Estate Fraud Notification Services by adding notices of default and sale.

On May 24, 2007, a Request for Proposals (RFP) was issued to competitively bid for the Real Estate Fraud Notification Services. On October 2, 2007, your Board approved the Agreement with Corelogic, the current contractor, for the mailing of notifications. The initial term of the Agreement was effective October 25, 2007 through October 24, 2012 (Amendment #2 includes the revised Agreement term based on the contract extension/cost reduction initiative) with three (3) optional one-year extensions. The Agreement is, currently, in its second-option year which will expire October 24, 2014. The Agreement's final term will expire April 2016 if all extensions to the Agreement are exercised.

RR/CC is in compliance with all Board, Chief Executive Officer, and County Counsel requirements. The Chief Executive Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and approved as to form the attached Amendment #7 to the Corelogic Agreement.

For purposes of providing information, assistance and counseling, RR/CC requests authority to enter into a Memorandum of Understanding with DCA. In exchange for providing these services, DCA will receive a portion of the fee in the amount of $2.96. As specified under the section Fiscal Impact/Financing, any future fluctuation in the mailing cost may affect the amount distributed to DCA.

Fraud Notification Program

On December 10, 1991, on motion of Supervisor Antonovich, your Board instructed RR/CC to develop legislation to provide notices to homeowners when a document affecting ownership of their property was recorded. This legislation was needed to address the recording of fraudulent and forged deeds and to detect, deter and prevent real estate fraud.

Subsequently, in 1992 Senate Bill 1842 (Watson) was enacted, which authorized the RR/CC to charge a fee on certain documents to fund the Fraud Notification Program in order to notify parties when an instrument affecting their real property interest had been

recorded.. The law became effective January 1, 1993, as a pilot program with a sunset clause of 1995. The pilot was an overwhelming success. More than 757,000 notifications including a survey postcard were mailed to property owners. More than 130,000 of the postcard surveys were returned. Over 96 percent of the respondents expressed support for the program. In 1996, Senate Bill 1631 (Watson) proposed the re-implementation of the Fraud Notification Program. Through its enactment, the program was effective with an indefinite term and continued to authorize the collection of a fee not to exceed seven dollars ($7.00).

On January 13, 2009, Supervisor Mark Ridley-Thomas introduced a motion to address real estate fraud and foreclosures and directed the Chief Executive Office (CEO) to report back to the Board.

On March 17, 2009, the CEO filed a report with your Board entitled: *Report and Recommendations to Address Foreclosures and Real Estate Fraud.* One recommendation called for legislation to expand the existing Fraud Notification Program to include notices of default and notices of sale and to provide assistance to property owners subject to these documents.

Senate Bill 62 (Liu) enacted in August 2011, amended Government Code section 27297.6 to expand the existing Fraud Notification Program to include mailing notices for recorded notices of default and notices of sale within the specific timeframes. The existing statutory language which allowed a fee not to exceed seven dollars ($7.00) was carried over into the amended code section on the recording of these additional documents to cover the cost of mailing notices to property owners, administrative costs, as well as providing information, counseling or assistance to persons receiving these notices. As of January 1, 2015, this amended section will sunset and mailed notifications for recorded notices of default and sale as well as related services will no longer be statutorily authorized.

As a result, RR/CC is partnering with the DCA to enhance the Fraud Notification Program. DCA will serve as the agency that will provide the services that are publicized in the notification materials mailed to the parties statutorily identified. The notification material will direct the recipient to call DCA at a toll-free telephone number to address issues relating to real estate fraud. DCA will provide information, counseling, or assistance to persons who receive a notice. DCA works closely with the District Attorney, police and other prosecuting agencies to coordinate activities and to refer cases of real estate fraud for prosecution.

PROPOSITION 26

Proposition 26 defines "tax" as a "levy, charge, or exaction of any kind" paid by taxpayers subject to certain exceptions. Local governments must show that a charge is reasonable and falls under a permissible exception. Such exceptions include, but are not limited to, charges for a specific benefit or privilege received from a governmental program. Based on DCA's experience, the Fraud Notification Program qualifies as a specific benefit to payors in the form of avoided foreclosures and protection against real estate as well as foreclosure fraud. This benefit exceeds the amounts paid for it and is provided at a reasonable cost.

IMPACT ON CURRENT SERVICES

The proposed fee increase will not impact current services provided by the RR/CC and DCA. The collected fee of seven ($7.00) dollars will cover the reasonable cost of mailing the notification to property owners, administrative costs, and DCA's services of providing information, counseling, or assistance to recipients of the mailed notices for recorded deeds, quitclaim deeds, deeds of trust, notices of default, and notices of sale.

Approval of the recommended Amendment will allow the RR/CC to add the Real Estate Fraud Notification Services to include the statutorily specified recorded foreclosure documents and allow DCA Department of Consumer Affairs to continue to serve as the central point of contact as it has since your Board reestablished the Fraud Notification Program in 1997. Recipients of these notifications are able to call DCA for additional information, assistance, or counseling, if they believe they are the victims of fraud or foreclosure scams.

In December 1996, your Board ordered the DCA to create and operate a real estate fraud early warning program and designated DCA as the central reporting agency for real estate fraud. DCA established and publicized a toll-free telephone number to report real estate fraud, printed and distributed brochures, accepted and investigated homeowner complaints, made appropriate referrals to police and prosecuting agencies, participated in a real estate fraud task force, and developed partnerships with government, industry and community legal services agencies to protect residents from real estate fraud schemes. DCA continues to function in this capacity. Approval of the recommended Amendment will also allow DCA to continue to provide information through their real estate fraud early warning program by incorporating the toll free number on the notifications for the Fraud Notification Program.

Since your Board reestablished the Fraud Notification Program in 1997, DCA has served as the contact for property owners who receive a notification upon recording of a deed, quitclaim deed, or deed of trust. The materials mailed to homeowners instruct them to call DCA to address issues relating to real estate fraud. The notification helps homeowners identify forgery, fraud, changes after signing, transfer of title without homeowner consent, incorrect legal descriptions and refinancing schemes. DCA develops the text of letters and notifications to homeowners and other materials used in the Fraud Notification Program. They operate a special telephone number for homeowners to call, provide recorded information during non-business hours, provide counseling and mediation services to property owners concerning recorded documents, conduct investigations of real estate fraud and make appropriate referrals to law enforcement and prosecuting agencies.

The Fraud Notification Program continues to be a success with homeowners. More than 96 percent of homeowners responding to the postcard survey approve of the Fraud Notification Program. DCA currently handles more than 10,000 calls annually from homeowners on the existing Fraud Notification Program and conducts more than 500 case investigations. Expansion of notification to provide notice to homeowners on notices of default and sale will significantly increase the workload since DCA will be reaching those in the greatest need, families in foreclosure.

Real estate fraud complaints are complex and time consuming. Real estate cases are document intensive and often require extensive research and analysis. A single victim often leads to dozens more which makes the case larger and more complicated. As the market evolves so will the perpetrators who constantly adapt to changing times and configure new scams to defraud homeowners.

CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return one (1) adopted copy of this letter to:

Department of Registrar-Recorder/County Clerk
Finance and Management Division
12400 Imperial Highway, Room 7211, Norwalk, CA 90650
Attention: Francisco E. Perez, Contract Section

And

Department of Consumer Affairs
500 W. Temple Street, Room B-96, Los Angeles, CA 90012
Attention: Wendy Myring

Respectfully submitted,

DEAN C. LOGAN
Registrar-Recorder/County Clerk

Respectfully submitted,

BRIAN J. STIGER
Department of Consumer Affairs

DCL:FP:PT:co

Attachments

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisor
Department of Consumer Affairs
Auditor-Controller

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1895
FACSIMILE
(213) 617-7182
TDD
(213) 633-0901

JOHN F. KRATTLI
County Counsel

August 29, 2013

Dean C. Logan
Registrar-Recorder/County Clerk
County of Los Angeles
12400 Imperial Highway
Norwalk, California 90650

Re: Amendment of Title 2 - Administration of the Los Angeles County Code Related to Fraud Notification Fee

Dear Mr. Logan:

Enclosed is our analysis and proposed ordinance adding section 2.32.091 to Title 2, Administration of the Los Angeles County Code relating to the imposition of new and increased fraud notification and related fees when recording certain real estate documents.

This ordinance may be presented to the Board of Supervisors for its consideration at a public hearing.

Very truly yours,

JOHN KRATTLI
County Counsel

By

VICKI KOZIKOUJEKIAN
Principal Deputy County Counsel
Government Services Division

APPROVED AND RELEASED:

RICHARD D. WEISS
Chief Deputy

VK:kp

Enclosure

HOA.986675.1

ANALYSIS

This ordinance adds section 2.32.091 to Title 2 - Administration of the Los Angeles County Code relating to the imposition of new and increased fraud notifications and related fees when recording certain real estate documents for the purpose of providing notice, information, counseling or assistance to a person who receives the notice pursuant to Government Code sections 27297.6 and 27387.1.

Section 2.32.091 would require the Registrar-Recorder/County Clerk to collect an additional recording fee of $3.00 from a party recording a deed, quitclaim deed, or deed of trust. This section also adds a second new fee of $7.00 to be collected from a party recording a notice of default and notice of sale.

Section 2.32.091 will remain in effect until January 1, 2015, unless State law is amended to authorize the collection of the fees provided for in the ordinance beyond that date, in which case the ordinance will remain in effect until such later date.

JOHN F. KRATTLI
County Counsel

By
VICKI KOZIKOUJEKIAN
Principal Deputy County Counsel
Government Services Division

VK:kp
[Requested 5/13/13]
[Revised 5/24/13]

HOA.979070.2

ORDINANCE NO. _____

This ordinance adds section 2.32.091 to Title 2 – Administration of the Los Angeles County Code, relating to the imposition of new and increased fraud notification and related fees when recording certain real estate documents.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 2.32.091 is hereby added to read as follows:

2.32.091 Fraud notification fee revised

A. In addition to any other recording fee, the Registrar-Recorder/County Clerk shall collect a fee of $3.00, in addition to the existing fee of $4.00 imposed by section 2.32.090 (for a total of $7.00), from a party or parties, other than a government entity, filing a deed, quitclaim deed, or deed of trust, to cover the cost of sending mailed notice to the persons executing the involved deeds and related administrative costs, as well as the actual cost to provide information, counseling, or assistance to persons who receive these notices in accordance with Government Code section 27387.1.

B. In addition to any other recording fee, the Registrar-Recorder/County Clerk shall also collect a fee of $7.00, from a party or parties, other than a government entity, filing a notice of default or a notice of sale to cover the cost of sending mailed notice to the party or parties subject to these documents, including the occupants of the involved property, and related administrative costs, as well as the actual cost to provide information, counseling, or assistance to persons who receive these notices in accordance with Government Code section 27387.1.

C. After deducting the actual mailing and administrative costs incurred by the Registrar-Recorder/County Clerk in providing the notices described in subsections A and B of this section, the Registrar-Recorder/County Clerk shall transfer any remaining portion of the fees to the Department of Consumer Affairs in order for the Department of Consumer Affairs to provide the recipients of the notices with the information, counseling, or assistance described in subsections A and B of this section.

D. This section shall remain in effect until January 1, 2015, and as of that date is repealed, unless amendments to California Government Code sections 27297.6 and 27387.1 authorize the fees contained herein to remain in effect until a later date, in which case this section shall remain in effect until such later date.

E. If any provision in this section, or any part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected but shall remain in full force and effect, and to this end the provisions of this section are severable.

[232090VKCC]

AUTHORIZING RESOLUTION FOR NOTICE OF RECORDED DOCUMENTS

WHEREAS, Government Code section 27297.6(a)(1)(a) authorizes the Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties executing a deed, quitclaim deed, and deed of trust within thirty days of the recordation; and

WHEREAS, Government Code section 27297.6(a)(1)(B) authorizes the Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties subject to a notice of default or notice of sale, including occupants of that property, within five days, but in any event no more than twenty days, of recordation; and

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles authorizes:

(1) Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties executing a deed, quitclaim deed, and deed of trust within thirty days of the recordation.

(2) the Registrar-Recorder/County Clerk notify by mail the party or parties subject to a notice of default and notice of sale within five days, but in any event no more than twenty days, of recordation.

BE IT FURTHER RESOLVED

If Government Code section 27297.6(a)(1)(B) is repealed by operation of law on January 1, 2015, it shall not affect the other authorizations of this resolution which will remain in effect.

The foregoing resolution was on the 22nd day of October 2013, adopted by the Board of Supervisors of the County of Los Angeles, agencies, and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By _____
VICKI KOZIKOUJEKIAN
Principal Deputy County Counsel
Government Services Division

VK:jm

AMENDMENT NUMBER SEVEN
TO AGREEMENT NUMBER 76358 BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
CORELOGIC INFORMATION SOLUTIONS, INC.

This Amendment Number Seven ("Amendment Number Seven") to Agreement Number 76358 (the "Agreement") is entered into as of this _____day of _____, 2013 by and between the County of Los Angeles ("County") and CoreLogic Information Solutions, Inc. ("Contractor"). County and Contractor are sometimes hereinafter referred to collectively as the "Parties" and each individually as a "Party."

WHEREAS, the original Agreement was with Data Trace Information Services LLC, a subsidiary of First American CoreLogic, Inc., approved by County's Board of Supervisors on October 2, 2007 to be effective October 24, 2007;

WHEREAS, under that certain Amendment Number One dated December 16, 2009, the Contractor's name on the Agreement was changed from Data Trace Information Services, LLC to its parent company, First American CoreLogic, Inc;

WHEREAS, under that certain Amendment Number Two dated March 4, 2010, the Contractor's unit price was lowered for two years and the initial term of the contract extended for two years under the Board's Contract Cost Reduction/Extension Program;

WHEREAS, under that certain Amendment Number Three dated November 4, 2010, the Agreement was amended to, among other things, (i) change the business name from First American CoreLogic, Inc. to CoreLogic Information Solutions, Inc; (ii) replace Exhibit A (Statement of Work); (iii) revise Performance Requirements Summary (PRS) Chart information stipulated in Exhibit C; and (iv) Exhibit E, County Administration information was updated;

WHEREAS, under that certain Amendment Number Four dated December 7, 2010, the Agreement was amended to, among other things, (i) to recognize Contractor's subcontract with Diversified Direct dba World Marketing and incorporate subcontract agreement as Exhibit L; (ii) Exhibit E, County Administration information was updated;

WHEREAS, under that certain Amendment Number Five dated October 15, 2012, the Agreement was amended to, among other things, (i) extend the term of the Agreement for a one-year period; (ii) incorporate Board mandated contracting provisions; and (iii) revise County Administration information stipulated in Exhibit E dated September 7, 2012; and

WHEREAS, under that certain Amendment Number Six, the Agreement was amended to, exercise the second option year and thus, (i) extend the term of the Agreement for a one-year period; and

WHEREAS, the Parties wish to further amend the Agreement to, among other things, (i) incorporate the Notice of Default and Notice of Sale recorded documents into the Agreement; (ii) replace Exhibit A (Statement of Work); (iii) revise the Performance Requirements Summary (PRS) Chart information set forth in Exhibit C; and

WHEREAS, this Amendment Number Seven is made pursuant to Paragraph 8.1 (Amendments) of the Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agreement is hereby amended as follows:

1. The Agreement is hereby amended to incorporate and include recorded "Notice of Default" and "Notice of Sale" documents into the existing agreement in accordance with Senate Bill (SB 62) as part of the Real Estate Fraud Notification Services. Accordingly notifications shall be provided for Deeds, Deeds of Trust, Quitclaim Deeds, Notices of Default and Notices of Sale documents as specified in Exhibit A (Statement of Work). SB 62 is operative only until January 1. 2015 and at that time is repealed unless a State statute is enacted before January 1, 2015, which deletes or extends that date. After January 1, 2015, recorded Notices of Default and Sale will be deleted from this Agreement, Exhibit A (Statement of Work), and Exhibit C (Performance Requirements Summary Chart) unless otherwise indicated by the Registrar Recorder/County Clerk.

2. Exhibit A (Statement of Work) of the Agreement is hereby deleted in its entirety and is replaced by a new Exhibit A (Statement of Work) dated May 21, 2013, for which a true and correct copy is attached hereto and incorporated into the Agreement, by way of this Amendment Number Seven.

3. Exhibit C (Performance Requirements Summary Chart) of the Agreement is hereby deleted in its entirety and is replaced by a new Exhibit C (Performance Requirement Summary Chart) dated May 21, 2013, for which a true and correct copy is attached hereto and is incorporated into the Agreement, by way of this Amendment Number Seven.

Except as otherwise provided under this Amendment Number Seven, the Agreement, as previously amended, including all preambles and recitals set forth herein and therein, shall remain unchanged and in full force and effect.

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/
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AMENDMENT NUMBER SEVEN
TO AGREEMENT NUMBER 76358
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
CORELOGIC INFORMATION SOLUTIONS, INC.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Seven to be subscribed on its behalf by the Registrar-Recorder/County Clerk, or his designee, and the Contractor has subscribed the same through its duly authorized officer as the day, month and year first above written. The person signing on behalf of Contractor warrant under penalty of perjury that he or she is authorized to bind the Contractor.

CORELOGIC INFORMATION SOLUTIONS, INC.

By_____
AUTHORIZED SIGNATURE

_____
PRINT NAME

_____
TITLE

COUNTY OF LOS ANGELES

By: _____
DEAN C. LOGAN
Registrar-Recorder/County Clerk

APPROVED AS TO FORM:
JOHN KRATTLI
County Counsel

_____
By: VICKI KOZIKOUJEKIAN
Principal Deputy County Counsel

EXHIBIT A

STATEMENT OF WORK

FOR

REAL ESTATE FRAUD NOTIFICATION SERVICES

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EXHIBITS:

- Exhibit C (PRS Chart)

STATEMENT OF WORK

1.0 SCOPE OF WORK

The County of Los Angeles Department of the Registrar-Recorder/County Clerk ("RR/CC") records all Deeds, Quitclaim Deeds, Deeds of Trust, Notice of Default and Notice of Sales documents. Pursuant to Government Code § 27297.6 (a)(1)A and § 27297.6 (a) (1) B, RR/CC is required to notify by first class mail the party or parties executing a deed, quitclaim deed, or deed of trust within (thirty) 30 days of recordation, and the party or parties subject to a notice of default or notice of sale, including the occupants of that property, within (five) 5 days, but in the event no more than (twenty) 20 days of recordation.

Contractor shall be required to notify by first class U.S. mail each principal party that purportedly signed loans secured by and/or transfers real property, parties subject to a notice of default or notice of sale, including the occupant. Contractor shall be required to research, including but not limited to, land title records, tax records and principal property ownership documents to obtain the most recent mailing addresses and all work requirements specified in Paragraph 5.0 of this Statement of Work.

RR/CC reserves the right to seek the latest media technology that best serves the interest of the County to provide the required notification and real property information.

2.0 QUALITY CONTROL

The Contractor shall be required to establish and utilize a comprehensive quality control plan (the "Plan") to assure the County a consistently high level of service throughout the term of the Agreement. The Plan shall be submitted to the County Project Manager for review. The Plan shall include, but may not be limited to, the following:

2.1 An inspection system covering all services listed in Exhibit C (Performance Requirements Summary (PRS) Chart) of the Agreement. It must specify the activities to be inspected on both a scheduled or unscheduled basis, how often inspections will be accomplished, and the title of the individual(s) who will perform the inspection.

2.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action.

2.3 A method of ensuring uninterrupted service to RR/CC in the event of a strike of the Contractor's employees or any other unusual occurrence (i.e. power loss) which would result in the Contractor being unable to perform the contracted work.

3.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Agreement using the quality assurance procedures as defined in Paragraph 8.15 (County's Quality Assurance Plan) of the Agreement.

3.1 Quarterly Meetings

Contractor shall be required to attend scheduled quarterly meetings at the RR/CC's Norwalk location to discuss the status of the contract. During this meeting a status report shall be provided on the services provided along with any concerns.

3.2 County Observations

In addition to RR/CC contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Statement of Work at any time during normal business hours. However, County personnel may not unreasonably interfere with the Contractor's performance.

4.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

COUNTY

4.1 Personnel

The County will administer this project in accordance with Paragraph 6.0 (Administration of Agreement-County) of the Agreement. Specific duties will include:

4.1.1 Monitoring the Contractor's performance under this Agreement.

4.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

4.1.3 Preparing amendments to the Agreement in accordance with the Paragraph 8.1 (Amendments) of the Agreement.

4.2 Furnished Items

The County will provide only the items specified herein:

4.2.1 Official records in a tagged image files format ("TIFF") Group IV multipage format through a secure internet connection.

4.2.2. Original (8 ½ " x 11") notice informing the party of the purpose of the notification entitled "A Document Has Been Recorded On Your Property".

4.2.3. Original (8 ½ " x 11") entitled "Protect Yourself from Real Estate and Foreclosure Fraud - Where to Call For Help."

CONTRACTOR

4.3 Project Manager

4.3.1 Contractor shall provide a full-time Project Manager or designated alternate. County must have access to the Project Manager during normal business hours, Monday through Friday (except legal holidays), 8:00 a.m. to 5:00 p.m. Contractor shall provide a telephone number where the Project Manager may be reached during normal business hours stated above.

4.3.2 Project Manager shall act as a central point of contact with the County.

4.3.3 Project Manager shall have two (2) years of experience in the management and operation of researching documents for land title, tax record and principal ownership, with the expertise in interpreting information from said documents to perform required service.

4.3.4 Project Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

4.4 Personnel

4.4.1 Contractor shall assign a sufficient number of employees to perform the required work within the required timeframe. Employees are to specifically have the expertise and skillsets required to understand and interpret the information from the Los Angeles County Assessor's Office and other information relating to description information on specified deeds so that the correct name and address can be derived from such information.

4.4.2 Contractor may be required to perform a background check on their employees as set forth in Paragraph 7.4 (Background & Security Investigations) of the Agreement.

4.5 Identification Badges

Contractor shall ensure their employees are appropriately identified as set forth in Paragraph 7.3 (Contractor's Staff Identification) of the Agreement.

4.6 Materials and Equipment

The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall comply with the Injury & Illness Prevention Program (IIPP) as set forth in Paragraph 8.50 (Injury & Illness Prevention Program) of the Agreement.

4.7 Training

Contractor shall provide training programs for all new employees and continuing in service training on assigned tasks for all employees.

4.8 Contractor's Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquires and complaints which may be received about the Contractor's performance of the Agreement. When the office is closed, an answering service shall be provided to receive calls.

5.0 SPECIFIC WORK REQUIREMENTS

Contractor shall be responsible for all processes as specified herein:

5.1 Contractor shall notify by first class U.S. Mail each principal party that signs a recorded deed, quitclaim deed and/or deed of trust as soon as possible, but in no event more than ten (10) days after the date such information is made available to Contractor by the RR/CC. Contractor shall meet the required timeframe above in order to meet the statutory timeframe of notifying the principal parties within 30 days of recordation.

5.2 Contractor shall notify by first class U.S. Mail the party or parties subject to a notice of default or notice of sale, including the occupants of that property, as soon as possible, but in no event more than ten (10) days after the date such information is made available to Contractor by the RR/CC. Contractor shall meet the required timeframe above in order to meet the statutory timeframe of notifying the parties who receive notices of default and/or sale within 5 days, but no more than 20 days of recordation of these documents. Said notification services relating to Notices of Default and Sale shall be effective only until January 1, 2015, unless otherwise indicated by County's RR/CC.

5.3 Contractor shall obtain the mailing address used by each principal party from the most recent tax assessment information available from the Los Angeles County Assessor's Office.

5.4 Notices must be mailed to each principal party at the property address (situs) and at the annual tax statement mailing address if it differs from the property address for all identified targets sent to the contractor.

5.5 Notices must be mailed to parties who receive a Notice of Default and/or Notice of Sale at the property address and the annual tax statement mailing address if it differs.

5.6 Notice of Default and Notice of Sale notices shall include the wording "Current Occupant" alongside the principal parties name.

5.7 All notices sent to all signing parties for a specific recorded deed, quitclaim deed, deed of trust, Notice of Default and Notice of Sale shall, taken together, be one (1) fraud notification unit for which Contractor shall be paid one (1) unit rate. One (1) unit shall include the mailing to multiple addresses if the property address differs from the annual tax statement mailing address.

5.8 Contractor shall obtain image files of official records using an agreed-upon file transfer process. This shall include either a Secure File Transfer Protocol (SFTP), or another suitable transfer process. Such official records shall be used by Contractor as the basis for notifying the affected principal parties.

5.9 Contractor shall obtain image files using an agreed upon Secure File Transfer Protocol (SFTP) process.

5.10 Contractor shall ensure that obtained image files of official records, are solely used for the purpose of the required services and comply with maintaining confidentiality of all records as set forth in Paragraph 7.5 (Confidentiality) of the Agreement.

5.11 Contractor shall promptly delete stored image files upon completion of task from all applicable systems. In addition, keep proper documentation specifying the date image files were deleted.

5.12 Contractor shall notify each party with the following:

5.12.1 A copy of the recorded document on file with RR/CC. **

5.12.2 A single page (8 ½ " x 11") notice informing the party of the purpose of the notification entitled "A Document Has Been Recorded On Your Property".** The page shall be two sided and yellow in color. (1 side English, 1 side Spanish*)

5.12.3 A survey postcard to be completed by principal party (the postcard shall be pre-addressed to RR/CC*). (1 side English, 1 side Spanish*)

5.12.4 A single sheet (3½ " x 8") describing "How the Property Tax System works." ** (1 side English, 1 side Spanish*)

5.12.5 A single two sided sheet (8 ½ " x 11") entitled "Protect Yourself from Real Estate and Foreclosure Fraud - Where to Call For Help." ** (1 side English, 1 side Spanish*)

LEGEND:	
*	Furnished by Contractor
**	Only master furnished by County. Contractor shall reproduce all required copies.

Any modifications to notice package above requires prior approval from County Project Director. Modifications meaning change of page/sheet size, style and/or information content.

5.13 Contractor shall supply, at no additional cost to County, all postage, envelopes and any other supplies required to complete the work.

5.14 Contractor shall obtain and pay for a post office box for notifications returned by mail. County shall have access to the box for monitoring purpose at all times. Contractor shall also pay, at no additional costs to County, for the mail permit required from the U.S. Postal Service for the box.

5.15 Each envelope shall contain a notification for one party that purportedly signed a recorded document. Contractor shall send each party the five (5) documents listed above. If there is more than one party signing the recorded document, up to four (4) parties may be notified at a single address in one envelope. The name of each party shall be listed on the mailing address of the envelope. If there are more than four (4) individuals to notify at a single address, multiple mailings shall be necessary.

5.16 Each envelope mailed to the property (situs) address as a result of a notice of default or notice of sale shall be addresses to the occupant as well as the principal parties of the situs

5.17 Contractor shall determine the correct address of the affected property for all mailings by the legal description listed on the recorded document. Contractor shall then determine the property address and annual tax statement mailing address from the records of the Los Angeles County Assessor's Office.

5.18 Contractor shall determine the correct address of the property subjected to either notice from the legal description, property address or other means in the event the Assessors Parcel Number (APN) number is not available on the document.

5.19 Contractor shall not invoice County for any notifications that are mailed to incorrect addresses.

5.20 Contractor shall not be responsible for any errors or inaccuracies caused by the County, including the parcels where County has indicated an address for the

party to be notified but no such address can be derived from the Los Angeles County Assessor's Office's records.

5.21 REPORTING REQUIREMENTS

Contractor shall, within ten (10) days after the end of each calendar month, provide County a monthly status report on electronic media in a PDF format indicating the following:

5.21.1 The total number of fraud notifications mailed during the preceding month. This shall consist of a daily subtotal of all recorded documents received, target units for each day's mailing. The daily subtotal shall include only the entire day's recorded documents as opposed to mailings for only part of a day's recorded documents.

5.21.2 The document number of the recorded document to which each fraud notification applies.

5.21.3 The date of receipt from County of the recorded document to which each notification applies.

5.21.4 The date of mailing for each notification.

5.21.5 The document number and date of the recorded document for which no mailing address can be located.

5.21.6 The address to which each notification was mailed.

5.21.7 A list of targeted documents (deeds, deeds of trust, quitclaim deeds, notice of default, and notice of sale) with totals for which fraud notifications have been completed. This list shall be on SFTP electronic media format acceptable to County.

5.21.8 Documentation specifying the date image files were deleted as set forth in Paragraph 5.9 of this Statement of Work.

5.22 Contractor shall maintain reports and lists stated above and make them available to County on demand for auditing purposes.

5.23 Contractor shall make available individual proof of mailing reports for individual or groups of properties upon request.

6.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

All listings of services used in Exhibit C (Performance Requirements Summary (PRS) Chart) of the Agreement are intended to be completely consistent with the Agreement and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Agreement and the SOW. In any

case of apparent inconsistency between services as stated in the Agreement, SOW and the PRS, the meaning apparent in the Agreement and the SOW will prevail. If any service seems to be created in the PRS which is not clearly and forthrightly set forth in the Agreement and the SOW, that apparent service will be null and void and place no requirement on Contractor.

The services required under this SOW will be monitored by County to ensure the requirements of the Agreement are being met. County Project Manager will oversee the day-to-day administration of the Agreement and will use Exhibit C, Performance Requirement Summary (PRS) chart to monitor the requirements of the Agreement. County Project Manager will work with Contractor Project Manager to coordinate requirements and correct any problems that could threaten the timely completion of the Project. Serious or repeated problems will be referred to County Project Director. The decision to impose any penalty as stated in the Paragraph 8.25 (Liquidated Damages) of the Agreement shall rest solely on the County Project Director and his/her decision shall be final. Contractor's failure to correct and sustain acceptable work performance shall be referred to Registrar-Recorder/County Clerk or designee for review and possible termination of the Agreement.

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EXHIBIT C

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

EXHIBIT C

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

FOR REAL ESTATE FRAUD NOTIFICATION SERVICES

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
AGREEMENT: Paragraph 7.0 (Administration of Agreement-Contractor), Sub-paragraph, 7.1 (Contractor's Project Manager)	Contractor shall notify the County in writing of any change in name or address of the Project Manager	Inspection & Observation	$50 per occurrence
AGREEMENT: Paragraph 8.0 (Standard Terms & Conditions), Sub-paragraph 8.37 (Record Retention & Inspection/Audit Settlement)	Contractor to maintain all required documents as specified in Sub-paragraph 8.37	Inspection of files	$100 per occurrence
AGREEMENT: Paragraph 8.0 (Standard Terms & Conditions), Sub-paragraph 8.39 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection & Observation	$1000 per occurrence; possible termination for default of contract
SOW: Paragraph 3.0 (Quality Assurance Plan), Sub-paragraph 3.1	Contractor's representative to attend quarterly meetings.	Attendance	$50 per occurrence

EXHIBIT C

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

FOR REAL ESTATE FRAUD NOTIFICATION SERVICES

SOW: Paragraph 5.0 (Specific Work Requirements), Sub-paragraph 5.1	Contractor shall notify, by first class U.S. Mail, each principal party that signs a recorded deed, quitclaim deed and/or deed of trust and party or parties subject to a notice of default or notice of sale, including the occupants of that property as soon as possible, but in no event more than ten (10) days, after the date such information is made available to Contractor by County's RR/CC.	Contractor's report of completed units and dates of mailing	$1000 per day
SOW: Paragraph 5.0 (Specific Work Requirements), Sub-paragraph 5.2	Contractor shall obtain the mailing address used by each such principal party from the most recent tax assessment information available from the Los Angeles County Assessor.	County Quality Control follow up of unmarked, undeliverable, or returned mailings.	$50 each occurrence where Contractor failed to identify proper address
SOW: Paragraph 5.0 (Specific Work Requirements), Sub-paragraph 5.8	Contractor shall promptly delete stored image file upon completion of task from all applicable systems and keep proper documentation specifying the date image file were deleted. .	Periodic site visit and review of documentation	$1000 each occurrence.

EXHIBIT C

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

FOR REAL ESTATE FRAUD NOTIFICATION SERVICES

SOW: Paragraph 5.0 (Specific Work Requirements),Sub-paragraph 5.9	Contractor shall include all required materials in mailings	Periodic site visit and test case results	$50 each occurrence.
SOW: Paragraph 5.0 (Specific Work Requirements), Sub-paragraph 5.11	Contractor shall obtain and pay for a Post Office Box for notifications returned by mail. County shall have access to the box for monitoring purpose at all times.	Copy of United States Postal Service receipt for PO Box and extra set of key for RR/CC access.	$100 per day.
SOW: Paragraph 5.0 (Specific Work Requirements), Sub-paragraph 5.16	Contractor submits monthly status reports with all required information.	Inspection of files	$50 per occurrence