



CALIFORNIA ASSOCIATION OF REALTORS®

July 2, 2009

Jesse R. Huff, Chief Deputy  
Department of Insurance  
300 Capitol Mall, Suite 1700  
Sacramento CA 95814

Re: June 12, 2009 Property Profiles letter

Dear Mr. Chief Deputy:

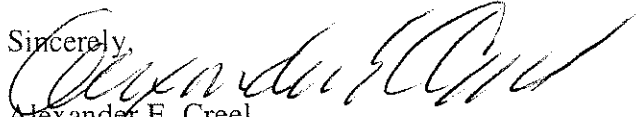
The California Association of REALTORS® respectfully requests that the Department of Insurance reconsider its ruling expressed in your letter of June 12, 2009. We are deeply concerned that the position is not supported by the underlying statute, and will act to deprive consumers of valuable protections against fraud.

The Underlying Statute. When the underlying statute (Insurance Code 12404.1) was modified by AB 3619 in 1992, it contained intent language to ensure that information about the property may be made broadly available, and legislative committee analyses reflect that these characteristics extend beyond the mere physical to include details of mortgages. Miller and Starr cites the Department's own bulletin 96-10 for the proposition that copies of (for example) deeds may be furnished without charge. Finally, even the Department's own letter (in opposition to the bill) states that it expands the universe of information that may be provided, to the point that nearly everything contained in a Preliminary Report could be allowed.

Consumer Protection. Even if the statute empowered the Department to restrict the property profile to the information outlined in your letter, we respectfully suggest that it would not be prudent to do so. REALTORS® report that they use the documents supplied as part of a property profile to detect fraud on the part of purported sellers or encumbrancers. At least two of our major firm members tell us that they have recently detected and prevented fraudulent sales in this manner. This valuable protection for consumers will be lost if REALTORS® cannot have access to a complete profile.

Thank you for your consideration.

Sincerely,

  
Alexander E. Creel  
Senior Vice President



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