



PENNSYLVANIA
LAND TITLE
ASSOCIATION

1010 West 8th Avenue, Suite H
King of Prussia, Pennsylvania 19406
p: 610-265-5980 • 800-545-7584
f: 610-265-5998
www.plta.org

Pamela A. Croke, Esq., CLTP
Executive Vice President
pcroke@plta.org

TO: The House Finance Committee, Commonwealth of Pennsylvania

FROM- Philip S. Janny, CLTP, President
Pennsylvania Land Title Association.

DATE : February 13, 2012

RE: **Testimony in Opposition to House Bill 1877**

On behalf of the Pennsylvania Land Title Association ("PLTA"), which represents over 3000 title insurance agents, underwriters and their respective companies, I thank you for the opportunity to submit my testimony with regard to House Bill 1877. Please be advised, my name is Philip S. Janny. I am a Title Insurance Agent with the law offices of Plunkett & Graver, P.C. in Allentown, Pennsylvania and I am the current President of the PLTA. PLTA has over 3000 title insurance agents and underwriters who insure your constituents free and marketable title to their greatest asset, their home, along with many other real estate investments. Our trade group is in the trenches on a daily basis dealing with real estate taxes, tax liens, foreclosures, short sales, on both residential and commercial transactions. The greatest impact of HB 1877 will be dealt to our members who will be significantly impacted if they have to rely on third party vendors for delinquent tax information. I am asking that you seriously consider opposing House Bill 1877.

House Bill 1877 is part of the continued attempt by private collection entities to benefit themselves financially and not in the best financial interest of the school districts

and municipalities across the Commonwealth. I certainly will not get long winded, but the simple reality is that in these current economic conditions constituents are struggling to effectively pay everyday expenses as well as their real estate tax bills. House Bill 1877 would take control of the payment stream away from the tax claim bureaus and put them into the hands of third party vendors. Constituents need a place to walk into and be able to meet with someone face to face, as they do now in the Tax Claim Bureaus, to address delinquent real estate taxes on their largest asset, as opposed to dealing with someone on the phone miles away. Should this process be turned over to third parties, the ability of constituents to go to their local courthouses will be taken away. We seek to have a government authority that can provide active and accurate tax records as our industry provides title insurance to ensure that those liens are paid and that the real estate is free and clear of all encumbrances and liens. The tax claim bureaus across the Commonwealth have a rich history of effectively keeping accurate records of delinquent taxes and providing accurate information as they receive payments for the delinquent taxes.

A simple case in point, last week I did a real estate closing wherein a delinquent tax bill for a local township was \$186.58. As you know, under the tax claim bureau, the interest paid is 5%. However, as a result of a third party vendor being the debt collector for this particular township, the total charge to bring the 2010 delinquent tax was \$552.40. The increase in fees was due to the fact that this particular third party collector charged \$335.00 for attorney fees to the constituent. In these economic times, if this property owner could not afford to pay \$186.58, why would someone assume they are in any position to be able to pay \$552.40? I bring this to your attention so you can see what is

happening ~~from~~ the trenches and you can simply do the math. I trust in ~~this~~ economic climate that you will consider doing the **right** thing by opposing House **Bill 1877**. **As** this ~~committee~~ is aware, the real estate industry has suffered a great deal over the last few years, **and** to allow third **party** vendors to control delinquent real estate taxes at a **substantial** increase to constituents and take away a place where the constituent can walk in to and review and assess their **own delinquent** taxes would be harmful to the **housing** and real estate industries in Pennsylvania. Again on behalf of the 3000 plus ~~members~~ of the PLTA, we **encourage** and hope that the Rouse Finance Committee will oppose House **Bill 1877**. **Thank** you.