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Date: June 4, 2009

To: All Clients and Friends

From: Cliff Bernstein

Re: Inaccurate Payoffs – City of Elizabeth, Water & Sewer Charges

**NEW JERSEY
TITLE BULLETIN**

Inaccurate Payoffs - City of Elizabeth, Water & Sewer Charges

We have recently learned of a potential problem with obtaining accurate payoff information for municipal water and/or sewer charges with respect to properties located in the City of Elizabeth that are being resold following a mortgage foreclosure sheriff's sale. It is our understanding that, when a property has been foreclosed, the City opens a new account that covers only the charges incurred after the mortgage foreclosure. Unless you specifically ask to have the prior owner charges for water and/or sewer (or all amounts due for the particular property) included in your payoff, amounts owed by any owner prior to the foreclosure are not provided (since the charges are under an older account number) and remain open. The City will then threaten to "sell the property at tax sale" unless arrearages are paid in full.

We therefore recommend that you use extreme caution when seeking the status of water and sewer accounts on properties located in the City of Elizabeth that have been through a recent mortgage foreclosure.

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