

Dear Stewart Partners,

This weekend marks the unofficial kickoff of summer, and we want to wish all of you a happy and safe Memorial Day. Stewart offices will be closed on Monday in order that our staff can celebrate the holiday with family and friends. While it is a time for relaxation, we also want to take a moment to express our gratitude for the men and women who served and sacrificed their lives in service to our country.

Please also remember that long weekends are targets for fraudsters seeking to perpetuate wire fraud scams, and we've included a short reminder piece below.

This week's update also includes a discussion of municipal tax lien sales in Connecticut, along with information on upcoming educational opportunities for both Connecticut and Massachusetts agents.



### **Long Weekends are Fraudsters' Favorites!**

Fraud pertaining to real estate is still a significant problem, and we know long weekends are particularly dangerous since the fraudsters have an extra day to abscond with the funds. Confirming payoff and disbursing instructions is a critical step when handling closing and escrow funds.

Please remember that any change in wiring instructions is a red flag, and never wire funds without verifying wiring instructions using a known telephone number or a verification service such as CertifID.

Any payoff letter that does not also contain a mailing address is also a red flag, and if the wire instructions are to an account name that does not match the name of the lender, be highly suspicious.

Finally, please make sure your office has put in place the [ALTA Rapid Response Plan](#), and everyone knows where to quickly locate a copy. This document can be a lifesaver if you find you've become a victim of wire fraud. You do not need to be an ALTA member to download this information, and the sooner you complete the worksheet and provide it to your employees, the better. No one wants you to be at a Memorial Day cookout worrying about wire fraud!



**Municipal Tax Sales in Connecticut** By: David Veleber, Esq.,  
Connecticut Underwriting Counsel

In Connecticut, a tax collector of a municipality has three options for collecting delinquent real estate taxes: foreclosure of the tax liens in a traditional judicial foreclosure action; assignment of the liens for consideration to a third party (though liens still need to be released for clear title in that instance); or levy upon and sell the property in accordance with the provisions of Section 12-157 of the Conn. Gen. Statutes. This last option results in a non-judicial tax sale and no court record exists for a title searcher to examine. We have been receiving requests to search properties in which tax collector deeds appear in the chain of title more frequently than ever and which require a detailed analysis to determine insurability as described below.

The tax collector (or its agent) auctions the property and signs a deed to the successful bidder, which sits unrecorded in the town clerk's office. If, within the six-month redemption period that follows the auction, neither the property owner nor any encumbrancer redeems by paying all back taxes and other charges due, the tax collector's deed is then recorded. Since tax collectors' sales are non-judicial, there is neither court oversight of the sale nor service of process by a state marshal. Consequently, these sales are closely scrutinized for compliance with all statutory requirements. This includes proper notice, along with filing and publication requirements that govern the sales. Such compliance is essential to marketability of title. Connecticut Standard of Title 29.1 addresses several aspects of the insurability of titles obtained through such a tax sale, including the effect of failure of notices to be received by parties with interests in the property and whether the auction process can be used if the taxpayer is deceased.

If you encounter in the chain of title to the property being searched a tax collector's deed as set forth in the Standard of Title, there should also be an affidavit of tax collector that is filed with copies of all notices and other evidence of compliance with the governing statute confirming that due process has been followed. If no affidavit is recorded, title is not insurable. Additionally, the title search must disclose all interest holders, including those who held mortgages or other liens, immediately prior to the filing of the first Notice of Auction. The tax collector's affidavit must be reviewed to confirm that holders of all such interests received the required statutory notice. The notice requirements are extensive, complicated and time sensitive.

In addition to evaluating the affidavit, the tax collector deed must be of record at least one year without challenge for the property to be insurable based on the statute of limitations set forth in CGS 12-159b. Although there has been much discussion nationwide about the constitutionality of tax sale foreclosures as a result of the Supreme Court's decision in *Tyler v. Hennepin County*, 598 U.S. 631 (2023), Connecticut's statute, as it relates to the non-judicial tax sale foreclosure, does not allow the municipality to retain excess sale proceeds and therefore, the concerns raised in *Tyler* are inapplicable. If the sale yields proceeds that exceed the debt, penalties, fees and costs, the municipality must follow certain procedures set forth in the statute relative to those funds.

If you encounter a tax collector deed in the chain of title, please contact a Stewart underwriter to confirm if the property can be insured or if remedial efforts will be needed

once the tax collector affidavit is reviewed.



## **Upcoming Education**

### **David Veleber, Connecticut Underwriting Counsel, presenting at the CBA 2026 Legal Conference on June 2, 2026**

David Veleber, Esq., Connecticut Underwriting Counsel, will be presenting at the Connecticut Bar Association's 2026 Legal Conference on Tuesday, June 2, 2026 at 9:00 A.M. The 1-hour presentation, entitled "Standards of Title: Key Sections – Recent and Long-Standing" is eligible for 1 CT CLE credit. Attendees will learn how to clear mortgages from title without a release; how to clear estate and trust titles; and how to clear titles by using affidavits. For more information, or to register for the all-day conference, go to the CBA website: <https://www.ctbar.org/events-education/events/event/2026/06/02/default-calendar/2026-connecticut-legal-conference-2027617>

### **Stewart's Massachusetts Underwriters Talk Title – June 3, 2026**

Join Jutta Deeney, Esq., Stewart's New England Regional Underwriting Counsel, and Tracie Kester, Esq., Deputy New England Regional Underwriting Counsel, for the next installment of their "Probate 101" series. In this installment, they'll be discussing reviewing probate in the back chain of title when the death occurred after the enactment of the Massachusetts Uniform Probate Code. The 30-minute webinar will be held on June 3, 2026 at 11 AM. To register, click this link: [Register Here](#)



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