**MINUTES OF THE MEETING**

**BOARD OF GOVERNORS**

**AMERICAN LAND TITLE ASSOCIATION**

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| June 21, 2018  9:00 a.m. ET | The Goodstone  Middleburg, VA |

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| GOVERNORS PARTICIPATING:  Steven G. Day, NTP, President  Patrick H. Beall  Cynthia Blair, NTP  William Burding, Jr., NTP  Daniel Mennenoh, ITP, NTP  Mary O’Donnell  Maureen Pfaff  Jack Rattikin  Richard Welshons  Dan Wold  GOVERNORS PARTICIPATING REMOTELY:  Don Kennedy  GOVERNORS NOT PARTICIPATING:  None.  ALSO PARTICIPATING:  Michelle Korsmo, CEO  Justin Ailes  Elizabeth Blosser  Steve Gottheim  Cornelia Horner  Kelly Romeo  Jeremy Yohe | Jacksonville, FL  Houston, TX  Columbia, SC  Santa Ana, CA  Galena, IL  Maitland, FL  Port Angeles, WA  Ft. Worth, TX  Hastings, MN  Minneapolis, MN  Santa Ana, CA    Washington, DC  Washington, DC  Washington, DC  Washington, DC  Washington, DC  Washington, DC  Washington, DC |
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1. Call to Order

President Steve Day called the meeting to order at 9:03 a.m.

2. Approval of Minutes

**A motion was made and seconded** to approve minutes of the Board as presented/revised for the following meetings:

* February 15, 2018
* March 19, 2018

**Motion carried.**

3. President’s Report

President Steve Day offered comments on several strategic initiatives and issues: Remote Online Notary, continued TRID implementation and the GUIDE Act, and the GSE Council.

Discussion Item: Dialog with NAILTA and that organization’s desire for a Code of Ethics. The Board engaged in a broad and open discussion about the relationship with NAILTA and the possibility and impact of an ethics program.

**The Board recommended** that a call or face-to-face meeting be arranged to further the conversation suggested by NAILTA and work to bring the organization into the ALTA fold.

Discussion Item: ALTA Forms Committee Composition. The Board discussed how to bring alignment to the Bylaws provisions setting the size of the Forms Committee and the traditional custom and practice of including on the committee all underwriting companies interested in having one or more employees serving as a member or advisor. The Board also discussed finding a way to include agent perspective in the committee’s work.

**The Board recommended** that staff with the Bylaws Committee undertake a review of the ALTA Bylaws to bring the Bylaws into alignment with the way ALTA does business. To support the work of the Bylaws Committee, staff was directed to consider options to remove the committee size limits for both the Forms and Accounting Committees and also to develop documentation for committee membership composition.

4. Abstracters and Title Insurance Agents Section Chair’s Report

Chair Bill Burding reported that the section met during the ALTA Advocacy Summit and discussed section priorities including the continued effort to develop the ALTA Marketplace and the high level of agent interest in information and tools to address concerns about information security, wire fraud, and remote online notary.

5. Title Insurance Underwriters Section Chair’s Report

Chair Mary O’Donnell reported that the section met during the ALTA Advocacy Summit and continued to focus on three priority areas: collection of industry data which is underway, work with the GSEs through the GSE Council, and innovation.

**The Board Recommended** that staff consider development of a newsletter to highlight innovation stories from within/without ALTA for members.

**A motion was made and seconded** to refer the proposed ALTA Endorsement 34.1 (Identified Exception & Identified Risk Coverage) back to the Forms Committee for further discussion.

**Motion carried.**

6. Best Practices Task Force

Chair Dan Mennenoh reported that new FAQs have been published and that the focus of the task force has been education. The initial series will focus on wire fraud. Scripts are in development and will be produced and published before ALTA ONE.

ALTA Registry

Vice President Kelly Romeo reported that the Registry has 4,755 confirmed listings as of Tuesday, June 19th. Registry Director Paul Martin has secured the first paying customer for the Registry and continues to work with dozens of prospective customers.

**A motion was made and seconded** to expand the ALTA Registry Vendor customer access type be expanded to include a combination of Basic Download and Detailed Online Lookup and that the Lookup be restricted to the vendor’s lender customers.

**Motion carried.**

**A motion was made and seconded** to approve a revised header section for the ALTA Settlement Statements to read “ALTA Registry ID” instead of “ALTA Universal ID.”

**Motion carried.**

7. Program Reports

MERS

Board Governor Patrick Beale is ALTA’s representative on the MERS Equity Shareholder Committee. ICE has completed all deliverables; UAT is also complete; migration testing is underway; the current focus is on the valuation process (consultants being selected and target completion is July 2018). Final sale (and payout for shareholders) is expected to follow.

State of the Association

Chief Executive Officer Michelle Korsmo reported strong financials and strong staff discipline in tracking revenue and expenses monthly against budget. ALTA has 6,032 Members as of Tuesday, June 19, which represents record membership for the 9th consecutive year. ALTA is also tracking higher dues payments per member than this time in 2017.

Government Affairs

Vice President – Government Affairs Justin Ailes led a discussion of advocacy issues and efforts.

The TRID Improvement Act was added to the House Appropriations Bill and staff is making some progress on passage.

The GUIDE Compliance Act is scheduled to be marked up in the House in late July; Senate sponsors are being secured. President Day’s testimony before the House Financial Services Committee Subcommittee on Financial Institutions and Consumer Credit on June 7, 2018, was very helpful.

Director of Grassroots and State Government Affairs Elizabeth Blosser reported on a Treasury Department meeting held with ALTA staff and members after the ALTA Advocacy Summit. The primary discussion item was innovation and remote online notary. Participants concluded that complex issues require complex solutions and the conversation continues.

Marijuana/cannabis is emerging as an issue in terms of solving the issue of banking resources for businesses in states where marijuana is legal. Legislation is pending and perspectives differ in that some address the banking issues only and others touch the Controlled Substances Act.

ALTA continues to track NY legislation and regulation to watch for any signs of actions which could be replicated and might be challenging in other states.

Director Blosser reported on various patents in progress for technologies related to remote online notary and the potential impacts to the industry

**The Board recommended** that the Remote Online Notary Task Force discuss the impact of state legislation which provides for privacy protections for data collected as a part of the notary event.

Government Affairs staff are monitoring FinCEN and GTO activity and serve as a resource for members and regulators.

Crypto & Anti-Money Laundering (AML) initiatives are emerging as issues of importance to members; staff and members are monitoring and discussing.

Strategic Priorities

Our Values

Senior Counsel Gottheim reported on the development of an awards program for the Our Value program which will highlight members who exemplify the “We Lead, We Deliver, We Protect” framework.

Forum for Innovation/ALTA Marketplace

No additional report.

Information Security

Vice President Romeo reported on products which have been developed by the ALTA Information Security Committee and will be published electronically and in ALTA TitleNews Magazine (August 2018 issue). The ALTA Rapid Response Plan for Wire Fraud Incidents and Accompanying worksheet are designed to help agents react quickly when wire fraud or attempted wire fraud is detected. In addition, a re-designed webpage focused on information security will go live in early July.

Customer Experience

Vice President Jeremy Yohe reported on the work of the HOP Committee (staffed by Director of Digital and Print Media Shawn Sullivan) which has trained more than 200 HOP Leaders and is working on several projects:

* ALTA and the Bureau are working on a potential collaboration effort to educate consumers about mortgages and the benefits of title insurance.
* HOP will be rebranded as Homeowner Outreach Program at ALTA ONE
* HOP Committee will recognize the company with best consumer-facing website during ALTA ONE with a “Title Webby” award.
* HOP Committee is developing seller-pay collateral as there are 31 states where the seller pays or where it’s negotiated.
* Social Media Campaigns during National Homeownership Month include:
  + Facebook campaign on wire fraud which reached nearly 40,000 people by June 15th; the wire fraud video was viewed nearly 20,000 times and was shared 120 times.
  + Google Ads campaign directing people to HomeClosing101.org was focused on key terms such as title insurance, house, home, keys, buying, and closing. Over two weeks, the campaign garnered 114,000 impressions and a 55 percent increase in traffic to HC101.org. There were nearly 100,000 page views through the first two weeks of June.

Talent Focus

Vice President Romeo reported that the Talent Committee (staffed by Director of Professional Development Deirdre Green) is working on several products to be delivered in 2018:

1. Re-design of the talent webpage

2. Prospective employee website (like HomeClosing101)

3. Recruitment Video highlighting careers in industry (July Association Studios project).

4. Benefits and Comp industry survey - meeting with third party firms right now

5. Developing 2 career pathways - one sales, one operational

The Board Recommended moving the talent portion of the state association speech forward so that the topic can be covered even if the time allotted to the ALTA representative is limited.

Best Practices

No additional report.

8. GSE Engagement Council

Section Chairs Mary O’Donnell and Bill Burding reported on the GSE Council. O’Donnell and Burding and ALTA Staff met recently with Fannie Mae staff (in person) and Freddie Mac (virtual). Fannie was focused on information as the primary industry product and looking for innovation around speed. Freddie Mac was thinking more about disrupting the agency model based on the idea that the agent simply places a policy (like the P&C model). Both GSEs have some ideas about title and settlement being one or the other, but not both, so that a conversation about innovation in “product” could mean title insurance coverage or settlement services or both.

The Chairs noted that some innovators (disruptors) think that the business is either title or closing, not both. In New York state, title agents deliver title and attorneys deliver closings; many investors are familiar with the New York model only.

Members need language and guidance to help them have conversations with GSEs, regulators, lenders, realtors, and industry innovators. New terms like “insure-tech” are emerging and there is a significant focus on data in addition to a continuing focus on product and process.

9. Strategic Conversation – Innovation

The NAIC research on innovation in the title industry has concluded innovation is more prevalent outside the industry than from incumbent companies. The NAIC research found innovation in the process, but not in the product offerings. The Board engaged in a discussion of ALTA’s message on innovation in the title industry for the NAIC’s August meeting.

**The Board Recommended** that the staff seek out public relations professionals who are knowledgeable about title, settlement, and lending to determine what market analysis and messaging will help formulate collateral which will speak to regulators, lenders, and GSEs. The goal will be to frame industry innovation as a benefit to policy-holders and consumers – not just internally to the industry.

10. Strategic Conversation - Cyber Security

Congress is currently discussing cyber liability legislation. The Board engaged in a discussion of how the title and settlement industry can use its expertise and experience in this area to direct the outcome of federal cyber security legislation.

**The Board Recommended** that the Information Security Committee consider several products and provided several examples:

* Consumer information form – “Be aware that we will never update wire instructions . . . “
  + Via email
  + Via your Realtor
  + Without a confirming voice or face-to-face conversation
* Realtor education presentation
* Consumer education presentation (for Realtors and others)
* Consumer Alerts or advertising on real estate portals (Zillow, Redfin, Realtor, etc.)
* PSAs
* Media toolkit for wire fraud events – use wire fraud incidents to drive consumer awareness

11. Executive Session

12. The meeting was adjourned at 3:15 p.m.