

November 2009

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American Land Title Association

TitleNews

The background of the cover is a photograph of the United States Capitol building in Washington, D.C. The building is a large, white, neoclassical structure with a prominent dome. In the foreground, a man with a balding head, wearing a dark suit, a light blue shirt, and a red patterned tie, is smiling slightly. He is standing on a green lawn in front of the Capitol building. The sky is clear and blue.

The Challenges are Profound

**ALTA President
Mark Winter Poised
to Tackle Threats**

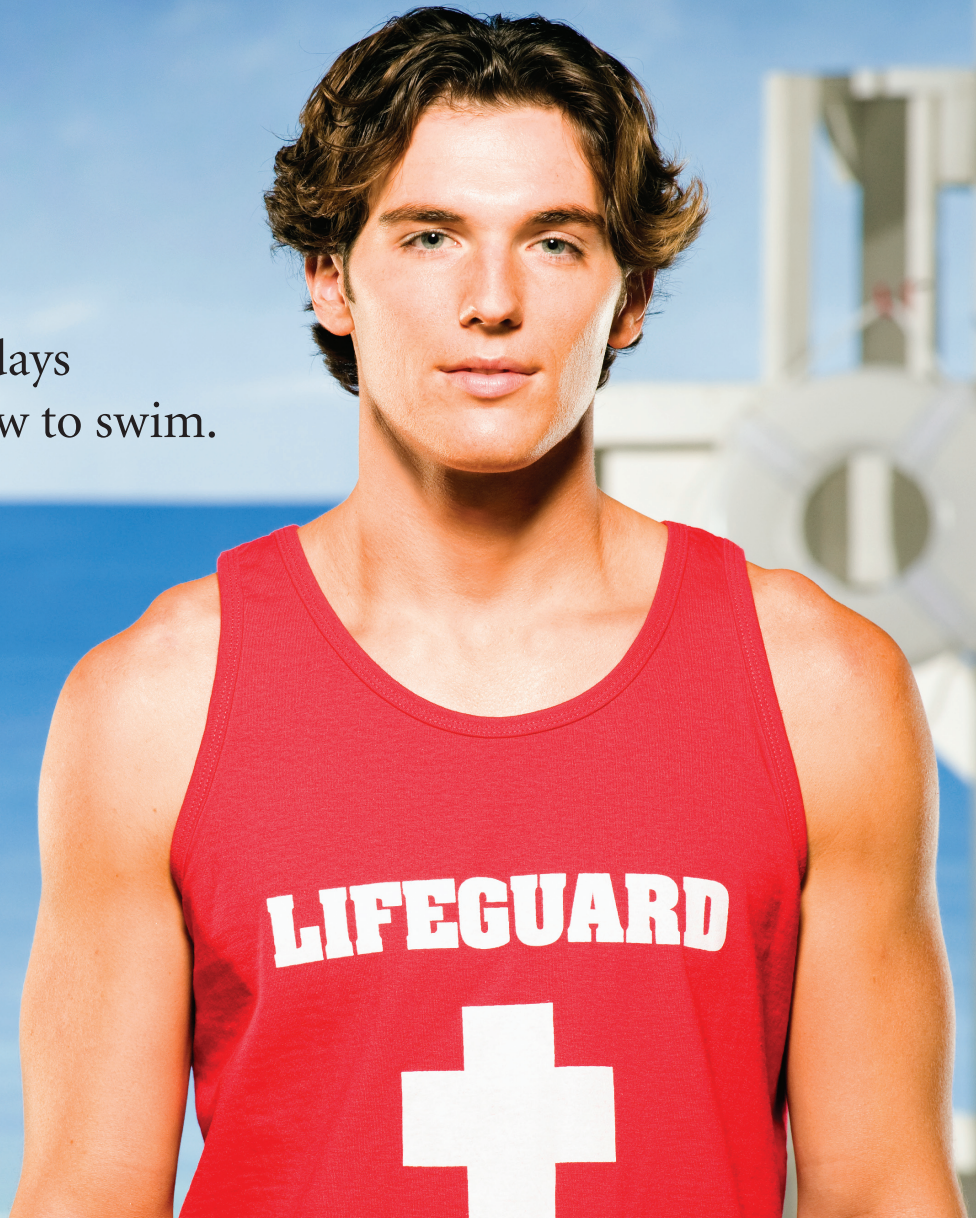
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Mortgage Fraud to Increase over Next
Three Years, Report Says

RESPA Taskforce Helping to Shape Reform;
Will Provide Members Best-Practices

Q&A: Transforming Social Media to Social Business

One of these days
I'll learn how to swim.



Some things are not what they seem.

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RESPA Taskforce Helping to Shape Reform; Will Provide Members Best-Practices

Implementation deadline of the new GFE and HUD-1 forms is less than two months away. While the U.S. Department of Housing and Urban Development has issued several updates to its guidance on how to properly fill out the forms, several questions remain.

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2010 Federal
Conference
& Lobby Day
Washington, DC

May 2-4

Business Strategies
Conference
St. Louis, MO

October 13-16

2010 Annual
Convention
San Diego, CA

STATE CONVENTIONS

December 2 - 4

Louisiana

TitleNews

PUBLISHER
Kurt Pfothenauer

EDITOR IN CHIEF
Jeremy Yohe

DESIGN/ELECTRONIC
PRODUCTION MANAGER
Shawn Sullivan

ASSOCIATION OFFICERS

PRESIDENT
Mark E. Winter
Stewart Title Guaranty
Washington, DC

PRESIDENT-ELECT
Anne L. Anastasi, CLTP
Genesis Abstract, Inc.
Hatboro, PA

TREASURER
John Hollenbeck
First American Title Insurance Co.
Santa Ana, CA

CHAIR, FINANCE COMMITTEE
Diane Evans
Land Title Guarantee Company
Denver, CO

CHAIR, TITLE INSURANCE
UNDERWRITERS SECTION
Christopher Abbinante
Fidelity National Title Group
Jacksonville, FL

BOARD REPRESENTATIVES,
TITLE INSURANCE
UNDERWRITERS SECTION
Peter Birnbaum
Attorneys' Title Guaranty Fund Inc.
Chicago, IL

Robert Chapman
Old Republic National Title Insurance Co.
Minneapolis, MN

CHAIR, ABSTRACTERS AND TITLE
INSURANCE AGENTS SECTION
Frank Pellegrini
Prairie Title, Inc.
Oak Park, IL

BOARD REPRESENTATIVES,
ABSTRACTERS AND TITLE AGENTS
SECTION
Herschel Beard
Marshall County Abstract Co.
Madill, OK

Jack Rattikin, III
Rattikin Title Company
Fort Worth, TX

IMMEDIATE PAST PRESIDENT
Michael B. Pryor
Lenders Title Company
Little Rock, AR

ASSOCIATION STAFF

CHIEF EXECUTIVE OFFICER
Kurt Pfothenauer

SENIOR VICE PRESIDENT
AND CHIEF OF STAFF
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DIRECTOR OF COMMUNICATIONS
Jeremy Yohe

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& TECHNOLOGY
Kelly Romeo, CAE

DIRECTOR OF GOVERNMENT AFFAIRS (STATE)
Justin Ailes

DIRECTOR OF GOVERNMENT AFFAIRS (TIPAC)
Alyssa Marois

DIRECTOR OF MEETINGS
Cornelia Horner, CMP

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Protecting the Title Insurance Industry's "Gold Standard"

The Basics

- This license will be provided at no additional cost to ALTA members who have long supported the creation and maintenance of the policy forms and the work of the association.
- Title agencies that don't wish to become an ALTA member may purchase an annual license for \$195 to write on the ALTA Policy Forms.

To learn more about this initiative, go to www.alta.org.

AMERICAN
LAND TITLE
ASSOCIATION



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Visit ALTA Home Page: www.alta.org • E-mail Feedback to: service@alta.org

Protecting the Industry's 'Gold Standard'

Trade associations have been part of the American fabric for more than 125 years, participating in public relations activities such as advertising, education, political donations, lobbying and publishing.

An association's main focus, however, is legal collaboration among companies for the benefit of the whole industry. For the American Land Title Association, the standardization of its policy forms has been one of the most significant and underappreciated developments for the industry over the past seven decades.

Standardized forms provide title agents many benefits. ALTA's standardized forms aid the selling of loans on the secondary market, keep interest rates lower, save consumers money and speed up the transaction process. (Look for an article on the history and evolution of ALTA's policy forms in a coming edition of TitleNews.)

Without a standard ALTA form, title agents and underwriters would have to create and market their own products to every lender they work with. Standardized forms lubricate the process and eliminate the need to negotiate policy coverages with every client, thereby opening the door to quick acceptance on the secondary mortgage market.

In protecting this "gold standard," ALTA has decided to require a license for the use of its forms. While a license will be included with ALTA membership, a fee will apply to those title companies that aren't ALTA members because the association's Board of Governors feels it's time for everyone to support an effort that benefits the entire industry.

Overall, reaction has been very supportive. But a small circle has said that the association is forcing non-members to "pony up and pay ALTA's ransom." If that's what you want to call it, \$195 is a heck of a deal to preserve the future health of the title industry.

ALTA exists for one reason: to strengthen the title industry. ALTA is scrupulous in its efforts to avoid picking winners and losers among competing business models, while tireless in its efforts to promote the overall well-being of the industry.

Remember Col. Nathan Jessep's famous "You can't handle the truth" tirade in the movie "A Few Good Men." Part of the memorable court scene includes Jessep telling Lt. Daniel

Kaffey that "you want me on that wall, you need me on that wall."

There's plenty out there threatening the future of the land title insurance industry. And the dangers aren't from within. Take a recent article I wrote for the online version of TitleNews. The headline "Bill Could Result in Largest Federal Land Grab," garnered significant attention from members, as the e-mail had a 60 percent open rate. Why is this story important? Because the proposed bill would effectively give the federal government jurisdiction over all surface water, and thereby, all land in the country, it would significantly impact the sale of private property.

Another proposed bill, known as Waxman-Markey, contains regulation that would directly impact a majority of real estate transactions because it would require homes qualified as "federally related transactions" to undergo an environmental inspection. The inspections that would be costly, as would fixing the violations. Compliance with new energy-efficiency standards would make homes, especially older ones, more expensive. The home resale market could take a beating.

Those are just two examples of looming threats. I didn't even mention the proposed Consumer Finance Protection Agency and the ramifications it could have on small business, including small, mom-and-pop title agencies. Oh, and the countless hours the 10 members of ALTA's RESPA Implementation Taskforce team volunteered to work with HUD in protecting the industry's interests with RESPA Reform, and then seeking guidance regarding the new GFE and HUD-1 forms to provide the industry a best-practices policy (See Page 26).

While there is division in the industry, and great diversity in the business models employed, there is a unifying factor that binds everyone: the production of a title insurance product that benefits consumers, lenders and investors. ALTA is needed on the wall to preserve this.

If we don't remember that, it will be the regulators and lawmakers that hold the entire industry ransom.



— Jeremy Yohe

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Decline in Title Insurance Premium Volume Slowing

Title insurance premiums continued to decline during the second quarter of 2009 compared to the same period a year ago, but are showing signs of recovery, according to the latest market share analysis released by the American Land Title Association.

Title insurance premiums generated during the first half of 2009 were \$4.53 billion, compared to \$5.42 billion during the same quarter in 2008, resulting in a 16.4 percent decline. That compares to a 25 percent decline from Q1 2008 to Q1 2009.

“The decline of title insurance premiums continues to ebb, revealing that the market has begun its slow march to recovery,” said Kurt Pfothenhauer, chief executive officer of ALTA. “First-time home buyers taking advantage of the housing stimulus tax credit coupled with greatly improved affordability conditions are contributing to higher volume in transactions.”

According to the report, 10 states showed increases in title insurance premiums. The states experiencing the largest increases comparing the first six months of 2009 to the first six months of 2008 were North Dakota (\$3.6 million, up 29.1 percent); Alaska (\$19.5 million, up 22.8 percent); Kansas (\$23.5 million, up 14.7 percent); Oregon (\$104.7 million, up 13.9 percent) and Wisconsin (\$55.4 million, up 9.6 percent).

The largest five states in premiums generated through the first half of

2009 were California (\$720 million, down .1 percent compared to the first six months of 2008); Texas (\$483 million, down 26.7 percent); Florida (\$336 million, down 35.3 percent); New York (\$270 million, down 33.9 percent); and Pennsylvania (\$205 million, down 9.2 percent).

“The high-volume states may still be down year-over-year, but the numbers are holding steady and providing the industry some optimism,” Pfothenhauer said.

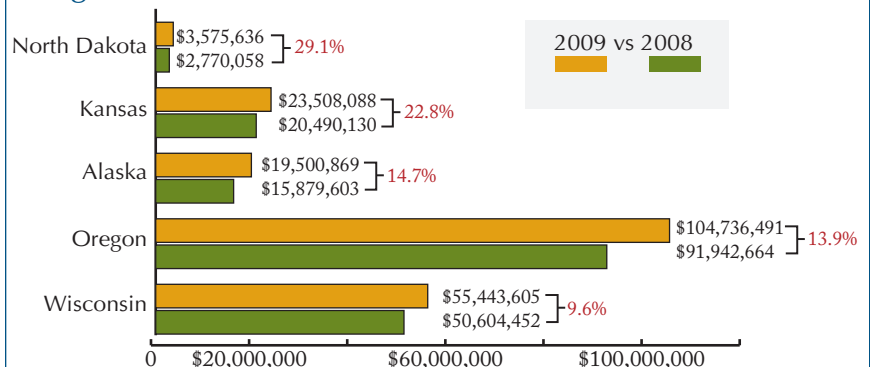
In terms of market share held by companies, the Fidelity family of underwriters garnered 46.5 percent of all premiums generated during Q2 2009, up from 45.5 percent compared to the same period last year. The family of First American underwriters reported a market share of 25.9 percent, down from 28.8 percent from a year ago. Stewart’s underwriters captured 13.1 percent of the market, up from 12.5 percent, while Old Republic’s

three underwriters held 6.8 percent of the market, which was an increase of 5.4 percent from Q2 2008.

Individually, the top five performing underwriters during the second quarter of 2009 were: First American Title Insurance Co. (22.5 percent market share); Chicago Title Insurance Co. (14.6 percent); Stewart Title Guaranty Co. (11.7 percent); Fidelity National Title Insurance Co. (10.4 percent); and Lawyers Title Insurance Corp. (7 percent).

Regional underwriters captured 7.6 percent of all title insurance premiums. Top regional underwriters were Attorneys’ Title Insurance Fund, which reached an agreement earlier this year to conduct business as an agent through a joint venture with Old Republic National Title Insurance Co.; Title Resources Guaranty; Westcor Land Title Insurance Co.; Investors Title Insurance Co.; and North American Title Insurance Co.

Largest Increases - First Six Months (2008 vs. 2009)



ALTA Responds to Proposed Regulations in New York

A draft regulation circulated by the New York superintendent of insurance would significantly reshape agent/underwriter relationships and how the title insurance industry conducts business in the state.

The New York State Insurance Department has been trying to break a logjam in the New York State Assembly to pass a bill to license title agents. The New York State Land Title Association has been advocating for a similar bill to license agents as well. The insurance department and state land title association have not reached consensus on which version of the bill should pass the New York State Assembly.

Kurt Pfothenauer, ALTA's chief executive officer, sent a letter Aug. 20 to New York Deputy Superintendent Susan Donnellan raising significant objections to the Department's proposal to make underwriters directly liable for agent activity and encouraged the Department to work with the industry to focus on licensing title agents in New York.

Here's a summary of the proposed regulations:

UNDERWRITER DUTIES

The proposed regulation would require underwriters to conduct annual, on-site reviews of the underwriting and escrow practices of the title insurance agent, including a review of the agent's policy blank inventory and processing operations, audits of the operating, checking, payroll and escrow accounts of its title insurance agent in order to compare the list of persons ordering title insurance to the list of persons who received payments or gifts from the title insurance agent, and to ensure that all payments made are in accordance with the provisions of the insurance law.

REQUIRED CONTRACT PROVISIONS

The drafted regulation stipulated that title agents must remit all funds due to the title underwriter as required, but no more than 60 days after receipt of funds. If an underwriter does not receive remittances within the specified timeframe, it must promptly inform the agent of the failure to remit. If the agent fails to take immediate action, the underwriter must promptly inform the superintendent and the agent must be terminated immediately. The drafted legislation says underwriters and agents must provide access to all books, bank accounts and records in a form usable to the superintendent of insurance.

POLICY DISCLOSURES

When issuing a title policy for a residential transaction, the title agent would be required to provide the purchaser a title insurance report at least five days before the scheduled closing.

AFFILIATED BUSINESS ARRANGEMENTS

The proposed regulation would require title agencies receive orders from "significant and multiple sources of business." Orders would need to come from two or more non-affiliate, non-controlled business sources that constitute at least 70 percent of all business.

REBATES, INDUCEMENTS AND FEES

In regard to rebates and inducements, every underwriter would need to establish policies that ensure its title agents are in compliance with the provisions of the Insurance Law.

RATES

The final portion of the drafted regulation would require all title insurance company or rate service organization filing rates must include in its rate filing with the superintendent the rate formula on which the rates are based, including provisions for expenses, losses and profit.

ALTA and NYSLTA will continue to express concerns about the unintended consequences of the insurance department's proposed regulation and advocate for passage of an agents' licensing bill.

ALTA Announces Site of 2010 Federal Conference

The American Land Title Association will hold its 2010 Federal Conference from Feb. 28 to March 3 at the Marriott Metro Center, 775 12th Street NW, Washington, D.C. We will update you when registration opens. This timely conference will

update you on regulatory, legislative and political issues facing the title industry. ALTA has negotiated a significant savings for members by changing to the Marriott hotel. Room rates will be \$199 per night, saving over \$115 per night.

Fannie Mae Issues New Title Guidelines for Foreclosures in Four States

Fannie Mae approved several special guidelines regarding foreclosures in Arizona, California, Washington and Nevada.

First, Fannie Mae will allow servicers to employ trustees of their choice for non-judicial foreclosures in these states. Second, when a referral is made to a trustee in one of these states, the servicer must require that a trustee obtain evidence of title for the foreclosure from a Fannie Mae-approved title company.

Lastly, Effective Aug. 5, when a servicer sends a non-judicial foreclosure referral to a trustee in Arizona, California, Washington, or Nevada, the servicer must include the Fannie Mae loan number in the referral package, and must instruct the trustee to forward the Fannie Mae loan number to the Fannie Mae-approved title company when ordering the evidence of title for the foreclosure.

ALTA Releases 2008 Industry Data Book

The American Land Title Association has released its 2008 Title Insurance Industry Data Book, a compilation of financial and market share data.

ALTA has collected this information for the title insurance industry since 2003 for the purpose of producing various compilations of family and industry statutory financial data and various market reports.

The book is organized in three sections: market share, statistical analysis and selected pages from an industry composite,

NAIC Form 9 Statutory Report. Market share reports include both state-by-state reports and family/company reports.

All family reports are based on organization structures as of Dec. 31, 2008, unless otherwise noted.



Title Agents to Benefit from FDIC Extension of New Deposit Insurance Limit

The standard insurance amount of \$250,000 per depositor will remain in effect through Dec. 31, 2013. On Jan. 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all account categories except IRAs and other certain retirement accounts, which will remain at \$250,000 per depositor.

This will provide title agents extra coverage for the escrow accounts in the event their bank abruptly closes. If an escrow account is set up and administered correctly, the FDIC will treat each individual escrow as a separate account.

This means if there are funds from 10 closings in the account, each escrow can receive the \$250,000 maximum protection.

To receive the full benefit of FDIC insurance, the escrow account needs to be labeled as such in the account name. This is done when the title company establishes the account with the bank. The words such as "Escrow Account" or "Trust Account" should be somewhere on the check from the title company.



"The title company must also be able to demonstrate through its own accounting procedures that it is managing multiple escrows through the single bank account," said John Bethell, owner of Indiana-based John Bethell Title Co. "Separate ledgers showing deposits and disbursements for each closing and tracking of balances by closing file, not just aggregating the total, is required. We take the extra step on our bank deposit slip to put our file number next to each check we've received."



ALTA Receives Support for Decision to License Policy Forms

From Blake Hanby, president of WACO Title Co., calling the plan a stroke of genius, to Rob Ptomely, manager of Colorado Land Title Company, saying you can't buy groceries with gratitude, the American Land Title Association has received strong support from underwriters, title agents and non-members since announcing in August its plans to license the use of its title insurance policy forms.

The move is aimed at strengthening the land title industry by protecting the association's top industry product, which has become the "gold standard" throughout the lending and legal communities.

A license to use ALTA's policy forms will be provided free to all ALTA members. Companies that are not members of the association will be required to pay an annual licensing fee of \$195 to write on ALTA policy forms.

To launch the program, ALTA is granting a free ALTA membership to all non-members for the remainder of 2009. In 2010, those companies must choose to either continue their ALTA membership or purchase the yearly

license from ALTA to write on the policy forms.

"Because land title insurance coverage is standardized, the secondary market readily accepts mortgages that carry title insurance. This has greatly contributed to the growth of demand for title insurance across the country," said Mike Pryor, immediate past-president of ALTA.

It's the standardization of forms that has non-ALTA members such as Mark Korman, managing director of title operations for Prudential Home Sale Services Group, believing that the license fee is a small price to pay for the efficiency garnered.

"If I think about all of the variety of lenders that we work with and think about not having a standard form, I could see us spending lots and lots of time on talking with lenders' counsel, negotiating policy coverages and explaining coverages," he said.

Pryor said many agents think the forms belong to the underwriters, but the trade association created the standardized forms and filled a unique role bringing the industry together to eliminate the confusion and chaos of disparate coverage. In turn, this has

built a bridge to broader market availability for title insurance.

In addition, Pryor said this program will bring together the land title community and strengthen efforts to protect its business interests.

"As I have traveled across the country speaking to title professionals, one thing is clear," said Pryor. "The land title industry is at a critical juncture where we have the opportunity to step up and show home buyers, lenders, and our communities how we have made our land recordation system the best in the world; or, we can sit back and watch our life's work be altered completely by a stroke of a legislative pen or a regulatory change.

"Licensing of the policy forms will reduce the drain of critical resources to the association and protect the value of ALTA forms far into the future. "ALTA is doing more than ever to carry the banner for our industry. We want to keep up that level of advocacy on behalf of our members and for all in the title business. And, we want to do it in an environment where all beneficiaries share in the cost," Pryor continued.

Over the past year and a half, ALTA has ramped up its grassroots network; rolled out several new communications vehicles, including the Advocacy and Grassroots Updates, News You Can Use, and TitleNews Online; dramatically increased the size of its political action committee; tripled the number of in-house registered lobbyists; hired outside lobbying talent to augment in-house effectiveness; commissioned new industry

research to demonstrate the value of the industry to policymakers; increased its collaboration with state land title associations to enhance their ability to counter hostile legislation and regulation; increased its involvement with the National Association of Insurance Commissioners (NAIC) title insurance working group; and spearheaded the creation of a RESPA Implementation Taskforce to work with HUD on the new RESPA rule.

“We probably can’t make members out of everyone, but we can at least get everyone in the industry to get a little more connected and a little more involved,” said Pryor. “The \$195 license fee is a minimal investment in a product that is an integral part of our business each day. The value of the forms far exceeds the license fee. This program will be a small step toward reestablishing a level playing field for all industry participants,” Pryor concluded.

Jeffrey Reese, president of the Missouri Land Title Association and VP and manager of First American Title, shared the thoughts of many who said the decision to license the forms was an idea past due.

“There are so many title agents who simply do not get involved in our industry or who do not actively support the efforts of ALTA or the state associations and leave a minority of us to shoulder the expense,” he said. “It’s high time they paid for the benefit they receive from having the ALTA forms available for use.”

Mike Dalton, executive vice president and chief title officer of Monarch Title Co., said his company has been an ALTA member since 2001 and always felt that non-members benefitted from the largesse of ALTA not only with forms, but lobbying and other governmental affairs.

“It is high time these non-members pay for what they have been getting for free,” he said.

Dave Croson, president of the Virginia Land Title Association and president of Stonewall Title & Escrow, wondered why ALTA didn’t license the policies sooner. He said years ago as a Realtor, he had to pay a fee to use the Association of Realtors forms, “in fact, I think it was 20 cents per contract.”

“My agency has issued thousands of policies for which I have not paid a dime,” Croson said. “It is a great idea that has been a long time coming.”

Becky J. Minix, president of the Indiana Land Title Association and agency services representative for Stewart Title Guaranty, said ALTA did a great job of explaining its rationale in licensing the forms. She said the association was sensitive to the impact the announcement may have at the state level.

“Regardless of how you feel about politics, it requires money to have a voice with those who control our destiny,” Minix said. “ALTA has been working diligently to raise awareness of what value the title industry adds to the real estate process and it’s important to keep up the momentum they have established.”

Minix said the \$195 fee is manageable and hopes it encourages agents to become members of ALTA.

“As an industry, we sometimes tend to not think beyond our own backyard,” she said. “As this year’s ILTA president, I have had the luxury of receiving the many communications ALTA has provided to the state associations. The ALTA Advocacy e-mails sent out weekly, at the very least, validate the progress ALTA has made in recent years in terms of defending our position on various legislative is-

sues which could have been detrimental to the title industry.”

Leonard A. Shatz, senior underwriting counsel for First American Title Insurance Co., added that he intends to tell title agents that if there was ever a time they needed ALTA’s advocacy in Washington, it’s now.

“They must keep that in mind when complaining about paying the licensing fee,” he said.

Reese said there has been little reaction from his state, so far, but believes there may be grumblings when invoices are sent out in March.

There has been some concern that this could impact membership at the state level. Reese said there will be some level of agents who drop state membership since they will have to pay the fee to ALTA, “but I do think that will be minimal.”

Reese said he favored a “per policy issued” royalty as opposed to the flat fee because it would have allowed for state associations to piggy back onto the charge to increase their own membership fees.

“It would have been nice had ALTA been able to say in Missouri there is going to be a fee of \$X charged for each policy issued and of that amount \$Y goes to ALTA and \$Z goes to the state association for their educational and legislative efforts. That would have made every entity that issues a policy a member of ALTA and of the state association.”

Minix said Indiana maintains a strong membership base – even in these tough economic times. While there is always a concern about additional costs to its members, she believes most agents will understand the importance of the licensing.

“It will allow the industry to have the necessary funding for the associations’ ongoing viability,” Minix said.

The Challenges are Profound

ALTA President Mark Winter
poised to tackle threats

Once Mark Winter arrived in Washington, D.C., as a freshman attending Georgetown University in 1962, it didn't take long for him to fall in love with the nation's capital. He quickly gained experience and used his knowledge to become a successful lobbyist. For more than 30 years, Winter has been an advocate for the title insurance industry on Capitol Hill. Now, he is prepared to lead ALTA in 2010 and propel it to future success.



A quiet and assertive Mark Winter arrived in Washington, D.C., in September 1962, when the Cleveland, Ohio, native was assigned a fourth-floor garret in Old North on the Georgetown University campus. While Winter expressed a calm demeanor, he could “destroy you with a couple of words if he had to,” according to his Georgetown roommate.

Armed with a personality trait needed to succeed in D.C., it didn’t take Winter long to develop a love affair with the nation’s capital. During his freshman year, he would wander about after his classes, relishing the grandeur of the capital. He looked with wonder at the vast Greco-Roman temples of government that lined the broad avenue. He would stand in the Capitol where Daniel Webster and John Calhoun debated and read with awe the frieze above the marble columns of the Supreme Court promising “Equal Justice Under Law.”

“Washington had advantages that no other city could offer,” Winter said. “To me, it was the center of the world.”

■ “Washington had advantages that no other city could offer. To me, it was the center of the world.”

Potomac Fever Strikes

Winter volunteered for the President Nixon Election Campaign, and was named a director of Nixon’s Transition Office reporting to former Virginia Senator John Warner. His responsibilities included vet-



▲ Mark Winter speaks with Bono, lead singer of U2 and major international humanitarian.

ting cabinet candidates for the U.S. Department of Housing and Urban Development, the Department of Energy, the Council of Economic Advisors and a host of Ambassadorial candidates. When the dust settled, Winter was named special assistant to the U.S. Ambassador to Jamaica, the Honorable Vincent de Roulet.

Following his international duty, Winter joined the professional staffs of Reps. Bill Bray (R-Indiana) and Frances Bolton (R-Ohio).

The Stewart and ALTA Years

Since 1985, Winter has managed Stewart’s Washington, D.C., office and is responsible for the development and coordination of commercial and residential business and procurement of international land

titling projects funded by various donor groups including USAID, the World Bank, IMF and the Millennium Challenge Corporation.

Winter, who is an executive vice president at Stewart, represents the company before Congress, HUD, various regulatory agencies and government sponsored enterprises such as Fannie Mae and Freddie Mac.

Prior to his time with Stewart, Winter served as the Director of Government Affairs for ALTA. Beyond serving as the association’s next president and succeeding Mike Pryor, Winter will continue to serve ALTA in many other ways. Winter continues to serve on the Board of Governors, Chairs the International Development Committee, and is a member of the TIPAC Board of Trustees, the Government Affairs Committee and the State Legislative and Regulatory Action Committee.

“Mark has been a great representative for our company and the industry on Capitol Hill,” said Stewart Morris Jr., president of Stewart Title Co. “Mark has made it his focus to keep a vigilant watch on the legislative and departmental activity in

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At RamQuest we understand that the 2010 RESPA regulation is about so much more than just a form change. We know that this change will have a far reaching impact on the way that you do business today and we can help. But don't wait. January 2010 will be here before you know it. Call RamQuest and let us show you how to finish your RESPA checklist today.

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Interesting Facts You May Not Know About Mark Winter

- Winter is a “water bug.” He was baptized into the NGO water community through encouragement and leadership of his friend and business colleague Malcolm Morris, Chairman and Chief Executive Officer of Stewart Title Guaranty Company. Morris, an ALTA past president, urged Winter to join him on a mission trip to Kenya some 12 years ago. At that time Morris was chairman of Living Water International (LWI), a nonprofit, interdenominational Christian ministry whose mission is to provide clean drinking water to people in developing countries. Morris and Winter have visited east Africa countries, and through the leadership of Kenya President Mwai Kibaki, LWI has sponsored numerous water wells in the Masai and Kikuyu tribal regions. The wells have brought peace to conflicted areas. To date, LWI has drilled more than 500 wells and brought clean, safe water to an estimated 1.6 million Kenyans.



▲ Working with Living Water International, Mark helps bring clean and safe water to Africa, including these children from Ethiopia.

“Water is a strategic resource that has economic, humanitarian and security dimensions and has the potential for helping millions of people around the world,” Winter said.

- He has recently addressed the Brookings Institute, the Center for Strategic and International Understanding, and the Congressional Water Caucus.
- Winter’s favorite sport was baseball. He pitched for his prep school team and at Georgetown. However, his most memorable baseball moment was being selected the bat-boy for the 1961 Cleveland Indians. Sometime

ask Winter to share with you the infamous “bat stretching story.” Another baseball memory – Mark played Class A ball for a team coached by Cleveland Indians Hall of Fame pitcher Bob Feller.

- Winter played semi-pro football for the Hartford Charter Oaks of the Continental Football League. Winter said he was slow (still is), average height and weight and a bit eccentric (still is).

“As you can imagine, it just took a couple of weeks for reality to set in,” he said.

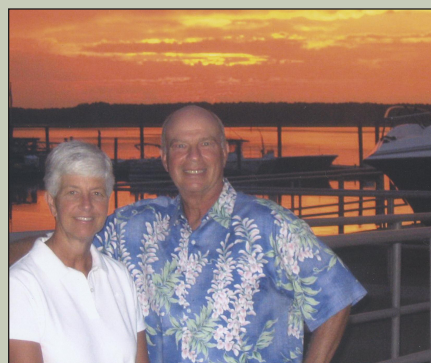


Although Winter survived the first cut, more and more “big boys” arrived at the Simsbury, Conn., training site – rejects from the New York Giants and Jets.

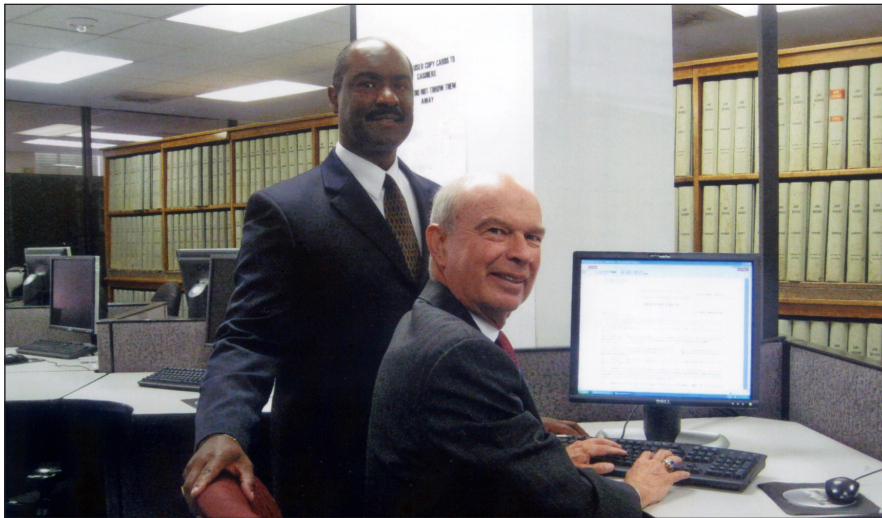
“The writing was on the wall,” Winter joked. “Anyway, my memories included many bruises, a noticeable limp and a realization that being small and slow is not conducive for a successful football career.”

- Winter has been involved in a number of civic and social activities. He was chairman of the Mater Dei School Board of Trustees, member of the Georgetown Prep Board of Trustees, member of the Little Flower Parish Council; President of the 22,000 member Washington DC Metropolitan Area Catholic Youth Organization; Co-Founder and President of the Capital Group and a member of the Chevy Chase Club Board of Governors.

- Mark and his wife, Carol Lynn, live in Chevy Chase, Md. The Winters have four sons and seven grandchildren.



▲ Mark and his wife, Carol Lynn, enjoy a Hilton Head sunset



A Mark introduces an automated land recordation system to Washington, D.C., Register of Deeds Larry Todd.

order to be a voice of reason for the title and real estate industry. Now, as the incoming president of ALTA, Mark will draw on that experience in the industry and the nation's capital to lead in the recovery of the real estate market and protection of the title industry in an environment of changing regulation and challenging economy."

Also, Winter has served on the Advisory Board of World Mae, an organization to facilitate the development of a secondary market for home mortgage loans originated in countries throughout the world and is a charter member of the International Land Registration Association.

"Mark is a gentleman and a skilled and respected lobbyist," added Mike Nichols, president of The Jones Abstract and Title Co. in Indiana. "His ability to bring opposite sides together will be extremely beneficial to ALTA."

ALTA Mission: 2010

President Winter views the upcoming year as a most critical time – "challenges facing the land titling industry are profound." On a philosophical note, Winter stated that the industry must "always respect reality, effectively assess the times and become relevant to them. This is our charge."

A key component of Winter's mission is the need to examine and respond to the many proposals addressing financial services reform and mortgage reform.

"In response to the evolving world of change, I recommend a program that will enhance the prospects for state and federal policymakers to truly understand the important and vital role of the land title industry," he said.

Winter's proposals include:

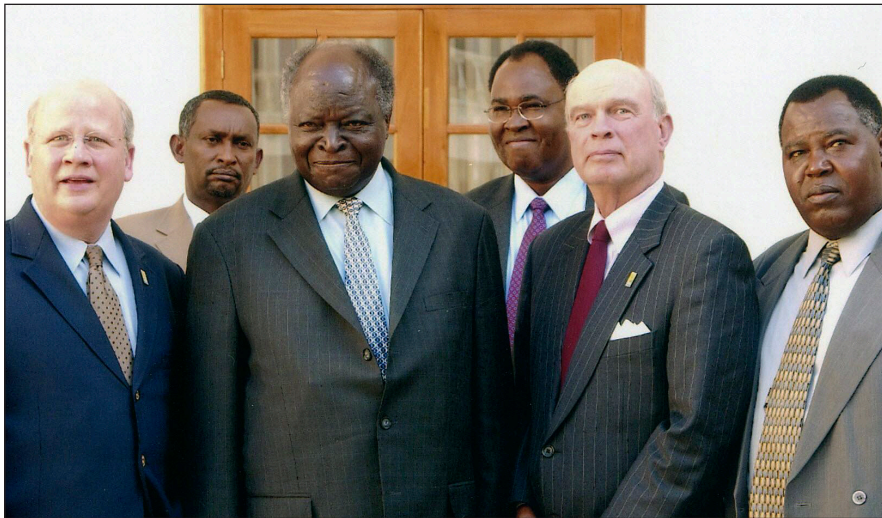
- The development of an "Education with a Face ... Your Face" initiative. Encourage policymakers and regulators – members of Congress, State Insurance Commissioners, regulatory officials and

professional staffers – to attend and participate in the closing process.

- To engage those responsible for our future role in the mortgage reform (CHANGE) process.
- To schedule appointments with members of Congress and State regulators to see "first hand" the leadership the closing officer provides – for buyer and seller alike – the documentation explanation, the reduction of consumer fears and stress, the understanding of the numerous facets involved in an efficient, safe, transparent closing – including the timely filing of documents and the professional handling of funds disbursement.
- 2010 is an election year and members of Congress WILL make themselves available to attend a closing. Constituent "care and feeding" is a key reelection component.
- Expand Anne Anastasi's celebrated Title 101 education program. Winter said he plans to name additional educational "SWAT" teams that have the capability to "parachute" into areas of need on a moment's notice.

Also, Winter remains concerned with the proposed creation of a Consumer Financial Protection Agency (CFPA), a subset of a major financial services reform blueprint. Although some modifications are under active consideration by Congress, Winter emphasized that the CFPA proposal is "more like fresh caught fish than fine wine. The proposal does not get better with age."

"The CFPA generates several industry concerns including jurisdiction over credit-related insurance



▲ Stewart President and former Living Water Chairman Malcolm Morris and Mark meet with Kenya President Kibaki (front center) and Cabinet members.

products including title,” he said. “CFPA is crafted in a manner that may extend the reach of federal government beyond RESPA implementation and enforcement to include a form of federal regulation of the land title industry. This would create a regulator fiat that places federal regulation as the dominant industry regulatory.”

Winter concluded his CFPA discussion with a President Reagan quote worth re quoting – “The most terrifying words in the English language are: I’m from the government and I’m here to help.”

The unclear destiny of Fannie Mae and Freddie Mac also poses concern for the industry. Presently the GSEs are bankrupt and, therefore, wards of the federal government. A variety of restructuring proposals have been discussed to ultimately reinvigorate the secondary mortgage market system.

“Once emerged from the cocoon of conservatorship and whatever future model GSEs may morph into, title insurance must be the product of choice in providing the securitiza-

tion venue for banks to create larger pools of monies available for mortgage lending,” Winter said. “With changes in the wind, it is incumbent on the new breed GSEs to securitize their mortgage packages through the use of a title insurance wrapper. Although GSEs may come in different flavors, a nationalized model, a public utility model or a small private company model – all must have one common feature – title insurance protection.”

Successful ALTA Advocacy

History has brought us to a point where change is essential. Winter stated that the land title industry has been summoned not just to manage our companies but to transform them. Our task is to provide content to a wholly different and evolving real estate market.

“In the year ahead, ALTA must prove adaptable in areas that will affect the business and practice of reliable, safe and secure title insurance practices,” he said. “We must provide opportunities for future title professionals, help others in times of

economic crisis, respond to consumer client needs in a global economy and advocate for values that strengthen the mortgage and real estate industry.”

Winter stresses the need to reach for a larger, broader and more active membership. The recently announced forms licensing initiative is a means to “unlock potential title professionals who are not active.” He said a successful advocacy program is based largely on the number of foot soldiers ALTA can attract.

“If the industry hopes to guide the changes coming down the pike in this Congress, it needs a new face and it needs to be the face of the constituent,” he said. “Nothing speaks more powerfully to a congressman or senator than someone running a business in their home district or state.”

“Our future is being decided now. Our credibility is at stake as an industry,” Winter concluded. “As I take over the presidency of ALTA, I want to extend my gratitude to past ALTA presidents for sharing their moral compass, to the board colleagues for sharing their wisdom and to the members of ALTA for sharing their confidence.”



▲ Many, many years ago, Winter was in training for a position with Jiffy Lube.



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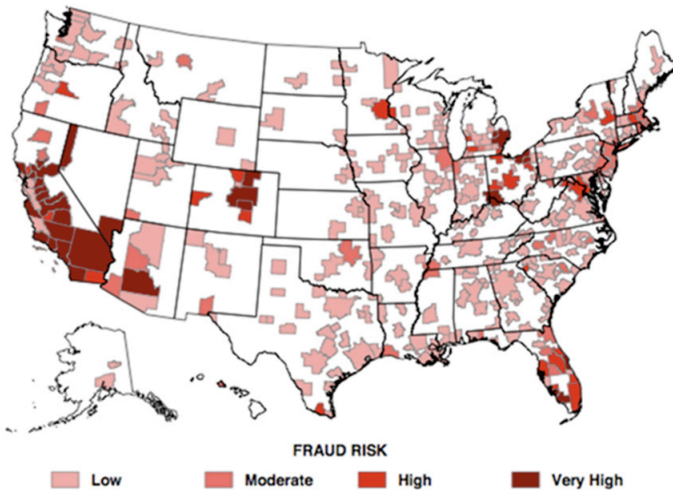
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Mortgage Fraud to Increase over Next Three Years, Report Says

Mortgage fraud is expected to increase over the next three years as a large number of adjustable rate mortgages (ARMs) reset between now and the first quarter of 2012, according to a quarterly fraud index by Interthinx.

Interthinx reported its national fraud index is down 4 percent from first-quarter 2009 and up 7 percent from second-quarter 2008. The firm said valuation fraud — the most common type of mortgage fraud — is up 56 percent, but occupancy fraud and employment/income fraud declined 25 percent and 33 percent, respectively.

Interthinx said fraud risk is an indicator of foreclosure risk, meaning areas with high fraud risk are in danger of seeing increased foreclosures within two years.

Western states lead the country in fraud risk, as eight out of the top 10 riskiest metropolitan statistical areas (MSA) are located in California. Las Vegas and Reno Nevada are the only non-California cities in the top 10. The Stockton, Calif., MSA topped the list with a fraud index of 257 — where 100 is considered “normal” — up nearly 20 percent from the first quarter of 2009 and up 72.3 percent from Q2 2008.

Common Mortgage Fraud Schemes

Frank Pellegrini, president of Illinois-based Prairie Title Inc. and a member of ALTA’s board of governors, testified June 18 on behalf of ALTA before the House Financial Services Subcommittee on Oversight and Investigations, telling committee members that the title industry fulfills a critical role in preventing fraud in real estate deals because of the unique vantage point agents have as closers. Below, Pelligrini highlights some of the most common forms of mortgage fraud impacting the industry:

- **Property flipping** where property is purchased, falsely appraised at a higher value, and then quickly sold. The scheme typically involves one or more of the following: fraudulent appraisals, doctored loan documentation, inflating buyer income, or kickbacks to buyers, investors, brokers, and appraisers.
- A **“silent second,”** where the buyer of a property borrows the down payment from the seller through the issuance of a non-disclosed second mortgage. The primary lender believes that the borrower has invested his own money in the down payment, when in fact, it is borrowed. The second mortgage may not be recorded to further conceal its status from the primary lender.

- **Nominee loans** or straw buyers where the identity of the borrower is concealed through the use of a nominee who allows the borrower to use the nominee's name and credit history to apply for a loan.
- **Equity skimming** where an investor may use a straw buyer, false income documents, and false credit reports to obtain a mortgage loan in the straw buyer's name. Subsequent to closing, the straw buyer signs the property over to the investor in a quit claim deed which relinquishes all rights to the property and provides no guaranty to title. The investor does not make any mortgage payments and rents the property until foreclosure takes place several months later.
- An **air loan** which is a non-existent property loan where there is usually no collateral. An example of an air loan would be where a broker invents borrowers and properties, establishes accounts for payments, and maintains custodial accounts for escrows. They may set up an office with a bank of telephones, each one used as the employer, appraiser, credit agency, etc., for verification purposes.
- **“Loan slamming,”** where the borrower applies for several loans at the same time on the same property, and times the closings so that they occur within a few days of each other. It is important to note that the transactions happen so close to each other that they often go undetected. This is particularly troubling to the title insurance industry because the gap between the time a transaction is recorded and the document is indexed provides a prime opportunity for fraudulent activity.
- **Foreclosure rescue schemes** where the perpetrator identifies homeowners who are at risk of defaulting on loans or whose houses are already in foreclosure. The perpetrator misleads the homeowners into believing that they can save their homes in exchange for a transfer of the deed and up-front fees. The perpetrator remortgages the property and/or pockets fees paid by the homeowner.
- **Asset rentals** where real estate agents or mortgage brokers misrepresent the borrower's ability to qualify for a loan by fabricating employment history, income verification, credit records and/or bank statement balances. For a fee, an “asset rental” company transfers money into the borrower's bank account to show the lender that the borrower has ample funds to close and even enough for reserve. Once the closing takes place however, the funds are transferred back to the asset rental company.
- **“Chunking,”** where a borrower attends a “seminar” about how to invest in real estate with no money down, and a third party, possibly a presenter at the seminar/program, encourages the borrower to invest in three properties and acts as the borrower's counsel or agent. Under the perpetrator's guidance, the borrower completes the applications and perpetrator submits the applications to multiple lenders for multiple properties, let's say 10, instead of the original three that the borrower knows about. This scheme requires an appraiser, broker, and/or a title professional to ensure that the borrower does not have to bring money to the multiple closings. The perpetrator acts as

the borrower's agent at closing, and while the borrower receives loan proceeds for three closings they are aware of, the perpetrator pockets the proceeds from the other seven closings.

Last Line of Defense

Once a deal gets to the closing table, the closer provides the final opportunity to prevent a fraudulent deal. Closers need to pay attention to discrepancies, such as different account numbers where the money will be transferred.

Closing table red flags include:

- Right of assignment or changes between original seller and who shows up on closing document. Many people are getting around flips by doing signed contracts as opposed to transferring title. Powers of attorney are always something to examine.
- Cash back at closing.
- Make sure escrow instructions require the closer to obtain pre-approval of the HUD-1 and that closing instructions don't allow any changes to the document without approval prior to funding. In fraudulent transactions, you will see the approved HUD-1 come through with one set of payouts and the actual final HUD-1 come out differently.
- Payouts from seller proceeds: Many times liens are filed at the last minute that may or not be valid. Liens filed a day or two before the closing would be a red flag. Lenders need to pay attention to the HUD-1 and where proceeds are going. Closers need to make sure they are communicating with the underwriter.

Q&A:

Transforming Social Media to Social Business

In the past couple of editions of TitleNews, industry experts explained why social media usage has ballooned and how title industry professionals can harness its untapped marketing potential, build relationships and recruit. Here, Derek Massey, president of Mid-Atlantic Settlement Services, which operates in Maryland, Virginia and the District of Columbia and is a wholly-owned subsidiary of Title Resource Group, offers concrete advice on how he utilizes social media sites to generate business.



Why did you decide to delve into the social media world?

Simply put, I saw real estate agents there. Let's preface this by saying I am a pretty avid user of technology. I may not know everything about every gadget and widget, but never does a day go by without me spending serious time in front of a computer or on my Blackberry. So it came naturally, particularly when I saw real estate agents start utilizing Twitter, Facebook and LinkedIn. A real estate transaction works best when agents, title companies and lenders are all on the same page, so when I see my counterparts in the transaction utiliz-

ing certain modes of communication, it's best that I be there as well.

When and how did you get started?

Over a year ago I came across an Inman article that referenced a particular real estate agent who utilized Twitter. Having no idea what it was, I signed up. I started "following" a couple of Realtors, then, started following who they were following. Twitter is pretty viral, and has a low connectivity barrier – it's very easy to follow people, see what they're about and to whom they are talking, and then follow those folks. I already had a Facebook account (which I was hardly using) and a LinkedIn account

– adding Twitter was kind of the match that lit the fire.

What is your strategy or game plan in social media marketing?

Initially, it was just to learn as much about real estate as possible. What are the collective challenges, successes, likes, dislikes, etc. of real estate agents and brokers? Knowing a real estate agent – really knowing her – makes me a better title guy. Eventually this has evolved into getting business. This is a relationship business, and I have established real relationships online that have culminated into transactions.

Equally important to note is that I am relatively new to a market, having relocated only two short years ago. I am not as "entrenched" in the Greater Baltimore and Greater D.C. real estate markets as I would like to be. I needed a marketing plan that didn't require five nights a week away from my family. With social media, I can connect to clients (and potential clients) from anywhere at any time.

Who do you target or who are you trying to attract?

"Target" is a tough word here. Eventually, I want local real estate agents and loan professionals to want to work with my company. At the same time, social media is an open, transparent game. Buyers are becoming increasingly aware of the process, and the end consumer (the buyer) wants to know what they are getting for the money they spend on title ser-

vices. We get a lot of repeat business from buyers who utilized our services before, and social media allows us to keep in touch with them and let them see how we operate.

Which sites have been most beneficial? What sites don't seem to fit your needs?

Twitter remains my favorite social media tool, in large part because it enables you to (1) meet new people, and (2) easily keep in touch with them. Among my 1,000+ followers (almost all of whom I didn't know six months ago), I would call many my friends and a few my clients.

Facebook has also been great to get to know people on a more personal level. Real estate folks are brilliantly using profiles, groups and Fan pages

to connect, post content and have great discussion.

Blogs, particularly reading and commenting on them, have become a very normal part of my daily reading. ActiveRain, which is a blogging community for real estate professionals, is a great place to read stories about real estate.

There are also some great niche sites out there like Blip.fm (music), dailymile.com (fitness) and Flickr (photography) where you can link up with like-minded people.

My new favorite site is Tokbox, which allows you to record and e-mail video messages. I frequently record quick, off-the-cuff video messages to clients to thank them for the business, or to congratulate them on a new agent joining their ranks.

There is also the ability to do video conferencing, but I have had limited success with that.

Can you share any success/failure stories using social media?

If I do one thing well in the social media space, it's to meet new people, and follow up with a face-to-face meeting. I love doing this. I am thoroughly convinced you can become friends with someone via the internet. The great moment is when you meet them for the first time face-to-face and share a cup of coffee or a lunch. The business we have received has gone down exactly this way: meet on Twitter, get a cup of coffee, establish a relationship, develop trust, then receive business. It's important to note I have NEVER asked for a title deal



Protecting The Title Insurance Industry's "Gold Standard"

To strengthen the title industry and protect the industry's top product, the American Land Title Association has launched an initiative to license the use of its uniform title insurance policy forms.

The Basics

- Beginning October 2009, the American Land Title Association will officially license its Policy Forms.
- This license will be provided at no additional cost to ALTA members who have long supported the creation and maintenance of the policy forms and the work of the association.
- A license shall be purchased for a \$195 annual fee for land title agencies that write on the ALTA Policy Forms and do not wish to become members.

Strengthening the Industry

- This initiative was first discussed by independent title agents who felt new agents were not paying their fair share, and believed this would help level the playing field.
- The cost of creating, developing, and updating the forms has been carried by the membership of ALTA for the entire industry.
- In order to continue to improve and adapt the forms to address current marketplace needs, ALTA must spread the cost to all users and beneficiaries of the forms.

To learn more about this initiative, go to www.alta.org.



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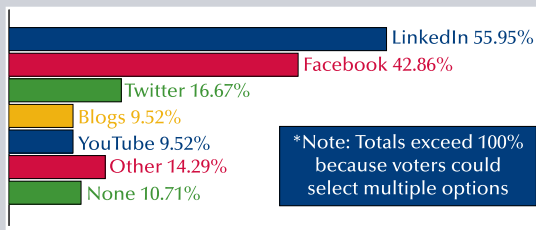


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ALTA ONLINE POLL

ALTA recently conducted a poll on its web site asking “Which social media sites do you utilize to enhance your company’s brand, cultivate relationships or generate business?” Those who responded could select more than one option. Here are the results:



Some comments provided by those who voted:

- Staying in touch with several of my target groups via Facebook.
- Just getting started with Twitter.
- In my opinion, only LinkedIn should be considered a tool for business networking; the others are more “social” networking tools. Plaxo made an attempt but doesn’t seem to have as much traction as does LinkedIn.
- Just starting in this arena. Attending some classes and getting more information.
- Our IT department doesn’t allow social networks to be accessed.

from any of my social media connections. If these people get to know me, like me, and trust me, they will choose to do business with me.

I am not a particularly strong blogger yet. I would say I made a mistake by blogging before I really read a lot of blogs and commented. Read, read, read, then comment, THEN think about writing a blog. I didn’t do that. I also made a mistake by pushing our Facebook Fan page out there by suggesting a few folks become a fan so I could secure the URL www.facebook.com/MASettlement. Social media is pull, not push. When you start asking for attention without offering value, you’ve lost it.

How much time do you spend weekly on social media sites?

This too is hard to measure. I spend time each morning and night on the computer reading and communicating with friends and clients on the various sites. What mobile computing has done lately is to put these sites in the palm of your hand. You can access Facebook, Twitter and many blogs from your smartphone. I have a Blackberry Curve, so in addition to e-mail and phone, I can connect to my Twitter and Facebook friends. Any down time can be spent keeping connected. (My wife can attest to this in brutal detail).

What has been the result? Can you gauge ROI?

Everyone’s asking about ROI. No one’s answering it. Here’s how I would answer the question about ROI: I know I’m better at what I do, and I have received business through people I have met online. I understand marketing more. I have met hundreds of real estate professionals I didn’t know before – both online and face-to-face. I don’t think we have even scratched the surface of how we can grow.

Have the results met your expectations?

I don’t really know what my expectations were, but I continue to be blown away by the wealth of information and interesting people in the RE.Net space. In terms of my initial goal – learning more about the “day in the life of an agent,” my expectations have been far exceeded. I’m not sure I expected to be getting business from it yet, but I am. So I guess those expectations are exceeded as well.

What advice do you have for other agents looking to explore social media options?

I am no expert, so my first piece of advice would be to take my advice with a grain of salt. As far as blogs go, read, read, read. Comment. Become part of the conversation. Get on LinkedIn, set up a profile, reach out to contacts. Get comfortable with that. Move on to Facebook. Twitter is the hardest to truly “get.” It takes a commitment to add followers, and stick a virtual hand out there to say “hello.” Lastly, anyone thinking of using social media for business to watch this video, which remains one of my favorites: <http://garyvaynerchuk.com/post/78972633/its-not-stalking-its-a-darn-handshake>

RESPA Taskforce Helping to Shape Reform; Will Provide Members Best-Practices

Implementation deadline of the new GFE and HUD-1 forms is less than two months away. While the U.S. Department of Housing and Urban Development has issued several updates to its guidance on how to properly fill out the forms, several questions remain.

BY JEREMY YOHE

Staying on top of the unresolved concerns has been ALTA's RESPA Implementation Taskforce, which held another meeting with HUD on Oct. 6. The Taskforce also met with the Mortgage Bankers Association's working group the same day to resolve issues ALTA members have concerning what lenders will do come the Jan. 1, 2010 implementation deadline.

"We will understand more about how much clarification HUD plans to give the marketplace after the meeting and we will be in a better position to determine what type

of guidance we can provide ALTA members," said Dan Wold, chair of the Taskforce and general counsel of Old Republic Title Insurance Co. "The goal of the meeting was to ask HUD to clarify to the furthest extent possible some of the issues we have identified so members can point to something that gives them guidance. We have concerns in some areas where there appears to be some inconsistency between the rule that was published in November 2008 and the language in the recent FAQs. We would like clarification on some of those points."

A key question that remains unanswered surrounds the documentation of tolerance violation cures. The final RESPA Reform rule added a new subsection (I) to Section 3500.7 of Regulation X, which grants a loan originator the right to cure any tolerance violation by reimbursing the Buyer/Borrower (at settlement or within 30 calendar days after settlement) the amount by which the tolerance was exceeded. The Taskforce is seeking guidance on how such curative actions should be documented and whether the curative payment must always be paid to the Buyer/Borrower.

Wold also indicated there are questions surrounding the use of average charge.

Another area of uncertainty surrounds the disclosure of the Closing Fee Charged Separately to the Buyer/Borrower and Seller. ALTA has asked HUD if a title agent conducts the settlement, should the charge for conducting the settlement be included in Line 1101 of the HUD-1, with the itemized charge listed outside the column on Line 1102. HUD's response was that the charge for conducting the settlement must be included in the total on Line 1101. If the charge is paid to a third party, the charge must be itemized outside of the columns on Line 1102.

But when asked how is the charge for conducting the settlement disclosed on the HUD-1, HUD responded by saying this charge must

be included in the total stated in the borrower's column on Line 1101 of the HUD-1. In addition, the total in the borrower's column on Line 1101 must include any amount for conducting the settlement that was paid by another person on behalf of the borrower. In such a case, an offsetting credit must be shown on page 1

or new FAQs should be made to establish this procedure.

ALTA's Taskforce plans to provide a best-practices guide to members after HUD addresses all of its concerns.

"We won't have answers to everything, but we are looking at the clock and have to move forward,"

■ "Lenders have not focused significantly on RESPA reform and I anticipate we will see greater dialogue with the lender community, the sharing of information and how the industries will work together."

of the HUD-1. If the seller paid the amount, a credit to the borrower in that amount must be listed in Lines 204-209, and a charge to the seller must be listed in Lines 506-509. If another person pays the amount, an offsetting credit is reported in Lines 204-209, identifying the person paying the charge.

ALTA's Taskforce believes these answers are inconsistent. The response to the first part of the question seems to indicate that itemization of the settlement charge should occur only when a third party conducts the settlement, whereas the second answer appears to require itemization in all cases.

ALTA continues to believe that the settlement charge to the borrower should be itemized on Line 1102, outside of the column and that either amendments to existing FAQs

Wold said. "I anticipate there will be more issues that will come up."

Over the past year, lenders have been dealing with several fire drills beyond RESPA changes, including new requirements under the Truth in Lending Act that went into effect Oct. 1.

"Lenders have not focused significantly on RESPA reform and I anticipate we will see greater dialogue with the lender community, the sharing of information and how the industries will work together," Wold said.

He said there are two key components in dealing with lenders as the Jan. 1, 2010 deadline approaches. The first is what information and pricing quotes lenders need from the title industry in order to prepare a GFE. The second is what information, and in what format, lenders

Instructional RESPA CD Available

In conjunction with the Taskforce's efforts, ALTA's Land Title Institute has produced a CD that will provide detailed, line-by-line information on how to properly fill out the new HUD-1. Cost of the CD is \$99 for ALTA members and \$149 for non members. For those who purchased the previously released CD titled "The Final RESPA Rule," which was presented by HUD officials and recorded during the 2009 Federal Conference, the new CD may be purchased for \$49. Go to www.alta.org/respa to order the CD.



will provide the title industry, so a HUD-1 can be produced.

"We expect the first three months to be challenging," Wold said.

Proposed Consumer 'Czar' Poses Threat to Industry

While U.S. Rep. Barney Frank has offered a pared-back proposal to create the Consumer Financial Protection Agency that would oversee financial products offered to consumers, the czar-type agency still poses many threats to the title insurance industry.

Frank (D-Mass.), who chairs the House Financial Services Committee, said in a memo to panel Democrats that the revised proposal would eliminate the Obama administration's proposed requirement that financial firms offer "plain vanilla" products to consumers. Frank also exempted several businesses from CFPA regulation, including lawyers, real estate brokers and agents.

While the new outline of the bill is intended to counter some of the strongest arguments against the bill, it nevertheless creates a new set of problems and actually sacrifices a level playing field for political expediency.

"By exempting specific groups of people rather than regulating specific functions, the bill only creates more confusion," said Kurt Pfothenauer, chief executive officer of ALTA. "Exempting attorneys, real estate agents and brokers are two examples of how these changes work against the bill's intent. If a real estate broker is now exempt from the CFPA, does that mean if they operate an affiliated business arrangement, they can wear other hats in the real estate space? Attorneys in the position to offer settlement and title services as part of their practice would be unregulated by the CFPA, while the rest of the title insurance industry would fall under its jurisdiction."

Ryan McKee, senior director of the U.S. Chamber of Commerce, said the proposed CFPA would vastly regulate a large portion of the business community. This includes any business that provides flexible payment options to customers and any company that provides service to financial institutions, such as settlement service providers and title insurance.

Primary supervision and enforcement authority over the consumer financial protection functions currently performed by the federal bank regulatory agencies and the Federal Trade Commission (the "FTC") would be transferred to the CFPA, including exclusive authority over all related research, rulemaking, guidance, supervision, examination and enforcement activities. Accompanying this transfer of authority would be the transfer of exclusive rulemaking and examination authority to the CFPA for the consumer protection provisions in at least 16 existing federal consumer protection laws, including the Real Estate Settlement Procedures Act ("RESPA") and the Truth-In-Lending Act ("TILA").

The proposed agency would result in a duplicative regulatory regime with insurers, producers and consumers caught in the middle. Further, state attorneys general would also be empowered to enforce federal laws under the CFPA's authority. The CFPA will increase the potential for different and inconsistently applied consumer protection standards for all insurers and producers, whether those insurers or producers do business locally, regionally, nationally, or globally.

ALTA Victorious in Passage of Amendment Scaling Back CFPA

Shortly before TitleNews went to press, the American Land Title Association earned a great triumph with the passage of an amendment that scaled back the proposed Consumer Financial Protection Agency and its oversight it would have over title insurance industry.

The amendment, which was introduced by U.S. Reps. Gwen Moore (D-Wis.) and Erik Paulsen (R-Minn.), passed by a voice vote in the House of Representatives Financial Services Committee.

Title insurance providers will continue to be subject to existing federal consumer laws – primarily RESPA – as they are today, but authority to regulate title insurance under RESPA will be transferred from HUD to the CFPA.

Excluding title insurance from the CFPA definition of "financial activities" means that the title industry will not be subject to the new regulatory regimes intended for banks and other financial institutions.

"Giving the CFPA authority over state regulated industries that were not the cause of the problems in the mortgage and capital markets would have done nothing to advance the bill's purposes," Kurt Pfothenauer, CEO of ALTA. "Without this amendment, the CFPA would have created a whole new federal regulatory regime that would have conflicted with existing state regulation. Fortunately, we have been able to avoid that confusion."



First American

First American Celebrates 120 Years as it Prepares Split of Company

The First American Corp. is marking 120 years of service to the real estate and mortgage industries as it reafirms plans to separate its Information Solutions and Financial Services businesses, creating two new publicly traded companies, as soon as the first half of 2010.

The Financial Services company will be comprised of First American's title insurance, specialty insurance and trust operations, while the Information Solutions entity will include Information and Outsourcing Solutions, Data and Analytics Solutions, and Risk Mitigation and Business Solutions segments.

From its roots as an Orange County, Calif., abstract company, First American has grown to become an industry leader, delivering a vast array of products and services used in real estate transactions, risk management, insurance and consumer marketing.

California Stat Plan Regulations in Effect

New statistical plan regulations filed by the California Department of Insurance went into effect Sept. 3. The initial submission of the new Statistical Plan and Income Statement will cover experience from Jan. 1, 2011, through Dec. 31, 2011. For subsequent years, all submissions will include data from the current year and the previous year. Insurers will be required to file initial submissions to the Department of Insurance no later than May 31, 2012. Each following submission will be due no later than May 31 of each successive year.

The final regulations clarify that only underwriters must file these data reports. However, the departments require them to report both title and escrow loss and loss adjustment expenses.

According to the California Land Title Association, the reporting of unusual risk premium charged pursuant to Insurance Code Section 12401.8 will still be included in these reports. Insurers must provide the unusual risk premiums of direct operations, non-affiliated agency and affiliated agency operations. Insurers will also still be required to report total escrow fees from direct operations for unusual services charged pursuant to Insurance Code Section 12401.8 for California amounts.

stewart

Stewart Title Company, Builder Partner to Offer 'Green' Experience

Stewart Title Co. and ZK Homes, an eco-friendly luxury home builder, recently partnered to offer the Greater Houston area a green closing process. Stewart Title reported it will exclusively handle the real estate closings for ZK Homes, which includes green communities built in compliance with the ZK Green program. The builder has two current developments in Bellaire and its newest flagship development in Sugarland, the Enclave at Lake Pointe, which features the first Certified Gold NAHB Green Home. Each of these developments will use Stewart Title Fine Properties, a Green Recognized Stewart office, located in the Galleria for their real estate closings.

Westcor Launches Regional Office

Westcor Land Title Insurance Company has opened its Mountain States Regional office in Boise, Idaho, to support independent title agencies in Utah, Idaho, Montana and Wyoming. The office offers a full menu of underwriting services to independent agents that can be customized to meet and support individual agency needs. The mountain states office will be led by Boise native Michael J. Koloski, who was named vice president. Koloski has more than 30 years' experience in the industry and previously worked for LandAmerica. Robert E. Rice will serve as regional counsel.



RamQuest Reports 32 Straight Quarters of Profitability

RamQuest Inc., a provider of solutions to the land title industry, announced that the second quarter of 2009 marked the company's 32nd consecutive quarter of profitability. Despite recent economic conditions, RamQuest, a privately held company, continues to operate with positive operating cash flow and no debt. RamQuest attributed its success, in part, to a company-wide commitment to understanding current industry issues and trends and complementing that understanding with development of industry-leading business solutions and technology offerings.

Industry Mourns Passing of Darren Ross

Darren Ross, an industry veteran who made significant technology contributions to the title and property records industry, passed away on Aug. 29, 2009.

For the past two years, Ross served as the director for the National Notary Association. This came after spending 12 years with Stewart Title directing its e-Commerce team. Ross served for many years on the American Land Title Association's Technology Committee and was one of the chief architects of the EDI and XML data standards for both the title industry and the property records industry. He was a frequent and popular speaker on various technology-related topics.

"Darren was a great member of the Stewart Title Team for years. He brought talent, ability and smiles to our family of associates. We honor his life," said Stewart Morris, president and co-CEO of Stewart Information Services, the parent of Stewart Title.

Ross also was a board member of the Property Records Industry Association. When PRIA first began developing XML standards for electronic recording, Ross was one of the association's technical advisors. Together with Richard Andrus, Ross helped shape PRIA's eRecording XML standard.

"I was the volunteer chair of the PRIA DTD workgroup at that time and a county recorder who could barely spell 'XML,' but Darren was always willing to take the time to help educate me on this new technology," said Mark Ladd, a consultant for PRIA. "He had the ability to bridge the gap between the capabilities of the technology and our business needs.

"Beyond the workplace, Darren was a great spirit. Once, we rolled a piano into the Welcome Reception at one of our conferences. Darren's act became a regular fixture and he brought a special energy to PRIA social events. His huge smile and unreserved laughter were infectious," Ladd continued.



Old Republic Opens Four Offices in N.M.

Old Republic National Title Insurance Co. recently opened four offices in the Albuquerque, N.M., area. The offices, which are located in Rio Rancho and in Albuquerque, will be directed by the following individuals, respectively: J.R. Allison, New Mexico state manager; Warren Hill, county manager, New Mexico division; and Jackie Sanchez, operations manager.

RESPA Implementation Forges Ahead, No Extensions Planned

The U.S. Department of Housing and Urban Development remains committed to implementing the remaining portions of the revised Real Estate Settlement Procedures Act (RESPA), including the use of the new GFE and HUD-1, as scheduled and has no intention to delay the new rule.

In a statement issued to Inside Regulatory Strategies, HUD Assistant Housing Secretary and FHA Commissioner David Stevens indicated that nothing from his recent meetings with stakeholders has persuaded him

to set aside or extend the new RESPA rule's effective date.

Stevens said he had met with industry representatives over the planned implementation date, as well as with other groups that want HUD to go forward with the rule as planned.

"I have reviewed the rule, listened to all the view points, and remain committed to the January implementation," he said. "Our industry has a collective obligation to vastly improve the disclosure to consumers and, after a thorough review, I am confident that the new RESPA rule will be the best improvement to clear and transparent disclosure to benefit consumers in the years ahead."

Industry groups have been calling upon HUD to set aside the Jan. 1, 2010, effective date and work with the Federal Reserve on a single disclosure form harmonizing RESPA and Truth in Lending Act disclosures.

Lenders have raised concerns about the cost of making multiple readjustments of their systems to accommodate new, potentially conflicting RESPA and TILA disclosures.

During a meeting with Stevens in October, industry spokesmen reiterated the desire for interagency cooperation in developing unified disclosures. However, most of the discussion focused on implementation issues and an industry request for at least a six-month extension.

In October, the Mortgage Bankers Association (MBA) and a number of fellow organizations sent a letter to leaders of the House Financial Services Committee, asking them to include an amendment in their markup of regulatory reform legislation that would delay implementation of the new RESPA requirements. Stevens quickly responded and said HUD would not bend to the MBA's pleas.

Resource Title Agency Inc.

John MacFarland, an industry veteran with more than 20 years' experience, has joined Ohio-based Resource Title Agency as senior vice president, National Commercial Division. MacFarland will spearhead the division's growth into the commercial Real Estate Owned (REO) and default market segments, and take part in developing and servicing more traditional commercial and investment transactions as well. He comes to Resource Title after seven years with First American as vice president, Business Development, Commercial and Investment Real Estate. Before that, he served with LandAmerica OneStop and Old Republic National Title as a vice president, National Sales and Sales Manager. MacFarland will be based in the Independence office of Resource Title.

Wisconsin Title, Closing and Credit Services

Mark Conrad has been added to the Sales and Marketing team at Wisconsin Title, Closing and Credit Services. Conrad was with MGIC for 25 years, most recently as a vice president of National Accounts. He is a graduate of Illinois Benedictine University and has served in many capacities for the Mortgage Bankers Association.

Old Republic National Title

Old Republic National Title Insurance Co. announced personnel changes, including the addition of a former U.S. Treasurer to its team and promotion of a manager to oversee agency relations with members of Attorneys' Title Fund Services.

Rosario Marin joined Old Republic Default Management Services (ORDMS), a division of Old Republic Title.

She will be appointed to the position of vice president of business relations for ORDMS in the Orange, Calif., office. Marin will work closely with senior management to create and implement business strategies to assist clients servicing residential and commercial portfolios. She will report directly to Carl Brown, president, ORDMS.

John Voso Jr., was promoted to agency relations manager for the Attorneys' Title Division, which was formed as a result of Old Republic's recent joint venture with Attorneys' Title Fund Services LLC (ATFS), based in Orlando, Fla.

Additionally, Voso will be appointed to senior vice president of the Attorneys' Title Division. He will report directly to Chuck Kovalski, who recently was hired as an executive vice president of Old Republic Title and division manager for ATFS. Voso has more than 28 years of experience in the real estate and title insurance industries, with 22 of those years being specifically devoted to title insurance. He continues to be an active member of the Ohio Land Title Association, where he was its president from 2002-2003.

Stewart Relocation Services

Deborah S. Anderson joined Stewart Relocation Services, part of Stewart National Title Services, in the role of relocation manager and will be dedicated to working with national relocation customers. With more than 20 years of relocation experience, Anderson has held multiple positions including operations manager, director and vice president at LandAmerica Financial Group and Fidelity Residential Solutions.

Stewart Title Guaranty

Stewart Title Guaranty Company (STG) announces the appointments of **James L. Gosdin** and **Bruce Hawley** to leadership positions in the American Bar Association section of real property, trust and estate law for the 2009-2010 bar year.

James L. Gosdin, senior vice president, chief underwriting counsel for STG, has been selected as vice-chair of the title insurance and surveys committee of the Commercial Real Estate Transactions Group. Bruce Hawley, senior vice president, senior underwriting counsel and multinational title services group manager for STG, has been selected as vice-chair of the Multi-Family Residential Committee of Residential Multi-Family and Special Use Group of the American Bar Association section of real property, trust and estate law.

TitleVest

Kathryn M. Colson and **Carey Allaband LeRoux** have been named managing directors of business development for TitleVest, a Manhattan-based provider of title insurance and related real estate services. Colson will leverage her existing industry connections and establish relationships with prospective clients as part of TitleVest's efforts to grow its institutional title business. Prior to joining TitleVest, Colson worked as an associate at Greenberg Traurig LLP. In her new role, LeRoux will facilitate relationships with prospective clients and leverage her industry connections to help grow TitleVest's commercial client base. A former real estate associate at Alston & Bird LLP, Dechert LLP and Schulte, Roth & Zabel LLP, LeRoux joins TitleVest with extensive experience closing complex commercial real estate transactions.

New Members

ALABAMA

LaBeatrix F. Tatum
Birmingham

CONNECTICUT

John B. Keegan
Key Title Services, Inc.
Stratford

FLORIDA

Melanie Fleming-Matos
Secure Title & Escrow, Inc.
Margate

Joseph Galan
Signature Title Professionals, Inc.
Saint Cloud

GEORGIA

Bob B. Butler
Title Professionals of Georgia, Inc.
Social Circle

GEORGIA CONT.

Robert D. Freeman
R F Enterprises
Marietta

Daniel Perdue
Perdue Property Research LLC
Kennesaw

Terry Richardson
Savannah

John Sewell
Professional Land Services, Inc.
Johns Creek

Eric Tedder
Discount Title Search Company
Canton

IDAHO

Wendy Nelson
Mountain West Title & Escrow, Inc.
Idaho Falls

ILLINOIS

Kathy L. Townsend
Independent Tract Services, Inc.
Waukegan

KANSAS

Robert G. Kocour
The Commerce Co.
Atchison

H. Douglas Pfalzgraf
Pfalzgraf & Drecking Title Co.
Wellington

KENTUCKY

Deena L. Bailey
Georgetown

Jessica B. Hammond
Mount Sterling

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Andrea Bertrand
Maximum Title
Dunkirk

Judi Blomquist
Bayside Title Settlement Services LLC
Elkton

Edward C. Byrnes
Equity Title Co.
Towson

Gwen Cordner
Acquest Title Services, Inc.
Ocean City

Richard Dependahl
Dep Abstracts
Perry Hall

Adele Griel
Adeleco, Inc.
Annapolis

Sabrina Harper
Avalon Title and Escrow, LLC
Upper Marlboro

Dana L. Lightner
Montgomery Village Title
Gaithersburg

Susan B. Pusey
The Pusey Abstract Group, Inc.
Snow Hill

Harry Rosen
Area Abstract Corp.
Rockville

William M. Smart
William M. Smart Co.
Upper Marlboro

MASSACHUSETTS

Robert E. Curran
Atlantic Abstract
Barnstable

People on the Move Continued

Sojourners Title Agency

George W. Tolliver II was named general counsel for Sojourners Title Agency LLC, an affiliate of Cincinnati, Ohio-based Reisenfeld & Associates LPA, LLC. Prior to joining Sojourners Title, Tolliver was a partner at Tolliver & Epley, located in Dayton, Ohio. While with Tolliver & Epley, Tolliver also acted as general counsel for TitleQuest Agency, where he oversaw all legal and title concerns, including the review of title abstracts and any potential corrective actions.

Boston National Settlement Services

Todd C. Baur was named president and chief executive officer of Boston National Settlement Services LLC, a privately held real estate and mortgage services provider. Baur brings to the position more than 20 years of combined appraisal, title, collateral risk analytics, collateral automation, flood, and credit operations as well as executive level management experience. Baur most recently led LandSafe, a provider of settlement services and a subsidiary of Bank of America, where he was president and chief operating officer for nearly five years. Baur led LandSafe Closing Services to unprecedented growth, leveraging numerous technology and operational advancements.

NEBRASKA

Jill M. Bauer
Kan-Du Documents
Oak

NEW YORK

Matthew De Land
De Land Search
Ballston Spa

NORTH CAROLINA

Kentra Byrd
Premier Legal Group
Charlotte

Kristen D. Creel
Sanford

Christine M. Johnson
Pleasant Garden

Brett E. Ryder
Castle Hayne

Joan Setzer Hoyt
Holly Springs

OHIO

Anne L. Anastasi, CLTP
First Federal Title Agency, LLC
Elyria

PENNSYLVANIA

Shonna Cardello
White Rose Settlement Services, Inc.
York

Rick Enders
1st Patriot Abstract Co. of Manayunk, LLC
Lafayette Hill

Vickie D. Illig
Complete Settlement Service LLC
Duncansville

John Papoutsis, Esq.
Title Search Services, LLC
Camp Hill

Doug Rauchut
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Mobjack Title Co., LLC
Gloucester

Tricia Fritz
A Virginia Beach Escrow & Title Company, LLC
Virginia Beach

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A. Hale Abstracts, LLC
Bristow

Troy Hodgdon
Assurety Title & Escrow, LLC
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William A. Keller
Keller Land Title Services, LC
Dumfries

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Select Title & Escrow, Inc.
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Old Republic Title Insurance Group—www.oldrepublictitle.com Inside Front Cover

RamQuest Software, Inc.—www.ramquest.com Page 15

SoftPro Corporation—www.softprocorp.com Page 19

TIAC—www.cpim.com/tiac/ Inside Back Cover

Serving as president of the American Land Title Association has been an extraordinary honor. Receiving your praise and kind words has been equally humbling.

But still, the work continues.

I have witnessed the renewed passion and energy that is being evidenced in many of our state associations. I have sensed a new awareness of individual responsibility for industry advocacy ... and I have seen it manifested in TIPAC participation!

But still, the work continues.

I have watched as our association has been repositioned as an influencing force in the political and regulatory landscape, in no small part, due to the excellent leadership of Kurt Pfothenhauer. I have observed the astute management of political capital and forward looking decisions on political engagement. And I have been exceptionally pleased by the member service and communication from ALTA.

But still, the work continues.

ALTA's new president, Mark Winter, is a man of special intellect. He possesses an orderly mind, is unfailing in his manners and respect for others and understands the nuances of advocacy. His deep understanding of our important work is only exceeded by his commitment to see it equally understood by others. Mark Winter is an outstandingly moral and respectable man, who is well prepared to lead us forward. We will have a great year with President Mark Winter! I see many successes in our future!

But still, the work continues.

My remarkable journey as president of the American Land Title Association has come to an end, but my participation and support of ALTA does not end here. ALTA is the voice of the title industry ... and to remain strong, the voice permits no retreat, retirement or sabbatical. If we each re-commit our participation and support, we can make the voice stronger and even more effective. And we must because . . .
. . . the work continues!



Mike Pryor
Immediate Past President



perseverance has its rewards



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