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October 12 - 15 — 2011 ALTA Annual Convention, Charleston Place, *Charleston, SC*

STATE CONVENTIONS

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December 7 — Louisiana

THANK YOU

ALTA and its Research Committee thank Demotech, Inc. for volunteering their time and resources to collect data, tabulate results and prepare analysis for the 2010 Abstracter and Title Agent Operations Survey. This is an invaluable industry product provided by Demotech.

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AMERICAN LAND TITLE ASSOCIATION

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ALTA Member Benefits and Advocacy Invaluable

If there is an upside to our struggling economy for the association, it is the increased productivity that is a result of "doing more with less" coupled with a keen focus on providing our members strong value from their trade association.

Two areas we focus on daily are engaging in protecting the land title industry on the legislative and regulatory front and providing members with the tools they need to do quality work and compete by differentiating themselves in the marketplace.

As consumer education and shopping becomes more prevalent in the title industry, there will be more opportunity to differentiate your company in the marketplace. Being an active member of ALTA demonstrates your commitment to promote professionalism within the title industry and gives you access to various tools help distinguish your company from the competition.

Benefits include guidance on best practices through the Standard Procedures and Controls for the Title Industry and the ALTA Office Security and Privacy Guidelines booklets; access to the U.S. Treasury Blocked Persons List, quarterly market share data, the title insurance regulatory survey; a free link to HomeClosing101.org; and discounts and access to E&O insurance. (You can learn how members utilize ALTA membership benefits during the professional development session "Harnessing Your Competitive Advantage," during the Annual Convention.)

There's one element of ALTA that is essential to every single one of our members and non-members, and that's advocacy. ALTA is the only trade association serving as the national voice for the interests of the land title industry and we are in constant communication with Congress and many other legislative and regulatory bodies to ensure our important role in the real estate transaction is understood and preserved.

Over the past year, ALTA's advocacy efforts were focused on four main areas: the creation of a new initial mortgage disclosure form that merges the GFE and TILA; GSE Reform; Dodd-Frank implementation; and private transfer fee (PTF) legislation.

However, two bills proposed this year by federal legislators caught the attention of ALTA. One proposal requires HUD to study the creation of a federal land titling system. The other calls for a federal registry for federal tax liens. Please take a few minutes to read more about both in the cover article on page 10.

These proposals threaten the long tradition of local real estate practices and would destroy local recordkeeping. ALTA has talked with legislators and their staff about the dangers of these bills. Because of our work, it doesn't appear either of these bills will move forward at this time.

We can't always predict from where the next challenge or threat may come. That's why we must be vigilant with our advocacy. Successful advocacy can only be accomplished through an engaged membership, it's something that you can't put a price tag on.

Michelle Korsmo, ALTA Chief Executive Officer

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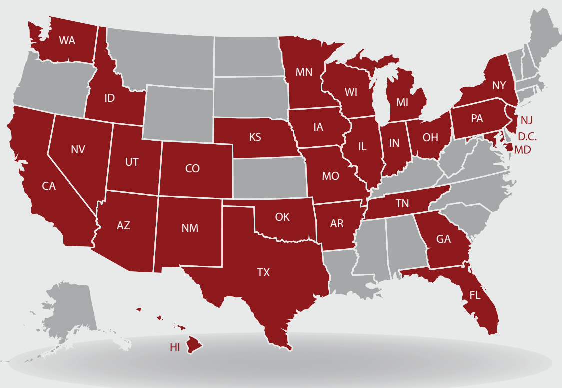

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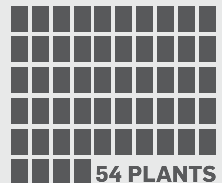

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ALTA Files Amicus Brief in RESPA Case before U.S. Supreme Court

With the U.S. Supreme Court poised to determine who has the right to sue for damages under the Real Estate Settlement Procedures Act (RESPA), ALTA shared its views on the subject with the court.

The case, ***First American Financial Corporation v. Edwards***, involves a basic question of constitutional law addressing who has standing to bring a lawsuit under RESPA. Denise Edwards sued First American over an alleged kickback under Section 8 of RESPA despite not alleging she was overcharged for title insurance, received deficient service or was dissatisfied with her experience in any way. Typically, consumers are only entitled damages when they can prove they were actually injured.

The justices granted an appeal by First American, which is seeking to block the suit in a federal court in California. The U.S. Court of Appeals for the Ninth Circuit held that the plaintiff did not need to show she was overcharged to have standing to assert a claim based on a violation of RESPA's anti-kickback prohibition. First American appealed, arguing that consumers can't sue under RESPA unless they claim they paid higher fees as a result.

In accepting the case, the Supreme Court decided to limit the review to whether a purchaser has standing to sue under Article III, § 2 of the United States Constitution, since she has not alleged that the charge for title insurance was higher than it would have been without the exclusivity agreement or another injury in fact.

In the amicus brief, ALTA wrote that this case threatens the title insurance industry with enormous, unforeseen liability for common and longstanding business arrangements, like shared ownership entities and exclusive agency agreements.

The Supreme Court will hear oral arguments beginning Nov. 28.

Title Insurance Premiums Written Increases in 21 States and D.C. during Second Quarter of 2011

ALTA reported title insurance premiums written during the second quarter of 2011 increased in 21 states and Washington, D.C., compared to the second quarter of 2010.

According to ALTA's preliminary 2011 Second-Quarter Market Share Analysis, the states generating the most title insurance premiums during the second quarter of 2011 were California ($320 million, down 8.8 percent compared to the first quarter of 2010), Texas ($286 million, up 7.5 percent), Florida ($186 million, up 9.5 percent), New York ($169 million, up 11.8 percent) and Pennsylvania ($97 million, down .2 percent). Jurisdictions experiencing a significant spike in title insurance premiums include Iowa (70 percent), South Dakota (63 percent), D.C. (38 percent), Delaware (29 percent) and Alaska (29 percent).

Overall, the title insurance industry generated $2.3 billion in title insurance premiums during the second quarter of 2011. This is down from $2.33 billion in title insurance premiums written during the same period a year ago.

In terms of market share, the Fidelity Family of title insurance underwriters captured 36.4 percent of the market during the second quarter of 2011, while the First American Family garnered 26.1 percent, the Stewart Family recorded 13.9 percent and the Old Republic Family had 12.7 percent. Meanwhile, regional underwriters held 10.8 percent of the market during the second quarter of 2011, up from a 9.9 percent market share during the same period a year ago.

ALTA expects to release its third-quarter 2011 Market Share Analysis around Dec. 1.

Check out a breakdown of underwriter market share data on page 18.

ALTA Addresses Freddie Mac Short Sale Affidavit Issues

With the increase in short sales, fraud is also on the rise. In particular, real estate professionals are not disclosing affiliations with other parties involved in the transaction to rig sales at a low price and hide better offers from Freddie Mac and the distressed home seller, according Shelley Poland, vice president at Freddie Mac.

As a result of the uptick in short sale issues, Freddie Mac requires all of the parties involved to sign an affidavit attesting that it's a arms-length transaction. This, however, is putting increased liability on settlement agents.

ALTA staff held a call with Freddie Mac's Short Sale team to share concerns over the new short sale affidavit. According to Steve Gottheim, ALTA's legislative and regulatory counsel, there are three main issues Freddie Mac's short sale affidavit pose for the title industry.

1. *The affidavit requires a closing or escrow agent to certify information that is not available to them, in particular whether the transaction is arms length. The relationship between the buyer and seller may not be evident from the public record information or their identification documents.*

2. *The affidavit places a negligent misrepresentation standard on the escrow agent. Unlike a "to the best of my knowledge standard" a negligence standard requires the escrow agent to use the reasonable efforts of an ordinary person to determine whether the transaction is arms length. Instead of laying out clearly what the escrow agent must do to release themselves from liability, the escrow agent is at risk of liability if fraud is discovered after signing the affidavit.*

3. *The affidavit requires the escrow agent to sign the transaction in a personal capacity as well as in a corporate capacity. Thus if fraud is discovered, then Freddie or the servicer can go after the escrow agent's personal property and monies in addition to going after the corporation.*

Before signing any of these affidavits, ALTA suggests escrow agents reach out to their attorneys to discuss the legal risks and whether the agent has the authority to sign the document. It might also be good practice to review your company's E & O insurance policy to determine whether these addendums are within the scope of that policy.

Freddie Mac officials have indicated the requirement won't be removed unless the problem becomes a larger industry issue. To find out how other agencies handle short sales, ALTA staff met with officials with the Treasury Department to discuss its short sale requirements for the Home Affordable Foreclosure Alternatives. HAFA only requires the buyer and seller to affirm the transaction is arm's length. HAFA does not have a document requirement, according to its handbook, and its short sale language says:

The Sales Contract must contain the following clauses: "Seller and Buyer each represent that the sale is an 'arm's length' transaction and the Seller and Buyer are unrelated to each other by family, marriage or commercial enterprise." "The Buyer agrees not to sell the property within 90 days of closing of this sale."

Share concerns about the affidavit with Gottheim at steve@alta.org.

Short Sale Fraud Trends Observed by Freddie Mac

- Falsely indicating on a new short sale listing that there is an offer on a property in order to discourage legitimate offers and protect an accomplice's planned low bid.
- Manipulating the short sale listing price by making the house look more distressed than it really is (reverse staging), inflating repair estimates or using similar tactics designed to obtain an artificially low home value on the Broker Price Opinion. (Freddie requirements prohibit the buyer, buyer's agent, buyer's attorney or a third-party short sale negotiator to be the contact point for the agents preparing the BPO.)
- "Flipping" schemes where the fraudster "buys" a house at a short sale without putting down any of his own money and then sells it a few hours (or days) later to a legitimate buyer at a much higher price. These are complex multi-step schemes that use falsified title and/or loan documents to fool a lender into approving the ultimate buyer's mortgage, which the fraudster uses to settle the earlier closing on the house he "acquired" at the short sale for a much lower price.
- Manipulating the HUD-1 so the fraudster can skim away net proceeds from the sale for himself or other parties in the transaction without the seller's or investor's knowledge.

HUD Issues Corrections, Clarifications to RESPA

HUD issued a final rule making technical corrections and clarifying amendments to RESPA regulations, including a clarification on instructions for the HUD-1.

The instructions for the HUD–1, found at 73 FR 68243 of the November 2008 final rule, provide that the HUD–1 form is to be used as a statement of the actual charges and adjustments. If the borrower, or a person acting on behalf of the borrower, does not purchase a settlement service that was listed on the GFE (e.g., owner's title insurance), there should be no amount entered for that service in the corresponding line on Page 2 of the HUD–1, and the estimate of the charge from the GFE should not appear on the comparison chart on Page 3 of the HUD–1. HUD has determined that the current instructions are not sufficiently clear on this point. Allowing loan originators to include on Page 3 of the HUD–1 charges from the GFE for settlement services that were not purchased could both induce loan originators to discourage consumers from purchasing settlement services (e.g., owner's title insurance) in order to gain padding in the 10 percent tolerance categories, and encourage loan originators to pad the 10 percent tolerance categories on the GFE with estimates of services that the consumer will not need in the transaction. HUD has previously addressed and clarified this issue in informal guidance. For example, in the July 2010 posting of its RESPA Roundup, HUD's Office of RESPA and Interstate Land Sales noted as follows:

"Finally, we get the following question frequently: If a service that was listed on the GFE was not purchased, what should go into the borrower's column on Page 2 of the HUD–1 and on the comparison chart on Page 3 of the HUD–1? If the consumer did not purchase a service that was listed on the GFE (usually owner's title) there should be nothing entered in that line on Page 2 of the HUD–1 and the estimate of the charge should not appear on the comparison chart on Page 3 of the HUD–1."

Because inquiries about estimates on the HUD–1 had been a question frequently asked, and to address any remaining confusion, HUD revised the first paragraph of the instructions for Page 3 of the HUD–1 to clarify that the amounts to be inserted in the comparison chart are those for the services that were purchased or provided as part of the transaction, and that no amount should be included on Page 2 of the HUD–1 for any service that was listed on the GFE, but was not obtained in connection with the transaction.

ALTA Promotes Romeo and Horner to Vice President

ALTA announced that both Kelly Romeo and Cornelia Horner have been promoted to vice president.

Romeo previously served as director of industry standards and Practices. Her role includes running the education, technology, finance and administrative departments, as well as handling all things dealing with industry standards and practices. Horner, who previously served as director of meetings and marketing, will oversee the meetings, marketing and membership departments.

Romeo, who joined ALTA in 1993, also manages ALTA's Land Title Institute, the association's educational training subsidiary and is the staff liaison for several ALTA committees. Prior to joining ALTA, Romeo spent four years with the D.C.-based law firm Steptoe & Johnson. She graduated from the North Carolina State University with a degree in Political Science and Philosophy, and attended the George Washington University School of Law. She received her Certified Association Executive (CAE) designation in 2000.

Horner, who joined ALTA in 2007, directs ALTA's conferences and meetings. Prior to joining ALTA, Horner spent more than 10 years working on Capitol Hill and in government relations before serving as Director of Meetings with CropLife America and starting her own meeting-planning company. She obtained her Certified Meeting Professional (CMP) designation in 2002. Horner received a degree in Accounting from the University of Alabama.

A Federal Database for IRS Tax Liens?

ALTA, industry participants voice concern that senators' proposal would disrupt the local recording system

It has been 45 years since Congress has made any significant changes to the laws regulating how the Internal Revenue Service (IRS) files federal tax liens. Now, two senators want to completely change how federal liens are recorded. Legislation introduced in the Senate would require the Internal Revenue Service (IRS) to file tax liens in a centralized electronic database, bypassing the local property records office. >>

By Jeremy Yohe

Tax Lien
Act of 1966
Filing
IRS Liens
Taxes

Sens. Carl Levin (D-Mich.) and Mark Begich (D-Alaska) believe Senate Bill 1390, the Tax Lien Simplification Act, would simplify, modernize and improve public notice of and access to lien information by providing a national, Internet-accessible filing system for federal tax liens.

The American Land Title Association and several association members, however, quickly pointed out the shortcomings of the proposal.

"The ALTA's Government Affairs Committee has voiced strong opposition to the bill and believes tax lien filings should remain local because a federal registry would make it difficult to track recording and lien priority and to distinguish between common names on a national scale, among other issues," said Justin Ailes, ALTA's vice president of government and regulatory affairs. "A national tax lien registry is an inefficient, costly and disruptive change to the American property rights recording system."

Background

Tax liens are a principal way to collect payment from persons who are delinquent in paying their taxes. By law, federal tax liens arise automatically 10 days after a taxpayer's failure to pay an assessed tax. The lien automatically attaches to the taxpayer's real and personal property and remains in effect until the tax is paid. However, the tax lien is not effective against other creditors owed money by the same taxpayer, until a notice of the federal tax lien is publicly recorded. Generally, between competing creditors, the first-to-file notice has priority, so the filing of tax lien notices is very important to the government and to the taxpaying public if taxes are to be collected from persons owing taxes.

Current law requires the IRS to file public notices of federal tax liens on paper in state, county or city recording offices around the country, to ensure other creditors receive notice of the government's claim. There are currently more than 4,100 of these recording offices, many of which have developed specific rules regulating how such liens must be formatted and filed in their jurisdictions.

In 1966, to help the IRS comply with a proliferating set of filing rules for federal tax liens, Congress passed the Tax Lien Act to standardize certain practices. This Act provided, for example, that liens against real estate had to be filed where the property was located, and required each state to designate a single place to file federal tax liens applicable to personal property.

Most states subsequently adopted a version of the Uniform Tax Lien Filing Act, enabling the IRS to file a notice of tax lien in each locality where the taxpayer's real estate is located, and a single notice where the taxpayer resides to reach any personal property.

For corporations, states typically require the IRS to file a notice to attach real estate in each locality where the real estate is located, and a separate notice, usually at the state level, to attach other types of property.

There are often additional rules for trusts and partnerships. The end result of the law was to reduce some but not all of the multiple sets of rules regulating the filing of federal tax liens.

Proposal Specifics

According to SB 1390, the electronic registry would be accessible by the public and free to search and would index liens by "at a minimum, taxpayer name, the state of the taxpayer's address as shown on the notice of lien, the type of tax, and the tax period." The senators argue

that this bill would save $150 million a year and help reduce the amount of time necessary to release a tax lien from 30 days to 20 days.

The proposed bill says the IRS could charge a taxpayer with a "reasonable" filing fee for each lien notice and each related certificate, notice or filing recorded in the federal tax lien registry to defray operating costs. The bill goes on to say the IRS may also charge a "reasonable fee" to anyone requesting information or a certified copy of a filing in the federal tax lien registry to defray costs of providing the information or copies.

The proposal calls for the Treasury to conduct and complete within two years after the enactment of the bill, one or more pilot projects to test the accessibility, reliability and effectiveness of the electronic systems designed to operate the registry.

Overturning Tradition

ALTA has communicated with members of Congress that any proposed national tax lien registry would overturn the long-standing tradition of locally recording private property rights.

In the United States, the transfer of real property is fundamentally based upon local and state laws that require property rights be granted by state law, tracked by local public records and regulated by state courts and legislatures.

"Because of this simple fact, the United States has recorded land transfers for centuries in a local, public recording system that offers transparency, efficiency and security to real estate transactions," Ailes said. "This legal system provides owners, consumers and lenders with strong protection of their property rights combined with a short settlement transaction time that saves borrowers and sellers money."

A federal registry also harms private property rights, ALTA has told members of Congress. Real property is the greatest source of wealth in the United States, and access to that wealth is only possible because of a strong set of property rights that determine how property is transferred and owned.

> "Local recording of federal tax liens makes it simple to determine the priority of all parties' rights in the real estate. A federal database would only serve to upset this uncertainty."

Federal Land Titling Study

U.S. Rep. Marcy Kaptur (D-Ohio) reintroduced a bill that would, among other things, require HUD to study the creation of a federal land titling system. H.R. 2425, the Transparency and Security in Mortgage Registration Act of 2011, is word for word the same as the bill she dropped last November in the closing days of the 111th Congress. The bill would also effectively kill MERS by banning Fannie Mae, Freddie Mac and Ginnie Mae from owning, purchasing or guaranteeing mortgages where MERS is used to track their assignment or listed as the mortgagee of record.

ALTA has lobbied that in the United States, property transfer is governed by state law. Ownership is tracked by local public records and enforced by state courts. This reflects the Constitution's specific language reserving real property law as a power of each state. Federalizing the land transfer recording system would be a massive shift away from local governance and destroy the confidence provided by centuries of effective local public recordkeeping. A single, nationwide uniform recording system would usurp and undercut this system, nullifying centuries of property rights law.

questions/concerns/issues from industry stakeholders and taxpayers? Now, one can go to the county for local assistance.
- What will the cost of a copy be? Will there be online access to copies and online payment?
- The federal government and agencies move slowly and must assure the industry that this will not be the case with a national registry system. Failure to do so will affect commerce and consumers.

Threat to Local Practices

Several ALTA members said the bill poses a severe threat to searching practices and the local recording system. Diane Evans of Land Title Guarantee Co. said that once a door to a national filing system is open on any document type, "it could change the recording and priority standards that we depend upon forever."

Joel Holstad of National Title in Minnesota said he's concerned about the intrusion of federal standards in something as prone to nuance as indexing.

"If cost is really the concern, the IRS could simply get exemption from local filing fees," he said. "Local clerks wouldn't be happy, but they would accept this in lieu of risking the beginning of a unified filing database. We all can foresee that even a single use for tax liens

"There are two hallmarks of our property rights system: liens and lien priority," said Steve Gottheim, legislative and regulatory counsel for ALTA. "A lien is a claim against a property for the payment of a debt. Lien priority is the legal structure that determines which creditor has the right to be paid in which order when a property must be sold to satisfy a debt. Local recording of federal tax liens makes it simple to determine the priority of all parties' rights in the real estate. A federal database would only serve to upset this certainty."

ALTA was a leader in voicing concern about the bill, but other associations have started to have discussions as well. Mark Monacelli, a county recorder of St. Louis County in Minnesota and past president of the National Association of County Recorders (NACR), said the NACR has not taken an official position on the bill, but expected to address the issue during its fall board meeting at the end of September.

He did share some initial questions and concerns being discussed by the NACR:
- How will the IRS parse out the filing information? Will there be a filing system that indicates state, county, last four digits of the Social Security number, or something else?
- Federal liens follow state law regarding priority. Will this remain the same?
- How will the IRS handle

> "This would simply add an additional expense to every transaction."

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would make it simple to expand the codes and accept all filings and suddenly local jurisdictions are without control."

The creation of a national registry for IRS liens would create another database that would need checked before every closing, according to Bill Burding of the Orange Coast Title Family of Companies.

"This would simply add an additional expense to every transaction," he said.

Common Name Issues

With common last names in each of the 50 states, it would be extremely difficult for title professionals to determine with certainty whether property in their local jurisdiction is subject to a John Smith or Jose Hernandez lien. Because of this, Polly Ann Epting of Coffey County Land Title Co. in Kansas, doesn't believe it will be possible to save money with this proposal.

In Kansas, federal tax liens are filed in the Office of the Register of Deeds. Searchers can review the index books that list all the federal tax liens while researching the legal description.

"It can be difficult enough finding the correct Smith, Jones, Decker, etc., in my own county," Epting said. "I can't imagine trying to find the correct one on a national registry. Since Social Security numbers are no longer listed on the federal tax liens in our records, you can't rely on that to identify the correct party. Plus, we normally do not have access to the Social Security number of the party that we must check."

In New York and New Jersey, federal tax liens are filed in the county where the property is located. Isidore Teitelbaum of Title Services of N.J. said this facilitates identifying the taxpayer and tying the lien to the property being searched.

"When we run into common name situations (Jones or Smith, etc.), we employ the taxpayer's ID number referenced on the lien as well as the address," he said.

Priority Concerns

Cara Detring of Preferred Land Title in Missouri said that since the

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filing of tax liens on the federal and state level affects priority of other liens, the proposed federal database would not be able to track when a lien was presented and recorded. If filed at the same moment in two different systems, the priority for a Deed of Trust or a state lien might be pre-empted by a federal filing.

"I am concerned that the elimination of local filing will only cause problems in terms of determining priorities in foreclosure work, recording of closing documents and title insurance," she said.

It's also important to note that the bill also applies to IRS releases, discharges, subordinations, non-attachment of liens and withdrawals of liens, which further acerbates the problem. The biggest infirmity with the national data base concept is that it is very difficult to match a lien registered in a national database against specific property that the taxpayer who is the subject to the IRS lien owns.

According to Mike Pryor, CEO of The Pryor Experience Co. and past president of ALTA, releasing a lien carries a different weight than placing one.

"Our business, and in fact our entire system of recording, is one that places emphasis on the order of filing," he said. "Should the government desire to create a centralized registry for IRS liens, that might be helpful for finding a release before it makes its way to the courthouse. But to provide that registry as a replacement for lien filing at the courthouse disrupts fundamental tenets of constructive notice and lien priority.

"Placing a lien on property is serious business. Everyone, including the IRS, should play by the same rules, Pryor continued"

> "... the elimination of local filing will only cause problems in terms of determining priorities in foreclosure work, recording of documents and title insurance."

James Owensby of Elliott & Waldron Title & Abstract Co. in New Mexico agreed with Pryor. Establishing priority in a first-to-file state would become a significant issue with a federal registry.

"If you are filing your documents and the service is down or a lien is being filed at the same time, you could have a problem," Owensby said. "I assume this would not happen very often, but in the title business you learn not to assume anything."

Maryland falls in line with other jurisdictions in how IRS liens are recorded. According to Eric Schneider of Lakeside Title Co., in order for any lien to be valid against real property, it must be recorded in the land records of the county where the property is located. A circuit court judgment is automatically a lien within the county where it is issued without further recording in the land records. Schneider said a district court judgment does not attach to property unless it is enrolled in the circuit court with the exception of Baltimore City's district court.

"Any judgment from any court can be taken to another county and enrolled either within the land records or Circuit Court," Schneider said. "In general, federal liens (IRS and otherwise) will be recorded in either circuit court judgment records or in the land records of the county where the debtor owns property."

On the hill, ALTA has been advocating that changing the current system makes it inefficient for land title professionals to safely protect American's rights to real estate.

"In any real estate transaction, the buyer needs to be certain that they will ultimately be acquiring ownership of the property subject only to those liens and encumbrances that they know to exist and are willing to accept," Gottheim said. "However, a central electronic federal tax lien data base makes it difficult for land title professionals to discover which properties are encumbered by a tax lien." ■

Company Name	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
FIDELITY FAMILY					
Chicago Title Ins. Co.	217,358,998	392,171,428	159,709,211	769,239,637	16.91%
Fidelity National Title Ins. Co.	91,117,283	329,286,413	142,713,560	563,117,256	12.38%
Commonwealth Land Title Ins. Co.	34,846,400	145,644,714	62,472,729	242,963,843	5.34%
Alamo Title Ins. Co.	-	5,323,468	13,722,719	19,046,187	0.42%
Total - FIDELITY FAMILY	343,322,681	872,426,023	378,618,219	1,594,366,923	35.05%
FIRST AMERICAN FAMILY					
First American Title Ins. Co.	180,554,228	701,382,725	237,675,043	1,119,611,996	24.61%
First Canadian Title Ins. Co.	58,255,134	-	-	58,255,134	1.28%
First American Title Ins. Co. of OR	11,897,766	1,253,355	1,910,814	15,061,935	0.33%
First American Title Ins. Co. of LA	130,895	12,025,185	-	12,156,080	0.27%
First Title PLC (UK)	7,853,972	2,473,987	-	10,327,959	0.23%
Ohio Bar Title Ins. Co.	885,747	5,486,127	-	6,371,874	0.14%
First American Title Ins. Co. of Australia	1,828,312	-	-	1,828,312	0.04%
Total - FIRST AMERICAN FAMILY	261,406,054	722,621,379	239,585,857	1,223,613,290	26.90%
STEWART FAMILY					
Stewart Title Guaranty Co.	59,460,750	310,706,908	152,263,658	522,431,316	11.48%
Stewart Title Ins. Co. of NY	13,657,736	56,530,403	76,969	70,265,108	1.54%
Stewart Title Limited (UK)	8,852,594	-	-	8,852,594	0.19%
Stewart Title Guaranty de Mexico	559,551	-	-	559,551	0.01%
Total - STEWART FAMILY	82,530,631	367,237,311	152,340,627	602,108,569	13.24%
OLD REPUBLIC FAMILY					
Old Republic National Title Ins. Co.	26,009,276	488,689,365	63,846,927	578,545,568	12.72%
Mississippi Valley Title Ins. Co.	118,336	9,218,958	-	9,337,294	0.21%
American Guaranty Title Ins. Co.	1,039,431	5,864,406	1,010,900	7,914,737	0.17%
Total - OLD REPUBLIC FAMILY	27,167,043	503,772,729	64,857,827	595,797,599	13.10%
FAMILY TOTALS	714,426,409	2,466,057,442	835,402,530	4,015,886,381	

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Contract Cancellations Impact Closed Title Orders

Whether it's due to homebuyers walking away from signed contracts or unable to secure financing because of credit issues, exceptionally large numbers of signed real estate contracts fell apart in June, failing to reach settlement.

According to the National Association of Realtors, 16 percent of NAR members in June reported having signed contracts cancelled before closing. That's up from just 4 percent in May. The typical monthly cancellation rate over the past 16 months has ranged in a narrow band between 8 percent and 10 percent, according to NAR.

Lawrence Yun, NAR's chief economist, said that the sudden swing is surprising and worrisome, but that there are no hard statistics available on the causes.

"Home sales had been trending up without a tax stimulus, but a variety of issues are weighing on the market including an unusual spike in contract cancellations in the past month," he said. "The underlying reason for elevated cancellations is unclear, but with problems including tight credit and low appraisals, 16 percent of NAR members report a sales contract was cancelled in June, up from 4 percent in May, which stands out in contrast with the pattern over the past year."

The spike in contract cancellations has impacted the number of orders closed by title companies. While closed orders lag opened orders, the percentage of orders not closing has increased the past several months for the direct offices of First American and Fidelity. (Keep in mind the mix of business impacts closing ratios. Over the past month, refinance application volume has increased by 63 percent.)

During the second quarter, Fidelity's closing percentage slipped from 72 percent in April to 68 percent in June, meaning nearly a third of its orders aren't closing. For First American, it closed 77 percent of its orders in April, but that decreased to 70 percent in June.

Rudy Hopkins, president of Austin Title, has maintained a fairly high closing ratio of around 75 percent all year; however, that average plunged to 62 percent in June.

"Navigating around a possible new challenging market dynamic may mean seeking pre-inspections to minimize inspection turbulence," Hopkins said. "Realtors may also need to pre-condition sellers to aggressively address inspection items in order to keep transactions on track for closing."

Economic uncertainty and the federal budget debacle may be causing hesitation among some consumers or lenders. Many say buyers are less willing to risk a major purchase, making them pickier and more demanding when defects are found in home inspections, and frequently leading to contract cancellations for relatively minor reasons.

Jessika Mayer, manager of professional development at Coldwell Banker Plaza Real Estate in Wichita, Kansas, said she is seeing more well-qualified buyers — who would have proceeded to closing in past months — becoming worried and uncertain because they don't know if the country is headed for an economic disaster that would make their purchase difficult to sustain. Chad Ochsner, broker-owner of RE/MAX Alliance in Denver, said his agents are also seeing unusual trepidation because of national economic uncertainties. As a result, contracts that normally would have closed are being terminated.

Mayer said inspection results also are leading to buyers walking away. If an inspection report estimates that something may need to be replaced, buyers in this market may want the contract price reduced in compensation or want the replacement or repair made before closing. Some sellers may negotiate.

Others may believe the contract price is as low as it can go. If a deal can't be hashed out, the deal collapses.

"Realtors may also need to pre-condition sellers to aggressively address inspection items in order to keep transactions on track for closing."

The surging numbers of pending short sales clogging local markets are another cause of contract cancellations, brokers said. Buyers negotiating with banks often wait months to get an answer on their offer. Eventually buyers lose patience and walk away.

Charlie Bengel Jr., chief executive of RE/MAX Allegiance in Washington, D.C., said offices in Richmond and Annapolis have reported a significant increase in short-sale-related cancellations, primarily because of the lengthy process and banks not approving the deals.

Susie Guerino, a closing officer for Padgett Title Services in Tallahassee, Fla., has seen a similar trend in her market. She attributes a substantial number of cancelled orders to nervous buyers. While this trend slowed a bit in July, it's increased again in August.

"I'm seeing more contracts failing because of short sale lenders dragging their responses or declining well-negotiated contracts altogether," Guerino said. "The difference in August as compared to June is that the buyers are hanging in there and going to contract on other properties."

In a move that may help, it's been reported that Wells Fargo & Co. and Bank of America Corp., the largest mortgage companies, recently eased standards slightly for loans backed by the Federal Housing Administration, which are attractive to first-time buyers because they require relatively small down payments.

Unfortunately, cancelled orders have been a cost absorbed by title agents for some time fueled from the fear that asking clients to pay a cancellation fee would drive business elsewhere.

Several title agents indicated the actual hard cost to open an order and prepare a commitment was around $250. This can add up to a significant expense.

"It's a bigger issue now as lenders rush to have everything ready to close as soon as the loan commitment is issued," said Al Santoro, owner of Esquire Title Services in New York. "This requires that we order title before loans are approved."

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Switching Tracks: How the Seventh Circuit Restored Certain Landowners' Rights to Abandoned Railroad Rights-of-Way

Many title examiners have relied on facts of a U.S. agency and the direct acts of the United States to insure titles free of the interest of the United States and those claiming under them. The Seventh Circuit Court's decision re-established a property rights system based on recorded documents and governmental approvals.

By William T. Stuart and Thomas M. Hruz

A title company is asked to insure a parcel of land that was formerly traversed by a railroad right-of-way. The right-of-way was 100 feet wide and used exclusively to operate a railroad line. The railroad company abandoned the line 20 years earlier under the proper authorization of the Interstate Commerce Commission (ICC) and removed its rails, ties and other improvements from the parcel long ago. After abandonment, the railroad company quitclaimed its interest in the right-of-way to landowners immediately adjacent to the abandoned line and, since that time, those landowners have been occupying, using and maintaining the right-of-way as their own property. A complete search of the record for the insured parcel from the original land patent reveals no reference to any federal railroad law or any indication that any reversionary interest applies to the right-of-way.

Under these circumstances, is there any reason to believe that anyone other than the adjacent landowners own title to the right-of-way? Until very recently, the answer to this question in the federal courts of Wisconsin would have been "yes." In fact, in that jurisdiction, the United States would (in all likelihood) be deemed to have held an ownership interest in the right-of-way which could be statutorily passed to a local government to establish a recreational trail based upon two cases decided in the last decade.

Strange as this may sound, this was the basic fact pattern and outcome in *Samuel C. Johnson 1988 Trust v. Bayfield County*, 634 F. Supp. 2d 956 (W.D. Wis. 2009) ("Bayfield I"). In that case, the district court held that the landowners did not own the right-of-way at issue. It held that the right-of-way was initially transferred to the railroad company by the United States (the initial grantee) through one of several federal acts which either contained an express or an implied reversionary interest for the United States. It then held that this reversionary interest had been passed to Bayfield County through the so-called "Rails for Trails" act, which purportedly gave Bayfield County derivative rights to establish a recreational trail on the right-of-way. In doing so, the district court determined that abandonments

authorized by the ICC were not "abandonments" under federal law, thus nullifying years of practice by many title companies of relying on such ICC-approved abandonments when insuring land on which old railroad lines once crossed. As a result, land which had been treated as private landowners' homes for years was suddenly designated for use as a motorized trail for snowmobiles and all terrain vehicles.

Bayfield I had built upon the foundation laid by the Seventh Circuit Court of Appeals seven years earlier in *Mauler v. Bayfield County*, 309 F.2d 997 (7th Cir. 2002) ("Mauler"), which held that the United States retained a reversionary interest in a portion of the right of way along the same line as in Bayfield I, and that such right of way was owned by Bayfield County.

Thankfully, both of those decisions have now been undone. On June 17, the Seventh Circuit decided *Samuel C. Johnson 1988 Trust v. Bayfield County,* 2011 WL 2417020 (7th Cir. 2011) ("Bayfield II"), which altered the course of the earlier decisions and provided a common sense approach to determining title ownership of abandoned rights-of-way; an approach far more consistent with the past practices of individuals working in the real estate community.

The History of Railroad Development

Few topics are as close to American history as railroad law. In the mid-1800s, great efforts were underway to settle the vast public lands of the United States and it became apparent that construction of railroad systems would further that goal. (See Paul W. Gates, *History of Public Land Law Development*, 345-46, 380-84, Public Land Law Review Commission, 1968 for a discussion of railroad development.) The business prospects of creating such intra-state and national railroad systems, however, were daunting.

As a consequence, Congress bestowed gifts of public lands upon railroad companies to encourage the development of their lines. The gifts started as right-of-way grants in which railroads were given a swath of public land owned by the government – generally 60 to 100 feet wide – upon which to build the railroad. While these right-of-way grants were often given to specific railroads, Congress also passed general right-of-way grants, such as the Act of August 4, 1852 (1852 Act), that were available to any railroad company meeting the conditions of the acts.

The right-of-way grants did not incite as much development as expected and, starting in approximately 1850, Congress established larger land grants which were given in a "checkerboard" fashion. Large chunks of public lands (often extending 10 to 20 miles out from the proposed line) located in odd-numbered sections of land were granted to railroad companies, while even-numbered sections of land were reserved for sale and development by the United States.

The development of many railroad lines in Wisconsin followed this approach, being constructed under the Act of June 3, 1856, as amended by the Act of May 5, 1864 (collectively, the 1856/1864 Acts). These Acts conveyed swaths of land 20 miles wide in odd-numbered sections. The lands were given directly to the State of Wisconsin, which transferred them to any railroad company satisfying the conditions of the grant. The railroad company could then use whatever land was needed for its railroad line and sell the rest for other purposes, thus providing capital to continue building the line. The government reasoned that, once the line was built, it would increase the value of all surrounding lands (such as the even-numbered sections retained by

the United States) which could then be sold for double the minimum price (thus allowing the government to recoup the losses from the gift). It is estimated that, in Wisconsin alone, the United States granted more than 3,652,322 acres through the land grant programs.

Over time, railroads fell out of favor, leaving hundreds of thousands of miles of abandoned rights-of-way. Many right-of-way grants, such as the 1852 Act, contained express provisions returning the gifted property to the United States once the railroad ceased its operations on the granted parcel. Other grants did not contain such express provisions. In 1903, the United States Supreme Court held that at least one right-of-way act granted lands with an "implied" reversionary interest requiring the return of the property to the government when the railroad ceased operations. (See *Northern Pac. Ry. Co. v. Townsend,* 190 U.S. 267, 1903). This principle was then applied by other courts to other federal grants. As a consequence, in the early 20th century, many miles of the abandoned rights-of-way fell to the United States.

In 1922, Congress passed a measure – codified at 43 U.S.C. § 912 ("§ 912") – to address the abandoned rights-of-way. While the language of § 912 is largely indiscernible, it effectively conveyed the United States' interests in the abandoned rights-of-way to the adjacent landowners unless some other governmental body elected to use the property as a public highway within one year of abandonment. In 1988, Congress enacted the Rails to Trails Act, 16 U.S.C. § 1248(c) ("§ 1248 (c)"), which modified § 912 and switched the transfer of interests from adjacent landowners to the United States to allow for the conversion of the rights-of-way to trails for recreational use. Thus, after 1988, disputes developed between trails enthusiasts and private landowners on the issues of (i) whether the applicable right-of-way was initially granted to a railroad company through a federal act (or some other means such as condemnation or private purchase) where such right-of-way could even be subject to a reversionary interest and (ii) if so, when such right-of-way was "abandoned" under federal law for purposes of determining whether § 912 or § 1248(c) applied.

The Wisconsin Line

Bayfield II (as well as Mauler) involved a railroad line extending from Trego, Wis., to Bayfield, Wis. (Bayfield Branch). The Bayfield Branch was part of a larger line that started in the middle of the state (near Madison), traveled northwest to the western border of the state (near St. Croix) and then all the way to the northern border to Lake Superior (the Wisconsin Line).

The Wisconsin Line took more than 30 years to build and involved a jumbled mess of insolvent railroad companies, foreclosed mortgages, passed-then-rescinded land grants, litigation and proven allegations of graft and corruption among the State's public officials. (See *Madison & Portage R.R. Co v. Wisconsin,* 16 Fed. Cas. 366, W.D. Wis. 1879; Robert S. Hunt, Law and Locomotives: The Impact of the Railroad on Wisconsin Law in the Nineteenth Century, 7-18, 1958). The first railroad company authorized to construct the Wisconsin Line only constructed 61 miles of track, causing the state to rescind the land grant, divide the line into sections and assign the rights to those sections to different railroads. The Bayfield Branch was assigned to the St. Croix and Lake Superior Railway Company (St. Croix Railroad), which also failed to construct the line. In 1874, Wisconsin revoked its grant and conferred the benefits of the 1856/1864 Acts onto the North Wisconsin Railway Company (North Wisconsin Railroad), which ultimately constructed the Bayfield Branch.

Bayfield II

The portion of the Bayfield Branch at issue in Bayfield II was abandoned by the railroad company in the early 1980s. The railroad company obtained ICC approval for the abandonment and removed its tracks

from the right-of-way. It then sold portions of the right-of-way to one of the plaintiffs in the Bayfield II case (who owned property on the line), who then quitclaimed other portions of the right-of-way to adjacent landowners along those portions of the line. Since that time, those adjacent landowners had used the right-of-way as their own, in some cases making improvements on the property with Bayfield County's approval.

As part of accomplishing their tourism objectives, Bayfield County argued that it held an ownership interest in the former right-of-way across the plaintiffs' properties. For the plaintiffs owning land in even-numbered sections, Bayfield County argued that the North Wisconsin Railroad (or one of the predecessor railroads that had rights to construct the line) had obtained the land under the 1852 Act. For the plaintiffs owning land in odd-numbered sections, it argued that the grant was under the 1852 or 1856/1864 Acts. Bayfield County then argued that those Acts contained express or implied reversionary interests which passed to it under § 1248(c) because the railroad company had not yet formally abandoned the right-of-way under § 912. It argued that a judicial decree was necessary for such abandonment and that, until such abandonment occurred, its one-year period to establish a recreational trail had not been triggered.

The Seventh Circuit rejected Bayfield County's arguments. First, it held that none of the plaintiffs' parcels were subject to a federal act with a reversionary interest. The court held that the 1852 Act (which had an express reversionary interest) did not apply because the North Wisconsin Railroad had failed to meet the conditions of that Act. It then held that, by their terms, the 1856/1864 Acts only applied to odd-numbered sections and that, even as to those sections, the Acts did not retain any reversionary interests. Thus, the Seventh Circuit held that Bayfield County's initial premise was wrong: There was no reversionary interest to pass under § 912.

Second, the court held that even if such interest was retained, abandonment of the line had occurred at the time the railroad company removed the tracks after obtaining the ICC's approval to do so. As a result, the court confirmed that the plaintiffs owned title to the former right-of-way.

> While the decision does not resolve all ownership disputes to abandoned rights-of-way, the ruling established a common-sense approach for the resolution of those issued.

Conclusion

In overturning Bayfield I and effectively reversing Mauler (it technically "distinguished" the case), the Seventh Circuit re-established a property rights system based on recorded documents and governmental approvals. While the decision does not resolve all ownership disputes to abandoned rights-of-way (which must be decided on the specific facts of the case), Bayfield II established a common-sense approach for the resolution of those issues. In doing so, it also restored some validity to the past practice of relying on ICC approvals, matched with actual abandonment, as the determining factors in whether the railroad companies had "abandoned" the rights-of-way under federal statutes. Hopefully, this approach will become the governing template for other jurisdictions considering the same issues. ■

William T. Stuart and **Thomas M. Hruz** are attorneys with the Wisconsin-based law firm Meissner Tierney Fisher & Nichols S.C. Stuart can be reached by email at wts@mtfn.com, while Hruz can be reached at tmh@mtfn.com.

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A Balanced Approach to Title Agency Marketing

Just like building a house, a title agent's marketing needs to be built on a solid foundation that will equally support all marketing efforts. A balanced approach will provide the best avenue to achieve success for agents of all sizes.

By Dave Wirsching

Balanced marketing is essential for long term success.

Maintaining your marketing balance reduces your risk and increases your probability of success. Title agencies commonly fail to balance their marketing in two critical areas:

- Marketing Process – agencies focus solely on lead generation, neglecting relationship development.
- Channel Selection – they use too few marketing channels or select channels that are inappropriate for their business.

If balance is the key to success, how can an agency, even a small agency, build balance into their marketing? The answer lies in how you view your marketing and use that view to build your marketing plans.

Marketing has changed in recent years, driven by consumer behavior which has been influenced by changes in technology. This change demands a completely new way of thinking about your marketing.

A New Consumer Changes Marketing

The consumer who was easily reached through mass media is no more. Generational (Gen X) and technological progress have united to create a new buyer. What was once a passive, TV-influenced and brand-driven market, has become scattered communities of individuals who are independent and ready to be directly engaged. This new consumer routinely gathers information across multiple media and is heavily influenced by their peers and social circle.

Today's consumer is comfortable shopping and gathering information online. The marketplace has recognized (and encouraged) this change by delivering more and more online content. Preferred providers in today's market deliver more than just a product at a price. They also deliver helpful advice and information.

This change is not limited to consumer goods. It has carried over to business relationships and buying. When considering a purchase, your clients and potential clients are much more likely to obtain multiple references and conduct considerable research online.

Your marketing approach needs to adapt to meet this new consumer. Where in the past you may have competed solely on price or placement, many buyers want and expect more – information and engagement.

These potential (and existing) clients should be thought of in a new way – as an audience – a group that is ready to consume, review, share information, and support your business. By connecting with them and addressing their needs you are much more likely to build a lasting, and profitable, relationship.

How you connect with this audience has also changed. Those who were once only reachable by mass-media budgets are now available across multiple channels, many of which are easily accessible through low-cost alternatives like social media.

Marketing is Now a Two-Way Street

Not only have buyers changed, the lead generation dynamic has also changed. The one-way broadcast model of communicating to a mass audience, while still viable, is quickly losing its prominence.

While you still have to market to find your audience, a significant part of your audience is out looking for you. Not only do you need to be "findable" but you must be ready to connect with your audience. It is in that initial connection that a new model of marketing, based on a relationship, is built.

A Relationship-Based Marketing Model

As buyers' behavior continues to change, your relationship with them continues to grow in importance. Building a relationship not only strengthens your bond with your audience, it sets the stage for you to share information about your business and your offerings.

More importantly, it builds trust in your business. The model below depicts the concepts behind relationship marketing.

- Finding – The traditional branding and lead generation role still exists. Your marketing builds awareness about your agency and helps uncover opportunities for business development.
- Connecting – An essential step for developing a relationship. Whether it's a subscription to an email newsletter or an exchange of a business card, there is a mutual consent to be available for future relationship building.
- Engaging – The parties advance the relationship through sharing and communication.
- Rewarding – A fully developed relationship is one where there is a perception of mutual benefit. Whether it's the delivery of superior service, or providing advice and insight, the agencies that master rewarding their audience stand out from the crowd.

Too often title agency marketing is focused on lead generation, or the front end of the process, completely neglecting relationship building. Their marketing process is unbalanced (front loaded) and has the potential to diminish their marketing success.

To often title agency marketing is focused on lead generation, or the front end of the process, completely neglecting relationship building.

Looking for More Info?

Dave Wirsching will join Brian Rieger of True Impact Communications on a panel at this year's Annual Convention to offer information on how to build and implement a companywide marketing strategy, and how to gauge its impact. Attendees will learn the management of social media, content marketing, web-based marketing and PR.

Balancing Your Marketing Through Relationships

Many agencies see marketing as simply "getting our name out there" or bringing in leads for others to pursue.

In isolation, these activities seem productive, but they miss the greater opportunity available through relationship marketing – to forge and grow relationships that can become far more valuable than just a "lead." Without strong relationships the stage is set for higher levels of churn and client defections to competitors.

Relationship marketing delivers in three areas:

- Addressing lagging conversions –

Not all leads are ready to convert immediately. Whether it's an issue of timing or circumstance, your leads might not be in a position to become clients. If you have relationship marketing in place, you can easily establish a connection and keep the lead "warm" until they reach a point where they are ready to convert.

- Growing relationship value - Strong relationships increase the loyalty of your audience and make them more likely to engage you frequently and across multiple products and services.
- Enabling Word of Mouth Referrals – Clients who are engaged and feel rewarded are more likely to share their experience with others – promoting your services and providing recommendations to their social circle.

By adopting a relationship-based marketing model, the entire agency has a template to describe and plan their client interactions. They can then focus those interactions on the greater goal – a stronger relationship.

Building a balanced marketing approach requires an agency to understand their audience and their needs, select appropriate channels to connect with their audience, engage them frequently and reward their loyalty.

Channel Selection – Where You Market is Important

Title agencies are faced with a challenge of where to allocate limited marketing resources. Unfortunately marketing channels are rarely selected with thought toward business strategy, marketing goals or the needs of an audience.

Far too often channel selection is driven by a quick assessment of the competition or a superficial understanding of market trends – "we can't get left out" or "everyone else is doing it," instead of careful planning. While surveying the landscape is an appropriate way to collect intelligence, this information needs to help the planning process not be the end result.

"Me too" marketing management produces a number of issues. The absence of a structured approach to planning can result in rapid cycling between channels and the development of a single dominant channel. At the worst, this style of management magnifies the risk to the business and will result in the waste of marketing resources. At best, these agencies risk losing focus on their marketing goals and missing opportunities for growth.

Unbalanced Channels Increase Your Risk

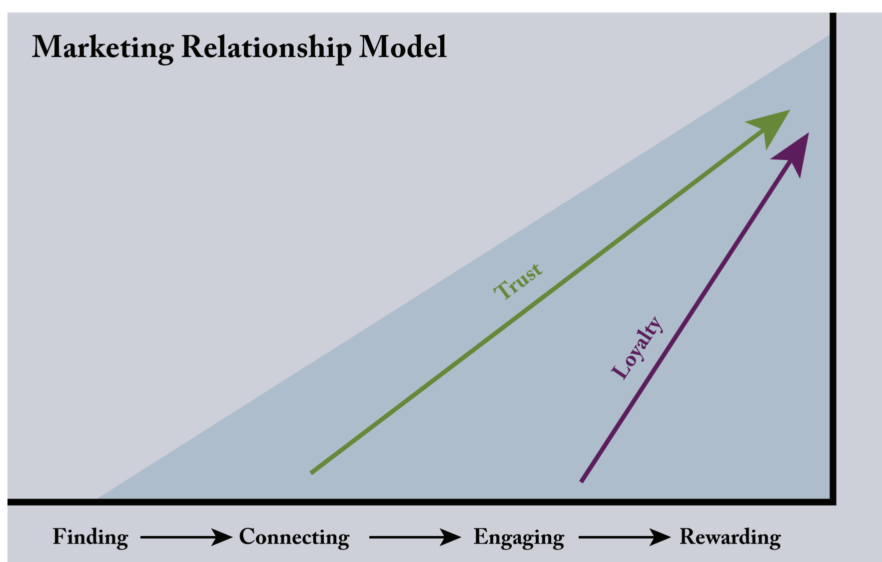
This scenario is typical in small business:

A company decides to tackle the latest hot item, for example, marketing on Facebook, because they keep hearing how great it is and are afraid of getting left behind. They quickly embark on a Facebook campaign. They default to indiscriminately collecting "fans" because they don't have another metric to measure success. The collection of fans becomes the primary goal of their marketing, absorbing the majority of their attention as other marketing initiatives are ignored.

After several months they realize that while they have collected a great number of fans, they didn't plan for a way to convert that effort into business. Their effort is wasted and other marketing opportunities have been lost.

Even if the company had a plan to convert their fans into clients, a focus on a single or dominant channel, especially a third-party channel, places extreme risk on their marketing program. Any changes by the third party, Facebook in this case, could derail the majority of their marketing.

An important aspect of balancing your marketing is diversifying the channels that you use to build and relate to your audience. But there are



an overwhelming number of channel options available, especially in the area of online marketing. Which channels should an agency focus on?

That's a bit of a trick question. Your focus should not be on the channels but on your audience. By focusing on your audience your channel selection becomes much clearer (and easier).

An Audience-Based Approach to Planning

For years marketing plans have been based on the 4Ps (product, price, place, and promotion). The 4Ps were built to help the consumer packaged goods industry market to the mass audiences offered by radio and television.

While still valuable, the 4Ps don't fully address the nuances of relationship-based marketing demanded by today's businesses buyers or individual consumers.

The changes in buyer behavior, options for information sharing, social engagement, and the evolution of an audience metaphor mean that you need now, more than ever, to consider an audience-focused marketing approach to your planning.

An audience-focused plan still follows the traditional steps of defining (or confirming) your products and services. Some agencies may also need to add a geographic component to their planning. At this point, a new approach diverges from the traditional marketing plan's focus on price, placement and promotion. Those items are still important, but only after the audience for each combination of product, service and geography is defined.

Each audience you define should be unique. Each product or service could have multiple audiences. For example marketing for an Owner's Policy of Title Insurance may address several audiences: real estate agents, lenders and consumers.

Each audience will have a different set of needs and potentially a different approach to both relationship building and channel selection for connection, engagement and reward.

Most agencies do not have the resources to implement every marketing approach nor should they. Your marketing should only address the needs and characteristics of each target audience. If you aren't able to reach your audience through a channel, it doesn't make sense to have it as part of your marketing mix.

Building Balance

Building balance requires changing how you approach your marketing:

1. Commit to having a plan – The first step in building balance into your marketing is to have a plan. Plans don't have to be large or complex, but they do have to be in writing. Experience shows that committing a plan to writing increases its quality and value.
2. Assess your current marketing – When you are ready, assess your marketing – capture your audiences, your approach, and the channels you use. Document it so the next steps are easier.
3. Check for balance – Assess if your process and use of channels are delivering the balance that your business needs.
4. Make a List - Build a list of areas that need improvement and steps you can take to improve them.
5. Plan for gradual changes – For each area of improvement build mini-plans to gradually move your marketing in the right direction.
6. Commit to maintaining your progress

Maintaining Balance

Like any other business discipline, consistent success in marketing requires a commitment to review and improvement. Here are some ideas for building a marketing culture that maintains balance:

• Have measureable goals – Develop and commit to creating measurable goals for channels and campaigns.

• Be data driven – Capture data that can be used in objective evaluation of your marketing performance.

• Review your progress – Conduct regular reviews to validate that your marketing is generating the results you want.

• Stay smart – Not only monitor the competitive landscape but keep up-to-date with the current state of marketing.

A balanced approach to your marketing promises to reduce your risk and build a stronger and more loyal relationship – helping you build your bottom line. ■

Dave Wirsching is the principal member and founder of Why About Marketing, an online marketing agency, located in Blue Bell, Pa. He helps his clients achieve marketing success through site development, content creation, and optimization for "new media" – websites, social networks, blogs, email marketing and online advertising. Dave is also a founding member of Community First Abstract and a licensed Pennsylvania title agent. He currently serves as chair of PLTA's Technology Committee.

2011 Annual Convention Preview

This year's ALTA Annual Convention in Charleston, S.C., will provide insight into the current and future state of the housing and mortgage markets, while providing educational opportunities and business strategies needed to compete in the uncertain market in 2012 and beyond.

Implementation of the new RESPA rule, expiration of the homebuyer tax credit, lapses in the national flood insurance program and, of course, the massive mortgage reform legislation all made for an unsteady market, but those were only small tremors compared to items we are contending with today.

Now, the industry is confronted with game changer with reform of Fannie Mae and Freddie Mac, and regulators' proposed 20 percent down payment requirement for Qualified Residential Mortgages. Both could significantly alter how business is conducted.

Over the summer, new regulatory powers were conferred upon the Consumer Financial Protection Bureau (CFPB). One of the Bureau's chief tasks is to combine the Truth in Lending Act (TILA) disclosure and the Real Estate Settlement and Procedures Act's Good Faith Estimate (GFE). This means now the industry will once again contend with a new HUD-1.

To contend with these changes, ALTA has developed a well-rounded general session and professional development panels to help industry professionals attack the challenges head on.

Among the notable sessions, ALTA President Anne Anastasi and ALTA President-elect Chris Abbinante will join Phil

Schulman, one of the nation's top RESPA attorneys, to offer their insight on a variety of issues impacting business and how recent legislative and regulatory changes and further alterations will influence the marketplace.

"We will share the inside scoop on the CFPB's initial drafts of the combined mortgage disclosure form, what type of RESPA enforcement to expect now that the CFPB is up and running and how different parts of the Dodd-Frank Act will impact the industry," Anastasi said. "This will be a must attend state-of-the-industry discussion to help set the stage for the coming year."

If you are looking for a crystal ball for 2012, Fannie Mae Chief Economist Doug Duncan will offer analysis of the latest economic statistics to help attendees plan for the remainder of 2011 and into 2012. Find out what Duncan thinks the lingering impact of the U.S. debt crisis may have on the housing and mortgage markets. According to Fannie Mae's National Housing Survey for August, 78 percent of Americans think the economy is headed in the wrong direction, up from 70 percent a month

earlier. Duncan will break down the numbers and share if he thinks consumer negativity will continue to hamper the market.

"The degree to which consumer attitudes appear to be sensitive to global events is interesting, and seems to be reflected in their view of the economy and their growing overall pessimism," Doug said. "I believe the public was looking at the U.S. debt, deficit and the ensuing political struggle with one eye, and looking at Europe and their sovereign debt issues with the other eye, and saying: 'This is not what we want.'"

The industry has long struggled to explain the value of title insurance to homebuyers and regulators. To help attendees improve on this, professional speaker Sue Hershkowitz-Coore will give a dynamic and funny presentation on connecting with individuals on an emotional level in a transparent and authentic manner. Hershkowitz-Coore will not only offer advice on how to explain your important role in the real estate transaction, but also help attendees discover how to tell stories from everyday life to more easily motivate and influence those who can impact your business.

Wrapping up the general session lineup, former Navy SEAL Mark "McGoo" McGinnis will provide a moving and intense keynote sharing how our Navy SEALs train, plan and flawlessly execute missions all over the globe. McGinnis will explain the tools and techniques Navy SEAL teams use to thrive and survive in rapidly changing and hostile environments. In addition to being on the edge of your seat with his stories, you'll leave knowing how to apply those same tools to any business situation, anytime, anywhere.

Navy SEAL hopefuls go through a grueling six-month regimen, culminating with "Hell Week." The aim is to simulate the extreme stress that fighters experience in battle. Most can't take it. By the end of "Hell Week," 75 percent of would-be SEALs wash out. So who survives Hell Week? What type of person emerges to be part of SEAL Team 6, which took down Osama bin Laden? It's not who you might think.

"While ALTA members may not be fighting terrorists like the Navy SEALS, our members man another front line by maintaining the integrity of our country's land record system," said Michelle Korsmo, ALTA's chief executive officer. "Never doubt the importance of your mission of maintaining a civil society. This is an exclusive opportunity to hear from a true patriot."

In addition to the general sessions, there's a robust lineup of professional development education sessions. All told, there are 19 sessions broken into four tracks: legal, operations, legislative and regulatory, and strategy and marketing. There's an additional bonus session presented by ALTA's Education Committee in a "game-show" format offering questions similar to those utilized in Title Triumph and tests provided with ALTA online courses.

The Annual Convention is the best opportunity to obtain valuable Continuing Education and Continuing Legal Education credits.

A total of 234 hours of CE is available for many states from 13 sessions and 160 hours of CLE is available from 10 sessions.

"Whether you are a title agent, escrow officer, attorney, operations manager or underwriter, the Annual Convention offers educational sessions covering a wide range of topics impacting the industry," said Eric Schneider, chair of ALTA's Education Committee.

"With a mortgage market expected to be less than $1 trillion, finding a competitive advantage can be the difference between surviving and closing shop," said Sandra Bell, chair of ALTA's Public Relations Committee and moderator of the panel titled Harness Your Competitive Advantage. "The professional development sessions at ALTA's Annual Convention provide information and tools to help companies distinguish themselves and capture precious market share."

Also, be sure to check out the exhibit hall and visit with the more than 30 exhibitors who will share the latest products and technology updates aimed to improve your operation.

Connect with ALTA

ALTA has a presence on several social networking sites including Facebook, LinkedIn and Twitter. If you are a Twitter user, follow all of the convention action by searching the hash tag #ALTA2011. If you are tweeting, be sure to include the hash tag in your tweets. Also, ALTA has developed a smart phone app for the Convention, which will be available for download.

New ALTA CEO Poised to Enhance Association's Value, Understanding of Industry

Michelle Korsmo's background makes her a perfect fit to serve as ALTA's chief executive officer.

Growing up the oldest of three daughters on a 2,000-acre grain farm in North Dakota, Michelle Korsmo forged a distinct work ethic.

"Part of being the oldest child, is that you tend to be more responsible at an earlier age," Korsmo said.

She put that upbringing to good use, starting her own grassroots advocacy business in North Dakota before making her way to Washington, D.C., working for the U.S. Department of Labor and eventually joining ALTA in 2008.

Korsmo's professional background and industry knowledge made her an easy choice for the Board of Governors to replace Kurt Pfotenhauer who stepped down as CEO at the end of July.

"Michelle's strategic vision and management skills, paired with ALTA's professional staff, ensure the association is on the right track to build on its legacy," said Anne Anastasi, ALTA's president. "I am delighted to have Michelle leading ALTA. She was a unanimous selection by the Board and we expect Michelle's leadership will immediately benefit our members, demonstrate our value to prospective members and continue ALTA's tradition of strong advocacy on behalf of the title industry."

Since joining ALTA in 2008 as chief operating officer, Korsmo has helped guide the association to record membership and revenues, while increasing contributions to the Title Insurance Political Action Committee. With record membership and financial stability, ALTA is well positioned to represent the land title insurance industry in a time when the real estate market remains fragile.

Korsmo looks forward to building upon ALTA's strong foundation and continuing to improve its deliverables to members in the industry. But Korsmo attributes the success to others.

"The key to our success is a strong staff, Board and volunteers," Korsmo said. "ALTA's Board is committed to improving the association and confronting problems we have facing us. From the Board to members active on committees, this commitment makes our trade association much more effective. Plus, ALTA's staff is committed to serving the members and the industry. The strong team working together makes my job very rewarding."

Prior to joining ALTA, Korsmo was the executive vice president of the Americans for Prosperity (AFP) Foundation, where she managed a team of 52 people and a $10 million budget, and grew the organization from one state chapter to 21 in four years. She helped build the foundation's grassroots capability to promote solution-oriented policy to local, state and federal government.

Before that, Korsmo served for three years as deputy chief of staff to U.S. Secretary of Labor Elaine L. Chao, where she managed non-political agency heads, served as a member of the budget committee, exercised approval authority on all Departmental action to be published in the Federal Register and developed an outreach program to the non-profit community.

"The Department of Labor at the time had 17,000 employees and an $11 billion budget," Korsmo said. "It was like working for a Fortune 500 company."

It was at the Department of Labor that Michelle learned the intricacies of how government operated and what was involved with carrying out public policy.

"I garnered a good understanding of the process of how rules are promulgated," she said. "We frequently had trade associations commenting on rules we were promulgating. Knowing the process proves helpful, now that I'm with ALTA, in helping craft how final rules impact the market."

Korsmo didn't come to ALTA without knowledge about the title industry. Her husband's family started an abstract company in Fargo, N.D., in 1910. John Korsmo ran the company for 20 years. Despite his father's objection that it was risky, John expanded the company's offerings to include closings.

Korsmo discovered the land title business is much like farming.

"This industry is very cyclical," she said. "Much like farming, you have good years and bad years and it's frequently beyond your control. You have to plan for playing the long game."

Over the past few years, the association has increased its advocacy efforts. This remains high on Korsmo's agenda as she expects to continue the trend of telling the industry's story and the important role it plays to protect the integrity of the real estate transaction.

"The more we do that, the stronger we will be in our ability to influence different regulators and laws that impact how our business operates," she said. "One of my goals is to continue to refine the message of professionalism in the industry and to

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explain the important role we play in the real estate transaction."

Now more than ever, explaining the industry's role is crucial and necessary.

"If 38 percent of all transactions require curative work, it's important that we stay true to the roots of who we are and provide quality search and exams," Korsmo said. "Explaining the curative efforts performed by title agents is an age-old problem in the industry, but it's something we need to focus on."

Among Korsmo's goals is to continue strengthening ALTA's relationship with state land title associations.

"As we know, this industry has come up through local practices and customs," Korsmo said. "State land title associations are essential to keeping a pulse of what's going on in the industry at the local level. The stronger our state land title associations are, and the stronger the relationships between them and with ALTA, the better we all are as an industry."

Having started her career as a state lobbyist and state policy advocate, Korsmo understands that state-level issues are more likely to trickle to other states and eventually up to the federal level.

"The more people get involved in state advocacy on a grassroots level, the more they understand the impact of their involvement on the federal level," she added.

Korsmo believes it is important that ALTA and the industry promote the highest ethical standards among members of the profession. This movement started with the leadership of ALTA past President Greg Kosin and the development of the Principles of Fair Conduct.

"We need to make sure that we promote high ethical standards because as we know every time there's a bad story, it hurts the entire industry," Korsmo said.

ALTA has created several tools to help members in their day-to-day operations. One of them, the ALTA Office Security and Privacy Guidelines Booklet, provides guidance on how to protect sensitive customer and company information. The booklet provides guidance on what should be considered as a company develops office security and privacy policies. Another tool is the Standard Procedures and Controls for the Title Industry, which is a guide that sets out minimum internal control procedures that should be implemented within each title company to ensure the acquisition or transfer of property is handled with a maximum degree of efficiency, security and safety. These guidelines help improve the title industry by imposing consistent and fair standards against which every company is measured.

In June, ALTA's Board moved to have the association begin to build a National Title Professional Program and create an education designation. While in the development stage, the designation will have several requirements, including industry, national, state/regional, education and training, and statement of professional qualifications.

"We've discussed developing a national certification designation for some time," Korsmo said. "Now is the right time to pursue this and strengthen the professionalism and ethical standards in the industry."

Korsmo believes in order to attain success, clear goals must be set and everyone must understand the strategy for achieving the goals.

"Even if you aren't directly responsible for achieving the goal as part of your daily role, understanding the top-line goals and strategy helps inform the tactics one uses in their own projects. As a leader, my job is to define the goals, set the strategy, and ensure the staff understands what we are trying to achieve as we remain focused on preserving the health of the land title industry." ■

Michelle and John Korsmo, have two children, Ally and Mattie, and are expecting a third daughter in January.

No one is immune to the cost of title clean-up...not even title rock stars!

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Homeland Security Company Expands into Title Space

Homeland Security Capital Corp. (HOMS), an international provider of specialized technology-based radiological, nuclear, environmental, disaster relief and electronic security solutions to government and commercial customers, added a second acquisition as part of its entry into the mortgage and settlement services industry by completing the acquisition of Timios Inc.

The acquisition of Timios, Inc., a technologically advanced, paperless provider of title insurance and escrow services, adds additional core services to Fiducia Real Estate Solutions Inc. (Fiducia), a recently formed subsidiary under HOMS. Timios is a licensed title insurance and escrow agent operating in 38 states offering title and escrow services for mortgage origination refinance, reverse mortgage, real estate owned and deed-in-lieu transactions, and lists some of the largest lenders and servicers nationwide as clients. Timios is headquartered in Westlake Village, Calif., and has offices in Plano, Texas, as well as satellite offices in four other states.

Timios utilizes a centralized processing and fulfillment model with Gators as its company-wide title production system. In 2010, DJSP Enterprises acquired Timios for $1.5 million in cash, 200,000 ordinary shares of DJSP Enterprises and up to 100,000 ordinary shares of DJSP Enterprises to be earned upon achievement of defined performance metrics. However, DJSP voluntarily delisted from Nasdaq after failing to meet the minimum trading requirements of $1 per share in December. DJSP was the back-office processing firm of Law Offices of David J. Stern.

Smart Phone Deposit Apps Open Door to Potential Fraud

If title and settlement agents don't have enough to worry about, a new type of fraud may be sweeping through the industry.

Apparently, smart phone technology may be the source, according to the Florida Land Title Association (FLTA).

The FLTA reported a couple in Florida left their closing with a check for the proceeds. The couple used a smart phone application to take a picture of the front and back of the check to make a deposit.

A couple of hours later, the couple returned to the title agency with the check and asked for a wire instead. The closer voided the check and processed the wire.

Title and settlement agents need to keep this in mind should a customer return with a check and ask for a wire. This is a good example of why agents should use Positive Pay. If Positive Pay is used and the voided check is uploaded at the end of the day with the issue file, the check will be rejected.

ClosingCorp Launches SmartGFE Calculator For Title Companies

ClosingCorp announced the availability of its SmartGFE Calculator, a pricing and compliance tool allowing title companies and settlement professionals who add the calculator to their websites to give lenders the opportunity to generate title and settlement rates instantly. The SmartGFE Calculator is embedded on a title company's website to automatically calculate title and settlement rates, transfer taxes and recording fees for Good Faith Estimates (GFE). Data is provided in GFE and HUD-friendly formats. ClosingCorp said the SmartGFE Calculator streamlines the pricing process while improving GFE and loan processing efficiencies, eliminating unnecessary phone calls, faxes and emails.

Palmetto Land Title Association Gives Successful Title 101 Training

The Palmetto Land Title Association (PLTA) recently provided a Title 101 training seminar for several regulators in South Carolina.

Nearly 10 staff members from the South Carolina Department of Insurance attended the seminar, which addressed the steps and procedures taken by the title industry to avoid claims.

Teri Stomski, president of PLTA, said the training was important to help regulators understand how title insurance is different from property and casualty, and explained that agents retain premiums rather than earn commissions.

"The industry's claims percentages are constantly compared to property and casualty companies, and because the title industry's paid claims percentages are typically in single digits, the industry is accused of charging excessive rates," Stomski said. "We were able to address this during the presentation and also explain that the portion of the premiums title agents retain is used to pay for the curative efforts performed by title agents."

The training proved beneficial to the department staff, according to Cynthia Young, manager of the consumer services division of the Department of Insurance.

"The Office of Consumer Services found the Title 101 training to be very informative," Young said. "Not only was it helpful in regards to title insurance, but also good information on a personal level for anyone in the process of buying a home."

Front row left to right: Jenny Isgett; Cynthia Blair; Martha McConnell, PLTA president-elect-PLTA; Anne Anastasi, ALTA president; Teri Stomski, PLTA president; and Susan Stewart. Back row left to right: Lisa Hostetler; Robert Clawson; Gray Olive; Jeff DeGood; and Gregg Brickle.

New Jersey Title to Cease Issuing New Commitments

Due to a dramatic increase in losses stemming from agent and/or closing attorney defalcations, New Jersey Title Insurance Company ceased issuing new commitments effective July 27.

The New Jersey Department of Banking and Insurance (NJDOBI) ordered the halt in new commitments in order to allow the company to focus on the resolution of claims it had received in recent months.

In a letter to its agents, Allen Exelby, NJTIC's CEO, and Carl Samson, NJTIC's president, said the number of significant agent defalcations caused concern from the underwriter and the NJDOBI.

"The NJDOBI has determined that it is in the best interests of the company and our policyholders to immediately suspend the company's issuance of new commitments and focus on the resolution of claims received on issued policies," the letter said. "Once the existing claims are addressed and resolved, our Board of Directors will determine how we should best proceed."

One of NJTIC's agents, TitleServ, closed its doors in April and ceased operations after Citibank and Chase had instructed its mortgage managers not to put any further business through TitleServ. The FBI raided the TitleServ's offices on April 28. Another underwriter has sued TitleServe alleging it took $7.9 million in escrow funds.

NJTIC reported $37.5 million in title insurance premiums during 2010, up from $26.9 million in 2009.

Stewart Offers REO Services for Community Banks

Stewart Lender Services has developed a boutique asset management and disposition solution for community banks. The focus is maximizing the value of each bank's assets in the shortest amount of time. By using a proactive approach, starting as early in the process as possible, preserving the property up-front, maintaining the condition and accurately valuing the asset from the onset, Stewart reduces a bank-owned property's days in REO to save its clients' time and money.

ABA Approves New Uniform Law on Notarial Acts

The Revised Uniform Law on Notarial Acts (RULONA), a new act which addresses the increasing variation among states in their treatment of notaries public and notarial acts and modernizes the law regulating notaries public, was approved by the American Bar Association's House of Delegates.

RULONA was drafted and approved by the Uniform Law Commission (ULC) in 2010.

RULONA is an update of the Uniform Law on Notarial Acts of 1982. The revision updates the provisions on notary responsibilities, electronic recording, interstate recognition and remedies. RULONA is designed to modernize and clarify the law governing notaries public, their responsibilities and duties and to provide a stable infrastructure for the performance of notarial acts with respect to electronic records.

RULONA harmonizes treatment of notarization of all records, whether on paper or electronic. Highlights of the new act include:

- Requires that notarizations be performed by notarial officers: commissioned notaries public, judges and their clerks and others, including attorneys, as authorized by other state law.
- Prohibits notarial officers from acting in any transaction in which the officer, or his or her spouse, is a party or has a direct beneficial interest.
- Requires any person seeking a notarization to appear in person before the notarial officer.
- Requires the notary to verify the identity of the person and to witness the signature or receive an acknowledgement or verification of the signature.
- Permits a notarial officer to refuse to act if satisfactory identification is not provided or if not otherwise satisfied by the interaction. The notary may not refuse to act if the refusal would be prohibited by other law.
- Provides for recognition of valid notarizations from other states, from federally recognized American Indian tribes or nations, or under federal law or the law of foreign nations.
- Provides minimum standards for receiving a commission, including optional provisions for surety bonds and the examination of applicants. Also includes optional provisions for the maintenance of journals of notarial acts.
- Permits the commissioning authority to establish rules for the implementation of the act and standards for notarization of electronic records.
- Implements the provisions of the Uniform Electronic Transactions Act and the federal Electronic Signatures in Global and National Commerce Act, and specifies the conditions for notarization of electronic records.

Several ALTA Member Title Companies, Industry Vendors Listed on Inc. 5000 List

Inc. magazine's annual list of the nation's 5000 fastest-growing private companies includes several ALTA member title companies and businesses that provide services to the title insurance industry.

New Jersey-based RedVision Systems was listed at No. 667, reporting revenue growth of 477 percent over the past three years.

"We are proud of our accomplishments and growth in 2010 and 2011," said Brian Twibell, chief executive officer of RedVision. "Our geographic expansions, technology enhancements and dedicated staff are the key components to RedVision's success over the past 10 years."

North Carolina-based Accurate Group came in at No. 1,153 with revenue growing 257 percent since 2007. Virginia-based Direct Title Solutions reported a 245 percent increase in revenue over the past three years to rank No. 1,200. Arizona-based Thomas Title & Escrow was ranked No. 1,252 with revenue growth of 233 percent over the past three years. Linear Title & Closing was next at 1,253 with a 233 percent increase in revenue since 2007. reQuire Release Tracking has grown revenue 32 percent over the past three years to rank No. 4,001.

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People on the Move

Illinois-Based Prairie Title Names New President

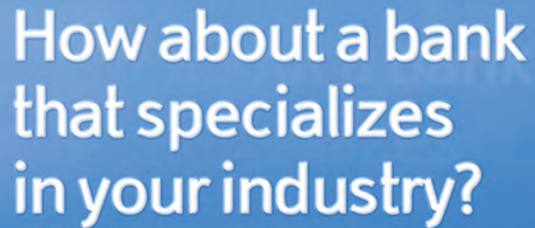
Illinois-based Prairie Title, Inc. announced that it has named William Andrews as its new president and brought on additional staff, while opening a new office in New Lenox, Ill. Andrews previously served as CEO of Regent Title. He received his bachelor's degree from Purdue University before earning his juris doctorate from Indiana University. Prairie Title has also added several other former Regent Title employees to its talented staff, including Jennie Condos, Josh Hurd and Sue Stillwell.

Old Republic Names New Head of REO Operations

Old Republic recently named Scott French as its senior vice president of REO services. French will oversee the REO operations for the mortgage insurer and will report to Carl Brown, president of default management services. French will be based in Dallas. French previously served as a default executive at Citigroup and JPMorgan Chase, handling REO, foreclosure and valuation operations.

Fidelity Names Florida State Manager

Fidelity National Title announced that 35-year industry veteran Dan Wallace has been appointed as vice president, Florida state manager, major accounts division. Wallace will be responsible for the development and maintenance of business between builders, developers, brokers, lenders, asset managers, non-agent attorneys, CPAs and financial planners. Prior to spending 15 years with Fidelity as a central Florida and east Florida division manager, Wallace was founder, president and part owner of GulfAtlantic Title Agency which grew its operations to 22 offices and No. 1 market share before selling the company to Lawyers Title.



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ALTA Stands Tall During Difficult Market

There's a Japanese proverb that states, "The reputation of a thousand years may be determined by the conduct of one hour." Looking back at my "hour" as president of ALTA, I hope I have continued to build upon the history of success set forth by my predecessors.

For years, our industry flew under the radar. Our silence clouded the understanding of the industry among legislators, regulators and consumers. We've made progress over the past year explaining the Herculean work the industry provides. We've given several Title 101 presentations the past year to regulators explaining the value of title insurance, the latest in South Carolina (*See page 39*). It's through these presentations we can help regulators understand the difference between title and P&C and that title agents perform intrinsic and exhaustive work to earn their portion of the premium. I plan to continue this training to ensure our political capital in the states and D.C. remains strong.

The robo-signing fiasco brought on by the lending communities' processing errors involving foreclosed properties allowed the spotlight to shine on our industry. It provided the loudest microphone the industry has enjoyed in more than 100 years and allowed ALTA to showcase the industry's essential role in the real estate process.

Because of the foreclosure issues, I had the opportunity this summer to testify before the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity to share thoughts on improving mortgage disclosures. The point I made was that disclosures should include accurate itemized estimates of costs allowing consumers to receive a complete view of their transaction and make informed decisions. The current way of aggregating costs only confuses consumers.

In working with the CFPB as it attempts to simplify mortgage disclosures, ALTA continues to stress that disclosures should encourage homebuyers to make informed decisions about services which are in their best interest and protection. One of these services is Owner's Title Insurance. If we have learned anything from the foreclosure crisis, it is that consumers should be encouraged to investigate products like Owner's Title Insurance that help protect the consumers' interest.

Over the past year, we've also seen a number of states pass consumer-protection legislation banning private transfer fees (PTFs). In 2009, only a handful of states had legislation banning or restricting the use of PTFs. Today, due to coordinated efforts of ALTA and state land title associations, there is legislation in 36 states with several more expected to address the issue during the next legislative session. Congratulations to state leadership and ALTA for protecting consumers from this dangerous scheme.

Because education is dear to me, I'm delighted to see ALTA initiate plans to launch a National Title Professional Program to promote higher standards in the industry. Implementing a certification program will earn our industry more respect and solidify our integral role in the real estate process.

In addition I believe that to earn and demand respect, the industry must perform the functions that set us apart. We can't shortcut the search. We can't ignore clearance of title objections. Generic exceptions in lieu of a full title search should never be utilized. We can't fly under the radar anymore.

My year as president was aided by ALTA's professional and helpful staff, which is led fearlessly by CEO Michelle Korsmo. Their support and dedication should be applauded. Finally, I am excited to welcome President-elect Chris Abbinante. His industry knowledge will serve the association well during the next year. I assure you, ALTA is in the hands of true leaders.

Let me conclude by saying what an honor it has been to serve as ALTA president and to represent the industry. It truly was a privilege and will be an "hour" in my life I will forever cherish.

– Anne L. Anastasi, CLTP, ALTA President

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