

May 2012

Official Publication of the  
American Land Title Association

# TitleNews

## DEBATING TRANSFER ON DEATH DEED LEGISLATION

Simplifying the Process of Transferring  
Property Following a Death, or  
Opening the Door to Other Issues?





How about a bank  
that specializes  
in your industry?

You want a bank with a deep understanding of your business. A Title Industry expert led by knowledgeable relationship managers who can streamline your operations with customized services like a competitive deposit availability schedule and one of the latest wire transfer deadlines in the industry. For over 50 years, Union Bank® has maintained a consistent track record of helping Title Industry professionals succeed in today's world.

To put our Title Industry expertise to work for you, call us today at 877-225-5979.

**Title Industry & Title 1031 Exchange:**

**John J. Murphy**  
Vice President &  
Team Leader/Manager  
949-553-4304

**Sonya Aldama**  
Vice President &  
Senior Relationship Manager  
619-230-3034

**Erin Wagner**  
Vice President &  
Senior Relationship Manager  
949-553-4305

**Brad Kirk**  
Vice President &  
Senior Relationship Manager  
949-553-7062

**Julia Sherouse**  
Assistant Relationship Manager  
949-553-2558

Member  
**FDIC**

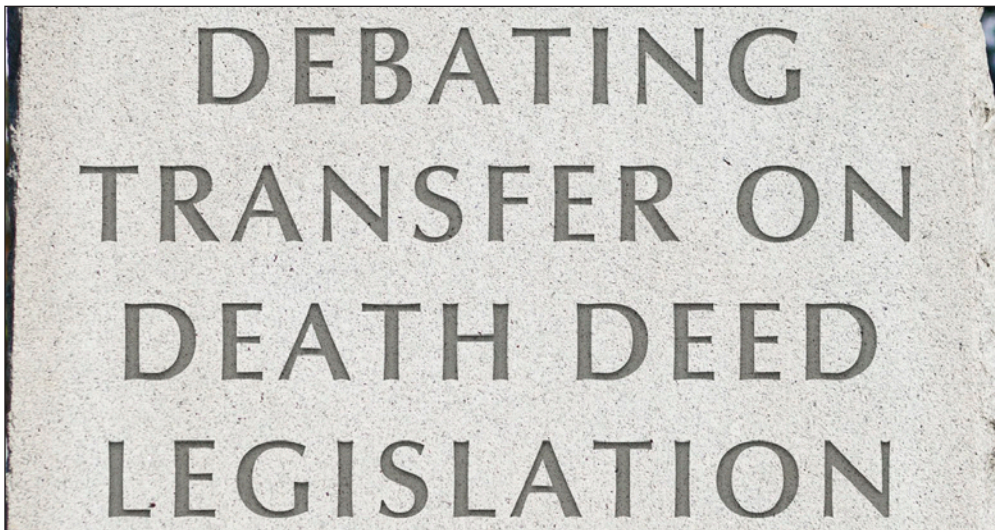
©2012 Union Bank, N.A.

Union Bank is a proud member of the Mitsubishi UFJ Financial Group (MUFG), one of the world's largest financial organizations. [unionbank.com](http://unionbank.com)

 **UnionBank®**  
Invest in you®

# > contents

TitleNews • Volume 91, Number 5



10

COVER STORY

## Debating Transfer on Death Deed Legislation

Jeremy Yohe

Does this legislation simplify the process of transferring property following a death, or does it open the door to other issues?

## Features

16

MARKET STATS

### 2011 Title Insurance Premiums Down Slightly

Title insurance premiums written during 2011 decreased 1.5 percent compared to the previous year.

18

CONFERENCE HIGHLIGHTS

### Business Strategies Conference Preps Attendees for a New HUD-1; Examines Ways to Mitigate Fraud

More than 200 attendees were informed during general session discussions on how to reach consumers, and on how the new mortgage disclosure forms being created will impact operations and potential solutions to thwart fraud and escrow theft.

24

RUNNING YOUR BUSINESS

### ALTA Submits Suggested Outline for NAIC's Escrow White Paper

With the NAIC drafting a white paper to help states mitigate escrow theft, ALTA submitted a recommended outline for the paper, as well as a compilation of industry controls used to protect escrow funds.

29

INDUSTRY NEWS

### First American's Donald Kennedy, Former ALTA President Passes Away

Donald P. Kennedy, who helped transform First American Financial from a one-office firm into a Fortune 500 company, passed away in March at the age of 93.

## Departments

5

From the Publisher's Desk

7

ALTA News

16

Market Stats

28

Industry News

32

New Members

34

The Last Word

# calendar

## ALTA CONFERENCES

May 20	Agents & Abstracters Forum Minneapolis, MN
September 23	Agents & Abstracters Forum Richmond, VA
October 17 - 20	2012 Annual Convention Colorado Springs, CO

## STATE MEETINGS

May 14 - 16	California
June 6 - 7	South Dakota
June 7 - 9	Virginia
June 10 - 12	Pennsylvania
June 10 - 12	Wyoming
June 14 - 16	Texas
June 21 - 24	New England (CT, ME, MA, NH, RI, VT)
July 15 - 17	Michigan
August 1 - 4	Kansas
August 9 - 11	Pacific Northwest (ID, MT, OR, UT, WA)
August 10 - 11	Minnesota
September 9 - 12	New York
September 9 - 11	Ohio
September 12 - 15	Colorado
September 13 - 15	Dixie Land (AL, GA, MS)
September 13 - 15	North Carolina
September 19 - 21	Nebraska

# TitleNews

PUBLISHER  
**Michelle L. Korsmo**

EDITOR IN CHIEF  
**Jeremy Yohe**

COMMUNICATIONS  
MANAGER  
**Shawn Sullivan**

## ASSOCIATION OFFICERS

PRESIDENT  
**Christopher Abbinante**  
Fidelity National Title Group  
Jacksonville, FL

PRESIDENT-ELECT  
**Frank Pellegrini**  
Prairie Title, Inc.  
Oak Park, IL

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

CHAIR, FINANCE COMMITTEE  
**Herschel Beard**  
Marshall County Abstract Co.  
Madill, OK

CHAIR, TITLE INSURANCE  
UNDERWRITERS SECTION  
**Robert Chapman**  
Old Republic National Title Insurance Co.  
Minneapolis, MN

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

CHAIR, ABSTRACTERS AND TITLE  
INSURANCE AGENTS SECTION  
**Diane Evans**  
Land Title Guaranty Company  
Denver, CO

BOARD REPRESENTATIVES,  
ABSTRACTERS AND TITLE AGENTS  
SECTION  
**William Burding**  
Orange Coast Title Family of Companies  
Santa Ana, CA

**Daniel D. Mennenoh**  
H.B. Wilkinson Title Co.  
Galena, IL

IMMEDIATE PAST PRESIDENT  
**Anne L. Anastasi, CLTP**  
Genesis Abstract, Inc.  
Hatboro, PA

## ASSOCIATION EXECUTIVE STAFF

CHIEF EXECUTIVE OFFICER  
**Michelle L. Korsmo**

VICE PRESIDENT OF  
GOVERNMENT AFFAIRS  
**Justin Ailes**

VICE PRESIDENT  
**Cornelia Horner, CMP**

DIRECTOR OF GOVERNMENT AFFAIRS  
**Jessica McEwen**

VICE PRESIDENT  
**Kelly Romeo, CAE**

DIRECTOR OF COMMUNICATIONS  
**Jeremy Yohe**

*TitleNews* is published monthly by the American Land Title Association, Washington, DC 20036. U.S. and Canadian subscription rates are \$30 a year (member rate); \$100 a year (nonmember rate). For subscription information, call 1-800-787-ALTA.

Send address changes to *TitleNews*, American Land Title Association, 1828 L Street, N.W., Suite 705, Washington, DC 20036.

Anyone is invited to contribute articles, reports, and photographs concerning issues of the title industry. The Association, however, reserves the right to edit all material submitted. Editorials and articles are not statements of Association policy and do not necessarily reflect the opinions of the editor or the Association.

Reprints: Apply to the editor for permission to reprint any part of the magazine. Articles reprinted with permission must carry the following credit line: "Reprinted from *TitleNews*, the monthly magazine of the American Land Title Association."

©2012 American Land Title Association

AMERICAN  
LAND TITLE  
ASSOCIATION



Members Call Toll Free: 800-787-ALTA • Members Fax Toll Free: 888-FAX-ALTA  
Visit ALTA Home Page: [www.alta.org](http://www.alta.org) • Email Feedback to: [service@alta.org](mailto:service@alta.org)



## ALTA Takes Industry Message Directly to Consumers

Helping explain the title insurance industry's value in terms consumers understand has become a centerpiece of Chris Abbinante's ALTA presidency. It is crucial to our business to ensure homebuyers understand the product they are buying and the value it provides them. This is why we collaborated on a five-minute segment with Lifetime Television's show *Designing Spaces*.

Last month, ALTA's Communications Director Jeremy Yohe and I had the pleasure of travelling to Florida to participate in the production of the segment titled "Protecting Your Best Investment." The segment features ALTA Past President Anne Anastasi, ALTA member Marlen Rodriguez of Universal Land Title, and Marlen's daughter. Sitting by the producer, I watched Anne magnificently explain to Marlen the value of an Owner's Title Insurance Policy and all the behind-the-scenes work that ALTA members do to get consumers into their new home. A special thanks to Lisy Velaquez of Old Republic for letting us use her home in Margate, and Julie Susik and her team at Old Republic for letting us use their office space in Deerfield.

The segment premiered April 26 on Lifetime and is scheduled to air again at 7:30 a.m. June 8. You can view the segment and photos from the shoot on ALTA's Facebook page at [www.facebook.com/altaonline](http://www.facebook.com/altaonline). (While there, become a fan of our Facebook page.) We want all of our members to download the video from the ALTA website (search "Lifetime Video") and use it in the following ways:

1. Include the link in your email signature line: *"Click here to watch an explanation of home closing and the benefits of title insurance from Lifetime Television."*
2. Post a link to the video on your personal and company Facebook pages, like Jeremy did on our ALTA page: *"If you missed the great segment on title insurance and the closing process, which aired on Lifetime's Designing Spaces, watch it here."*
3. Tweet about it. When posting comments on Twitter, use the hashtag [#altalife](https://twitter.com/altalife).
4. Put the video on a television in your front office for people to watch while they are waiting to close.
5. Send the link to real estate agents and lenders so they can show it to their clients.

Please let us know what creative ways you think we should use this to promote our valuable industry. This is a great tool to help current and potential homeowners better understand how an owner's title insurance policy protects their homeownership and gives them the peace of mind they deserve.



- Michelle Korsmo, ALTA chief executive officer



# Better together.

Thank you for working with First American.

Succeeding in an ever-changing market takes hard work. All of us at First American thank our agents for the work we do together, and the success that our partnerships will continue to bring.



*First American Title*<sup>™</sup>

800.854.3643 • [www.firstam.com](http://www.firstam.com)

## ALTA Commends FHFA Final Rule Limiting Harmful Private Transfer Fees

ALTA applauded the Federal Housing Finance Agency (FHFA) for issuing a final rule limiting Fannie Mae, Freddie Mac and the Federal Home Loan Banks from investing in mortgages encumbered by certain types of private transfer fees (PTF).

Certain PTFs require that a percentage of the sales price be paid to the original corporate owner of the covenant each time the property is sold, typically for 99 years. The FHFA said the final rule does not apply to PTFs that directly

benefit the property, such as homeowner associations, condominiums, cooperatives and some tax-exempt organizations.

With limited exceptions, the rule applies only prospectively to PTFs created on or after Feb. 8, 2011, the date of publication of the proposed rule. Covenants created before that date, as well as covenants created after that date pursuant to certain agreements entered into before that date, would be excepted from the rule.

## 2012 Annual Convention Call for Presentations Now Open

The Call for Presentations for the 2012 ALTA Annual Convention, which will be held Oct. 17-20 at the Broadmoor in Colorado Springs, Colo., is now open.

The deadline for submissions is Friday, June 1. You will receive an automatic confirmation that your proposal has been

received upon submission. ALTA leadership, volunteers and staff will review proposals in mid-June and you should learn the final status of your proposal by the end of that month.

For more information, guidelines for successful proposals and to submit a proposal, go to [www.alta.org/meetings/annual/cfp/](http://www.alta.org/meetings/annual/cfp/)

## ALTA Testifies With Maryland Title Association on CPLs

At the request of the Maryland Land Title Association (MLTA), ALTA testified alongside the MLTA at the Maryland Senate Finance Committee hearing on Closing Protection Letters (CPLs) in March.

Justin Ailes, ALTA's vice president of legislative and regulatory affairs, discussed national trends of CPLs and the difference between legal title risk and closing or escrow risks.

"There are additional risks beyond traditional title risk that are associated with the closing of real estate transactions," Ailes said. "These risks include the potential for fraud or dishonesty of the closing agent or their failure to follow lenders written closing instructions that affect lien priority or validity of the mortgage. Lenders and insurance regulators have sought additional ways to manage these risks.

Ailes continued, by saying "To meet this demand, the industry developed the closing

protection letter to indemnify the lender and/or consumer from these risks."

Nationally, 49 states allow title insurance companies to issue some form of a closing protection letter. Twelve of these states mandate a specific fee or charge to ensure this protection can be offered and premium charges for managing this risk are neither excessive nor inadequate.

Maryland is considering legislation that would clarify the permitted use of CPLs in the state. SB724 would require a title insurer to provide specified closing or settlement protection to a protected party in a specified transaction; requiring the closing or settlement protection to indemnify protected parties against specified actions and failures in connection with specified transactions; requiring domestic title insurers to establish and maintain a specified reserve for specified losses arising from closing or settlement protection.



## ALTA Works with Freddie Mac to Resolve Short Sale Issues in Michigan, Minnesota

In late March, ALTA members reported that a policy change by Freddie Mac caused servicers to cancel a series of short sale closings in Michigan and Minnesota and reject all short sale offers if a property has been previously foreclosed, even if the borrower or owner had redemption rights under state law.

After hearing about these reports from Tom Richardson of Liberty Title, ALTA reached out to Freddie Mac to learn more about the issue and determine how to get these transactions moving again.

Based on ALTA's discussions with Freddie Mac, it appears the issue arose because of changes Freddie made to its REO Rollback Policy. This policy is used to undo a wrongful foreclosure sale where Freddie was the successful bidder because the borrower filed for bankruptcy or because the servicer did not meet its obligations for considering the borrower for a foreclosure alternative.

On March 13, Freddie published a bulletin requiring servicers to pay a \$1,000 fee for applying for an REO Rollback. This guideline

change, along with some miscommunication between Freddie and servicers, caused servicers to decline all short sale files that were in the redemption period.

While the REO Rollback Policy was never intended to allow the servicer to approve a short sale after the foreclosure sale was complete and the borrower was in the redemption period, Freddie recognized that in some cases this may be beneficial to the investor.

During a meeting, Freddie Mac indicated it will continue to approve short sale offers during the redemption period on a case-by-case basis. As always, these offers will have to be serious offers that make financial sense for the company. In addition, ALTA and Freddie Mac are exploring ways to reduce the confusion surrounding this policy change. In the coming weeks, Freddie will be working with servicers to educate them about the March 13 bulletin and the situations in which Freddie will accept a short sale offer during a redemption period. Freddie is also exploring ways to educate title agents, attorneys and Realtors on this issue.

ALTA encourages title agents to continue to work closely with their customers on these transactions. While getting approval for these transactions will take time, if a transaction is about to fall apart because the parties have not received a decision from Freddie, ALTA may be

able to help. If you have a transaction like this, reach out to ALTA Legislative and Regulatory Counsel Steve Gottheim at [sgottheim@alta.org](mailto:sgottheim@alta.org). ALTA will keep you informed of progress and is grateful to Freddie Mac for their willingness to work with ALTA on this issue.

## Title Action Network Launched to Connect Title Professionals with Statehouses and Congress

ALTA has launched the Title Action Network, a free and voluntary endeavor dedicated to strengthening the industry's voice and impact on lawmakers in Washington, D.C., and state capitals across America.

The Network operates exclusively to promote the common business interests of the industry through grassroots advocacy activities. ALTA encourages everyone employed in the land title insurance industry – from processors to closers – to join the Network and have an ownership stake in the outcome of laws and regulations that affect the industry by lobbying and building relationships with policymakers.

“With today's political climate, grassroots efforts have become more important than ever,” said Tim Evans, president of Evans Title Agency in Ohio and chair of the Title Action Network. “To persuade members of Congress, everyone working in the title industry must get involved and show that issues in question are really important to the folks back home.”

It's easy to become a member and take action because everything can be done online. You can register and find information at [www.alta.org/tan](http://www.alta.org/tan) or contact Nick Hacker, ALTA's manager of state government affairs, at [nhacker@alta.org](mailto:nhacker@alta.org).



## ALTA Urges FHFA to Require PACE Liens to Be Recorded in Local Records

ALTA recently commented on an Advanced Notice of Proposed Rulemaking (ANPR) issued by the Federal Housing Finance Agency (FHFA) on Property Assessed Clean Energy (PACE) programs.

PACE programs allow local governments to provide homeowners with the financial resources to make energy improvements to their homes. Homeowners then pay back the money through an assessment on their property tax bill. Under this scheme, PACE liens take priority over a property owner's existing first lien mortgage.

ALTA's letter to the FHFA answers some questions about PACE programs that are needed to provide an "understanding of both the benefits and risks presented by PACE programs to property owners and mortgage holders and investors."

ALTA highlights a number of unanswered questions that are essential to determining the impact of PACE on Fannie and Freddie mortgages. The questions were designed to understand the basic mechanics of PACE

programs, not to prevent consumers from accessing funding to upgrade their homes. ALTA's questions included: how the lien arises, whether the lien is recorded and how the locality determines that the applicant actually possesses title to the property.

ALTA said that understanding when a PACE lien is deemed to arise, when the assessment or loan is given, or when the assessment for periodic repayment is certified to the current year's taxes, are important for understanding the risks presented to the regulated entities by PACE lending. In its letter, ALTA also said PACE statutes are unclear about the recording obligations associated with these liens. Without ensuring that PACE liens are properly recorded in local property records, ALTA members cannot properly identify risks in order to protect the interests of consumers and creditors.

PACE programs began in 2008 when California passed the first legislation and a pilot program began in Berkeley, Calif. Since

2008, 27 other states have passed similar legislation. In the summer of 2010, FHFA announced that because of the ability for PACE loans to prime the first lien mortgage, Fannie and Freddie were banned from purchasing mortgages if there was an existing PACE loan on the property. FHFA also requires the borrower to get permission before obtaining PACE financing that could impact an existing Fannie or Freddie mortgage. Due to this announcement, PACE lending stopped across



the country, and a handful of cities sued FHFA in California to overturn the decision. As part of that case, FHFA was required to obtain public comment about PACE financing.

For more information, contact Justin Ailes, ALTA vice president of government and regulatory affairs at [jailles@alta.org](mailto:jailles@alta.org).

## Participate in ALTA's 2011 Abstracter and Title Agent Operations Survey

To help ALTA understand how market changes are impacting membership and to help members benchmark operations, ALTA is asking abstracters and title agents to participate in the 2011 Abstracter and Title Agent Operations Survey.

This is an update to a survey ALTA has compiled since the 1990s and is not collected for regulators.

The survey closes May 31. Participants will receive a copy of the survey to benchmark operations

against industry-wide averages and ratios.

Survey participants will be entered into a drawing to win a complimentary registration to ALTA's 2012 Annual Convention.

Demotech Inc. is conducting the confidential survey on behalf of ALTA and the industry. All responses will be kept completely anonymous.

Please go here to take the survey: <http://www.surveymonkey.com/s/2011agentabstractersurvey>

# Debating Transfer on Death Deed Legislation

Simplifying the Process of Transferring  
Property Following a Death, or  
Opening the Door to Other Issues?

**O**ne of the main advances in the property law of the 20th century has been the development of asset-specific will substitutes for the transfer of property at death. With these mechanisms, an owner may designate beneficiaries to receive the property at the owner's death without waiting for probate and without the beneficiary designation needing to comply with the witnessing requirements of wills. Examples of specific assets that today routinely pass outside of probate include the proceeds of life insurance policies and pension plans, securities registered in transfer on death (TOD) form and funds held in pay on death (POD) bank accounts. >>

By Jeremy Yohe



DEBATING  
TRANSFER ON  
DEATH DEED  
LEGISLATION

1989 -



These non-probate transfers have become widely accepted. However, there is no generally available, straightforward, inexpensive and reliable means of passing real property, which may be a decedent's major asset, directly to a beneficiary at death. In an effort to simplify the transfer of property to a beneficiary on the owner's death without probate, the Uniform Law Commission in 2009 promulgated the Uniform Real Property Transfer on Death Act (URPTODA).

## “A ‘stacking’ of these deeds in the public records would create ambiguity and uncertainty as to the status of title and intent of the original transferor.”

Under URPTODA, real property passes by means of a recorded transfer on death (TOD) deed. URPTODA establishes the requirements for the creation and revocation of a TOD deed and clarifies the effect of the TOD deed on all parties while the transferor is living and after the transferor dies. URPTODA provides optional forms to create or revoke a TOD deed.

Key elements of URPTODA include:

- The TOD deed is not subject to the statute of wills and passes title directly to the named beneficiary without probate.
- The TOD deed must contain all of the essential elements and formalities of a properly recordable *inter vivos* deed. The TOD deed must state that the transfer to the

beneficiary occurs on the transferor's death and must be properly recorded during the transferor's lifetime in the office of the recorder of deeds where the property is located.

- The capacity required to create a TOD deed is the same as the capacity to make a will.
- A TOD deed does not operate until the transferor's death and remains revocable until then. The transferor may revoke the deed by recording a revocatory instrument such as a

direct revocation of the TOD deed or a subsequent TOD deed that names a different beneficiary. If the transferor disposes of the property during his or her lifetime, the TOD deed is ineffective.

- Until the transferor's death, a recorded TOD deed has no effect — it does not affect any right or interest of the transferor or any other person in the property. The TOD deed creates no legal or equitable interest in the designated beneficiary; it does not affect the designated beneficiary's eligibility for public assistance; nor does it subject the property to the designated beneficiary's creditors.
- Assuming the transferor dies owning the property and has not revoked the TOD deed, and assuming that the designated

beneficiary survives the transferor, the TOD deed passes the property to the designated beneficiary on the transferor's death.

- Liability of the beneficiary and property for claims against the transferor's estate is limited to cases where the estate is insolvent.
- A designated beneficiary may disclaim all or part of the transferred interest.

Nat Sterling, ULC California commissioner and chair of the URPTODA Drafting and Enactment Committees, said that before promulgation of URPTODA, some states enacted legislation to enable a TOD deed of real property.

“URPTODA builds on these statutes,” he said. “It provides an uncomplicated, effective and affordable option to pass this important type of asset at death.”

Five states have adopted a version of the uniform act. These include Hawaii, Illinois, Nevada, North Dakota and Oregon. The legislation in Oregon went into effect Jan. 1. Twelve other states have pre-existing TOD deed legislation, including Arizona, Arkansas, Colorado, Indiana, Kansas, Minnesota, Missouri (the earliest, in 1989), Montana, New Mexico, Ohio, Oklahoma and Wisconsin. Nevada also had a statute, but legislation passed in 2011 conformed it to the uniform model.

URPTODA has been supported by the American Bar Association (ABA) Commission on Law and Aging and Board of Governors of the American College of Real Estate Lawyers.

The ABA said TOD deeds offer advantages over joint tenancy because the TOD deed does not convey an immediate interest to the beneficiary, the property is not subject to partition or to the beneficiary's creditors.



“The deed remains revocable, enabling the owner to make a different disposition of the property,” the ABA Commission on Law and Aging said in a letter. “It does not trigger an acceleration clause in a mortgage or a property tax reassessment during the transferor’s life. Nor does it create adverse Medicaid consequences for either the owner or the beneficiary,”

However, not all are convinced the uniform act is a silver bullet. Both the California Land Title Association (CLTA) and California Escrow Association (CEA) opposed TOD deed legislation (AB 699) that was proposed last year. The bill died in the Senate Judiciary Committee. In a letter addressing their concerns, the

CLTA and CEA said TOD deeds could be the “new form of fraud against the elderly or unsophisticated real property owner.”

The two associations provided one instance in California where a caregiver, assisted by an attorney from New Mexico, convinced an elderly man to execute a TOD deed. Soon afterward, the caregiver stopped providing care and the elderly man’s health rapidly declined. Eventually, the daughter and son-in-law intervened, eliminating the TOD and getting a conservator involved.

“Had they not intervened in time, the TOD would have been a tool of fraud,” the CLTA and CEA wrote in their letter.

The groups also said the uncertainty surrounding the use of a TOD deed may make it difficult to obtain title insurance. Because many TOD deeds for the same property could be executed over the course of a lifetime due to divorce, remarriage, death and additional children being added, each change could trigger the execution and recordation of a new TOD deed to effectuate a different transfer to different people.

“A ‘stacking’ of these deeds in the public records would create ambiguity and uncertainty as to the status of title and intent of the original transferor,” the associations’ letter stated. “If there is ambiguity in the recorded public records, many title companies may feel compelled to use

## SHARE YOUR INDUSTRY KNOWLEDGE

### 2012 ANNUAL CONVENTION

October 17-20 • The Broadmoor • Colorado Springs, Colorado

AMERICAN  
LAND TITLE  
ASSOCIATION



ALTA is now accepting presentation proposals for its 2012 Annual Convention. We are looking for experts to submit proposals on a wide range of topics.

Compliance and Legal Issues

Sales and Marketing

Human Resources

Agent-Underwriter Relationship  
Trends

Recognizing and Preventing Fraud

Deadline to submit a  
proposal is June 1



For more info or to submit a proposal,  
go to [www.alta.org/meetings/annual/cfp](http://www.alta.org/meetings/annual/cfp)

an abundance of caution and seek a quitclaim deed for every person with a potential real property interest in the property to ensure that clear title can be passed to the new buyer or protect the lender providing a loan.”

Additionally, the CLTA and CEA believe the existence of a TOD deed in the chain of title could impact a lender’s decision to make a loan and add an additional layer of delay and

by an attorney, people often engage in piecemeal estate planning that produces expense, litigation and confusion instead of the simplicity they imagined would result.”

Opposing TOD deed legislation proposed in California last year, the CJA was concerned with revocation difficulties and delivery of the deed. The legislation would have required any document revoking or changing

on Death Act has been postponed indefinitely.

“We believe the legislation would ‘fool’ the consumer into believing that when the death certificate is filed, all is well,” Scott said. “In reality, they would still have to commence a county court proceeding for the determination of inheritance tax and payment just as they would if the property were held in a trust by a remainder or surviving joint tenant or the like.”

Meanwhile, David Townsend, CEO of Agents National Title Insurance Co., said the uniform act has worked well in Missouri.

“It has not proven problematic with title as long as you have a properly recorded beneficiary deed prior to the death of the grantor,” said Townsend of the legislation, which was enacted in 1989 and modified in 1995. “It’s been very effective to transfer homes when it’s the only part of someone’s estate.”

Townsend said the 2006 ALTA Owner’s Policy provides protection because the term “insureds” named in Schedule A includes “successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin.” He added that there’s the potential for fraud just like there is with any other deed.

“The competency of the person issuing the deed could be questioned, but we’ve only had one claim involving a beneficiary deed and it was a nephew three heirs back in the chain,” Townsend said.

“(TOD) has not proven problematic with title as long as you have a properly recorded beneficiary deed prior to the death of the grantor. It’s been very effective to transfer homes when it’s the only part of someone’s estate.”

cost to the consumer if the lender required the TOD deed be revoked prior to consummating a new loan.

The two associations were joined by others opposing the legislation, including the California Judges Association (CJA) and California Advocates for Nursing Home Reform. In its letter, the CJA said it understands the intent of TOD deed legislation and to make it easier to do estate planning, but concludes this legislation creates confusion, complexity and litigation that outweigh any benefits.

“Judges commonly see lawsuits resulting from do-it-yourself estate planning,” CJA said. “The interrelation of wills, trusts, joint tenancy, pay on death accounts, beneficiary designations and retirement accounts is complex. Unless being advised

a TOD deed to be notarized and recorded before death. The legislation also opened the possibility that an executed TOD deed could be recorded without knowledge, consent or intent of the transferor. CJA also said the legislation would make it more difficult for creditors of an estate to recover from the TOD deed asset and would subordinate the estate’s unsecured creditors to the beneficiary’s creditors who have a security interest in the property.

While TOD legislation could be used as a helpful estate planning tool, Debbie Scott of Omaha National Title & Escrow Co. said TOD deeds could pose problems in states such as Nebraska, which have an inheritance tax. Legislation to adopt the Nebraska Uniform Real Property Transfer



**Jeremy Yohe** is ALTA’s director of communications. He can be reached at [jyohe@alta.org](mailto:jyohe@alta.org).





## Expert underwriters to help you navigate complicated transactions

### **Another reason why Stewart is the right underwriter for you.**

Choose Stewart Title Guaranty Company as your underwriter, and you'll be able to call upon the unsurpassed experience of our underwriting team. With hundreds of years of cumulative experience, our experts have the in-depth knowledge necessary to guide you through complex issues. Plus, Stewart also provides our issuing agencies with access to Virtual Underwriter®, our online resource that provides 24/7 access to all the information needed to close a transaction.

**Visit us at [stewart.com/agencyservices](http://stewart.com/agencyservices) to learn more about how our expert underwriters can help you.**

(800) STEWART [stewart.com](http://stewart.com)

# stewart®

© 2012 Stewart. Trademarks are the property of their respective owners.

# 2011 Title Insurance Premiums Hold Steady; Industry Paid \$1.02 Billion in Claims

ALTA reported \$9.47 billion in title insurance premiums written during 2011, according to its 2011 Year-End and Fourth-Quarter Market Share Analysis. After 2010 ended a string of four consecutive years of declining title insurance premiums written with a very slight increase over 2009, 2011 premiums written continued at approximately the same pace, with only a 1.5 percent decrease from 2010 levels.

“Despite the sluggish housing market, the industry remains in a very strong financial position as total assets are over \$8.2 billion with cash and invested assets at almost \$7.3 billion,” said Michelle Korsmo, chief executive officer of ALTA. “This is a good sign that the title insurance business has leveled off and the industry is the right size for the current market place.”

Over the past year, the industry saw a strong reduction in operating loss of almost \$200 million to \$20 million in 2011 as loss and loss adjustment expenses were down by 1.3 percent and other operating expenses were down by 3.5 percent. Coupled with a substantial increase in net investment gain, net income for the industry was a positive \$298 million in 2011 versus a negative \$132 million in 2010. Total operating income decreased 1.2 percent, which was down for the sixth consecutive year.

While statutory reserves fell 2.7 percent as a result of claims settlements, they are currently at \$4.8 billion. According to the data, the industry paid \$1.02 billion in claims during 2011, compared to \$1.07 billion in 2010.

On a state-by-state basis, 14 states and the District of Columbia showed year-over-year increases for title insurance premiums written. Of the 36 states that reported title premium decreases, 30 declined less than 10 percent. The states generating the most premiums in 2011 were California (\$1.33 billion, down 5.3 percent compared to 2010), Texas (\$1.15 billion, up 8.5 percent), New York (\$719.5 million, up 8.3 percent), Florida (\$718.6 million, up 1.8 percent) and Pennsylvania (\$410 million, down 4.5 percent).

In terms of market share, the Fidelity Family of title insurance underwriters captured 34.7 percent of the market in 2011, the First American Family garnered 26.8 percent, the Stewart Family had 13.7 percent and the Old Republic Family recorded 13 percent. Meanwhile, independent companies comprised 11.8 percent of the market in 2011.

ALTA expects to release its first-quarter 2012 Market Share Analysis around June 1.

## 2011 Total Premium: Top States

State	Premium Written 12/31/2011	% Change from 2010
California	1,334,161,566	-5.3%
Texas	1,152,104,912	8.5%
New York	719,533,092	8.3%
Florida	718,616,833	1.8%
Pennsylvania	409,974,159	-4.5%
Arizona	321,299,690	-8.1%
New Jersey	307,177,147	-6.5%
Ohio	287,980,608	-7.1%
Virginia	265,479,996	-7.3%
Illinois	252,197,972	5.8%
Michigan	250,487,475	-1.0%
Colorado	228,627,264	-4.4%
Washington	217,095,593	-12.7%
Mass.	205,713,975	-2.5%
Maryland	178,511,186	-3.3%
Georgia	162,450,478	-5.0%
Oregon	159,554,977	-6.7%
Nevada	141,856,573	-2.6%
Utah	138,204,653	-17.7%
Wisconsin	111,300,539	-6.5%
Minnesota	109,311,863	-3.7%
Tennessee	106,810,237	2.2%
Louisiana	105,219,655	-3.2%
Connecticut	97,388,437	-5.1%
N. Carolina	96,653,036	0.0%
Indiana*	83,880,568	-2.1%
S. Carolina	80,060,331	-5.0%
Idaho	74,238,821	-17.0%
Alabama	66,076,239	-6.5%
New Mexico	65,874,256	-9.2%
Hawaii	60,581,341	0.1%
Kentucky	54,073,741	-4.0%
Oklahoma	53,701,113	-2.5%
D. C.	52,467,089	14.7%
Nebraska	43,628,135	-1.7%
Missouri	42,475,344	-10.5%
Arkansas	40,326,077	2.7%
Kansas	40,098,854	5.2%
Montana	38,007,739	-11.5%
Alaska	36,930,917	11.7%
Delaware	32,266,166	13.9%
Mississippi*	30,926,904	-2.3%
N. Hampshire	27,744,131	-1.6%
Maine	24,529,637	-7.1%
Wyoming	21,806,284	-7.2%
R. Island	20,499,608	-17.1%
Puerto Rico	18,517,417	3.6%
S. Dakota	17,008,182	1.8%
W. Virginia	16,062,298	5.4%
Vermont	12,523,064	-6.1%
Iowa	9,690,675	18.7%
N. Dakota	8,523,521	17.2%
<b>Totals</b>	<b>\$9,469,432,162</b>	<b>-1.5%</b>



## 2011 Total Premium and Market Share

Company Name	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
<b>FIDELITY FAMILY</b>					
Chicago Title Ins. Co.	420,134,106	783,917,460	373,671,349	1,577,722,915	16.66%
Fidelity National Title Ins. Co.	189,609,302	661,208,577	318,869,763	1,169,687,642	12.35%
Commonwealth Land Title Ins. Co.	74,204,310	282,180,146	136,931,867	493,316,323	5.21%
Alamo Title Ins. Co.	-	13,165,662	28,546,050	41,711,712	0.44%
<b>TOTAL - Fidelity Family</b>	<b>683,947,718</b>	<b>1,740,471,845</b>	<b>858,019,029</b>	<b>3,282,438,592</b>	<b>34.66%</b>
<b>FIRST AMERICAN FAMILY</b>					
First American Title Ins. Co.	383,425,537	1,389,757,333	535,274,366	2,308,457,236	24.38%
First Canadian Title Ins. Co.	124,217,480	-	-	124,217,480	1.31%
First American Title Ins. Co. of OR	26,770,731	2,488,801	3,054,670	32,314,202	0.34%
First American Title Ins. Co. of LA	327,552	30,150,497	-	30,478,049	0.32%
First Title PLC (UK)	22,130,704	5,843,449	-	27,974,153	0.30%
<b>TOTAL - First American Family</b>	<b>562,819,412</b>	<b>1,438,774,435</b>	<b>538,329,036</b>	<b>2,539,922,883</b>	<b>26.82%</b>
<b>STEWART FAMILY</b>					
Stewart Title Guaranty Co.	121,093,563	680,412,633	324,300,856	1,125,807,052	11.89%
Stewart Title Ins. Co. of NY	27,330,884	126,578,655	155,250	154,064,789	1.63%
<b>TOTAL - Stewart Family</b>	<b>165,308,383</b>	<b>806,991,288</b>	<b>324,456,106</b>	<b>1,296,755,777</b>	<b>13.69%</b>
<b>OLD REPUBLIC FAMILY</b>					
Old Republic National Title Ins. Co.	55,440,792	1,002,480,367	140,502,146	1,198,423,305	12.66%
Mississippi Valley Title Ins. Co.	211,111	18,471,068	-	18,682,179	0.20%
<b>TOTAL - Old Republic Family</b>	<b>58,002,923</b>	<b>1,032,214,720</b>	<b>142,784,115</b>	<b>1,233,001,758</b>	<b>13.02%</b>
<b>FAMILY TOTALS</b>	<b>1,470,078,436</b>	<b>5,018,452,288</b>	<b>1,863,588,286</b>	<b>8,352,119,010</b>	<b>88.20%</b>
<b>TOP INDEPENDENT COMPANIES</b>					
National Title Ins. of NY	4,699,016	6,714,738	262,559,913	273,973,667	2.89%
Title Resources Guaranty Co.	1,029,294	113,156,789	75,767,648	189,953,731	2.01%
Westcor Land Title Ins. Co.	-	123,572,987	33,221,188	156,794,175	1.66%
North American Title Ins. Co.	-	16,765,912	59,962,504	76,728,416	0.81%
Investors Title Ins. Co.	16,302,155	36,384,425	-	52,686,580	0.56%
Connecticut Attorneys Title Ins. Co.	-	51,904,072	-	51,904,072	0.55%
Alliant National Title Ins. Co.	-	47,612,057	-	47,612,057	0.50%
WFG National Title Ins. Co.	6,156,673	35,165,093	4,762,476	46,084,242	0.49%
Security Title Guarantee Corp. of Balt.	2,794	32,680,654	-	32,683,448	0.35%
National Investors Title Ins. Co.	13,450	28,645,510	-	28,658,960	0.30%
<b>TOTAL - Independent Companies</b>	<b>54,016,064</b>	<b>595,421,323</b>	<b>467,875,765</b>	<b>1,117,313,152</b>	<b>11.80%</b>
<b>TOTAL - ALL COMPANIES</b>	<b>1,524,094,500</b>	<b>5,613,873,611</b>	<b>2,331,464,051</b>	<b>9,469,432,162</b>	<b>100.00%</b>

**Note:** Individual premiums for each company do not equal Total Premiums as not all underwriters are listed.

# Business Strategies Conference Preps Attendees for a New HUD-1; Examines Ways to Mitigate Fraud

More than 200 attendees were informed during general session discussions on how to reach consumers more effectively, and on how the new mortgage disclosure forms that are being developed will impact operations and potential solutions to thwart fraud and escrow theft.

Opening the 2012 Business Strategies Conference on March 26 in Louisville, Ky., ALTA President Chris Abbinante delivered a powerful message during the general session on how the industry can effectively explain its value to consumers.

“While we like to describe what we do, in a professional and craftsman-like manner, too often we lose the audience,” he said. “We lose them because of our jargon and attention to detail. What, I believe, is important to those outside the industry – particularly the consumer – is the benefit that they receive because of what we do. I encourage us to focus

on being able to discuss the benefits that the consumer receives when they buy our products and services.”

In telling the industry’s story, Abbinante said the message should focus on the benefits it provides consumers, rather than attempt to explain what the industry does or how the work is completed.

“We need to think of this from consumers’ perspective and explain the benefits the consumer receives because of what we do,” Abbinante said. “The consumer just wants their house and the seller wants their check. It’s not about what we do. It’s the benefit they derive, and we offer a lot of benefit.”

## A New HUD-1 is Coming ... Will You Be Ready?

During the second portion of the general session on March 26, members of ALTA’s RESPA Task Force discussed the Consumer Financial Protection Bureau’s (CFPB) plans to create new mortgage disclosures, which will replace the GFE and HUD-1.

Mary Schuster of RamQuest Software Inc., Alison Gareffa of Old Republic National Title Insurance Co. and Celia Flowers of East Texas Title Co. discussed what the Task Force is doing to engage the CFPB to ensure the forms benefit both industry and consumers.

Gareffa provided an overview on where the CFPB is in the process of completing the final disclosures (which integrates forms required under TILA and RESPA) and outlined important dates on the horizon. The CFPB convened a Small Business Review Panel, on which Flowers participated, to solicit feedback from small businesses that make mortgage loans and conduct mortgage closings. The review panel must provide its report in early May. The Bureau is required to publish the rule by July 21. A comment period will follow.

“As I think of this being an election year, and the importance President Obama has placed on these regulations, I would guess sometime in 2014 we will be using new forms,” she said.



## What They're Saying

Lisa Cooley of Freedom Land Title in Missouri attended her very first ALTA conference of any kind and was blown away by everything the meeting offered.

"I met so many wonderful people, including ALTA staff and other title agents and underwriters," she said. "The conference was so much more than what I expected. The topics were fascinating and very informative. I would attend over and over again for this depth of information."

While Lois Hardesty of Collier Title Services in Kentucky said the CFPB topic was covered "exceptionally well," John Bethell of John Bethell Title Co. in Indiana thought the panel discussion on fraud was very informative.

"Penny Reed was excellent. It was terrific to hear from a large lender with a firm grasp of the reality of serving clients," he said.

Tim Padgett of Liberty Creek Title in Missouri said the conference addressed the current topics impacting the industry and provided useful process improvement ideas. It also provided the opportunity for him to earn needed continuing education credits.

"The Business Strategies Conference was a good investment that provided great information and great networking opportunities," he said. "Making this meeting a day and a half rather than 2-plus days as it was a few years ago was a nice change."

One of the Task Force's main tenets is that settlement agents continue in their current role of the settlement process. Because lenders provide data for the TIL disclosures and settlement agents complete the HUD-1, the integration presents logistical hurdles and liability issues that may force lenders to either take over the closing or only work with national providers. The Bureau is considering two alternative approaches for assigning responsibility for providing the integrated Settlement Disclosure to the consumer.

The first alternative would make the lender solely responsible for delivering the document to the consumer. Option two would make the lender responsible for preparing the TILA-required information, while the settlement agent would be responsible for preparing the RESPA-required information. However, the lender and settlement agent would be jointly responsible for providing the consumer with an integrated Settlement Disclosure three days before closing, according to the CFPB.

"We need to ensure our roles in the settlement process continue and we need you to explain to policymakers that our fundamental role as the guardian for the consumer as a settlement and disbursement agent is not put in jeopardy by these forms," Schuster said.

ALTA's RESPA Task Force has suggested the Bureau bifurcate the Settlement Disclosure to delineate responsibilities between settlement agents and lenders. This would allow lenders to be responsible and liable for providing the consumers with the loan information only,

while settlement agents would be responsible for the settlement costs.

There was also concern that having settlement agents provide the entire settlement disclosure would require them to duplicate efforts and costs preparing the form.

"Think in your mind you are in a closing and the closings you are going to have three days later, those folks just received the disclosure settlement statement and have questions," Flowers said. "They are going to call their Realtor, who is going to call you. We are suddenly faced with how we are going to accommodate the consumer and answer their questions. Will we have to implement pre-closing closings? How will we schedule that in our day?"

According to industry estimates, the CFPB's draft forms and regulatory outline will increase costs to small settlement providers.:

- \$800 per employee in upfront implementation and training costs;
- \$2,360 to train lenders, Realtors and other customers;
- 20 percent increase in their yearly software maintenance fee; and
- 20 percent decrease in annual revenue due to decreased productivity.

"I've tried to diagram what closings will look like with these draft forms," Flowers said. "It will require training staff to comply with the rule. It will add more time to close deals and result in fewer transactions being closed on a daily basis."

### Mitigating Escrow Theft

The final general session on March 27 discussed findings of a national survey examining the latest trends in mortgage fraud and escrow theft.

# conference highlights



# Images from ALTA's 2012 Business Strategies Conference

Photos available at [www.alta.org/meetings/techforum/index.cfm](http://www.alta.org/meetings/techforum/index.cfm)







ALTA capped off a successful Business Strategies Conference in Louisville as more than 200 attendees learned about progress to create

a new GFE and HUD-1, ways to mitigate escrow theft and how to reach the consumer more effectively in three general sessions. Also, 166

hours of CE/CLE credit were awarded from the professional development sessions. To obtain session handouts, go to [www.alta.org](http://www.alta.org).





In addition to the survey findings, presenters discussed the best practices for companies to follow to thwart fraud and the best solutions the industry believes are the most viable to implement. Moderated by Jan Clark of Ernst Information Services, the panel included ALTA President-elect Frank Pellegrini of Prairie Title, Richard Bramhall of Westcor National Title Insurance Co., Penny Reed of Wells Fargo Home Mortgage, Erika Meinhardt of Fidelity National Title Group and Andy Crisenbery of eLynx. A good

“Although a small percentage, it really taints everyone in the process and impacts the integrity of the industry. It’s a key focus for us because it has the potential to be a game changer for our whole industry and the role of agents. The independent agent plays a key role in our industry and we must preserve that role.”

One question in the survey asked, “What do you think is the best solution to reduce the chance of escrow theft?” More than a third (36 percent) thought a national agent database to identify whether an agent

One solution would be to not wire money if it’s already known where a large chunk was going. Reed said that since there are five main servicers, most payoffs are going to these companies. Bramhall said to think of it as a colossal net-funding mechanism of any mortgage.

“Where a bank does a refi and the payoff goes to that bank, it just net funds the agent what’s left after the payoff,” he said. “This is a variation on the same theme.”

Reed said there are people in the lending industry who think it would be easy to centralize disbursement, but doubted that this could be achieved for a couple of reasons.

“First, real estate is local, but second, when you look around, a good portion of title agents are our customers at the local level,” she said. “They are loan customers and escrow customers. It would be suicidal to make a move that would centralize this and take away business on the business side.”

Meinhardt said the industry has done a better job vetting agents and having higher standards, unfortunately it can be difficult to tell a good agent from one willing to break the law. As a solution, she encouraged title agents to perform at minimum, three-way bank reconciliations

“They can make an incredible difference in your organization,” Meinhardt said. “Often times these losses start out inadvertently because someone accidentally disbursed a file twice and all of a sudden they are hundreds of thousands in the whole and trying to figure out how to fix that problem. That’s a simple step that if we made an industry standard would go a long way.”

“(Escrow theft is) a key focus for us because it has the potential to be a game changer for our whole industry and the role of agents.”

portion of the discussion surrounded escrow theft and potential solutions to mitigate the problem.

“We are working to identify those instances where title agents are involved in illegal activity and creating a bad impression of the industry to the public,” Pellegrini said. “It’s something we must examine and not pretend it doesn’t occur. We must call it what it is and most often it is escrow theft. We must make sure the public’s perception of what we do at the closing table is legal, ethical and accurate.”

Meinhardt indicated there’s been a positive downward trend in fraud and forgery claims because controls put in place by lenders, agents and underwriters have helped reduce claims.

“It’s difficult to deal with issues when an agent perpetrates a fraud or escrow theft,” Meinhardt said.

is authorized to issue policies on behalf of an insurer and whether they are in good standing, terminated or canceled was the best solution. Other top responses included complying with underwriting standards of the appropriate insurer (16%), a new type of insurance policy to cover against fraud, dishonesty and negligence of escrow agents (13%), a standardized endorsement for Closing Protection Letters or Insured Closing Letters (11%), establishing an industry-wide self-regulatory organization (10%) and a national net-funding mechanism for bank-to-bank transactions (5%).

Reed said lenders are under considerable regulatory scrutiny and counter-party risk is being examined.

“One of the bigger risks facing lenders is that they wire out millions of dollars per day to people they don’t know,” she said.

# Sometimes there is just no comparison...



## *So, why would you choose any less for your business?*

When choosing a technology partner for your title business, it is no longer enough to just find a partner to help you get the job done. You need a partner who is continually working to keep their finger on the pulse of the industry and who will help ensure that you stay

ahead and dominate in the markets that you serve. You need a business partner with innovative tools and technology that will enable you to operate smarter and more successfully. **It's time to choose to change. And it's time to choose RamQuest.**



Scan the code or visit [ramquest.com/compare](http://ramquest.com/compare) to discover how you can choose to change.



# ALTA Submits Suggested Outline for NAIC's Escrow Theft White Paper

With the NAIC drafting a white paper to help states mitigate escrow theft, ALTA submitted a recommended outline for the paper, as well as a compilation of industry controls used to protect escrow funds.

**E**arlier this year, the National Association of Insurance Commissioners (NAIC) created a subgroup of its Market Conduct and Mortgage Fraud Working Group to write a white paper on escrow theft. Member states of this subgroup include Nebraska, Kansas, Missouri, Indiana and California. Bruce Ramge, chair of the Title Insurance Task Force, has said the effort “is an important task to accomplish this year.”

During the NAIC's spring meeting, the Working Group asked ALTA to provide input on its white paper and to provide examples of how the industry protects escrow funds. In a short time frame, ALTA's Liaison Committee with the NAIC developed the suggested outline and examples of industry controls used to

protect escrow funds. ALTA delivered both documents to the NAIC on April 3.

“Regulators are considering options to mitigate escrow theft and our job is to help the NAIC understand the impact of each option they consider, such as agent capitalization or strict liability for underwriters,” said Michelle Korsmo, ALTA's chief executive officer. “We appreciate the opportunity to suggest an outline for the NAIC's white paper on escrow theft and we thank our Liaison Committee for crafting clear input so the industry and regulators can address this problem together.”

ALTA's suggested outline includes six sections:

- Defining the problem
- How escrow theft has been

addressed in the market

- Ideas to combat the problem
- Ideas for steps the industry can take
- Ideas for steps regulators can take
- Ideas for steps consumers can take

ALTA's participation in this process is essential to ensure regulators understand the impact of each option they consider as they look to mitigate escrow theft. According to Korsmo, ALTA's job is to help regulators understand the unintended consequences of bad policy and help them identify productive alternatives.

“As with any regulatory issue, the NAIC's white paper should consider differences in local business practices, statutes and regulations,” Korsmo said. “What may work in one jurisdiction may not be good in another, resulting in harm to consumers and the industry.”

While there was a divergence of opinion among the Liaison Committee with the NAIC, Woody Girion, senior vice president for Fidelity National Financial and former regulator in California, said the draft addresses the most current concerns impacting regulators, consumers and the title industry adequately.

“Since this product is intended to be objective it is appropriate to address all of the issues regardless of whether there is a consensus or uniformity,” Girion said. “The ultimate goal would be to achieve uniformity where possible and highlight geographical and other differences when necessary.”



He added that the efforts by ALTA members involved in developing the white paper showcases one example of the level of commitment and desire to work with the NAIC in addressing current and future issues.

Diane Evans, vice president of Land Title Guarantee Co., added that this was a crucial step in working with regulators to mitigate escrow theft.

“Without the seat at the table that we have secured, discussions and possible solutions would be forced upon our industry,” said Evans, who is on ALTA’s board of governors and a member of ALTA’s Liaison Committee with the NAIC. “The two papers that ALTA submitted were widely discussed and addressed items the majority believes are critical to the industry’s future delivery of closing and escrow services.”

The NAIC expects to have a draft of the white paper available for public comment later this year.

The Nebraska Department of Insurance also submitted a draft outline. Interestingly, the department’s outline was not much different than ALTA’s outline. Justin Ailes, ALTA’s vice president of regulatory and government affairs, said this shows that ALTA’s recommended outline carries considerable weight with regulators.

“The fact that the two outlines roughly mirror one another speaks well of all who participated and underscores the level of commitment and professionalism as we work through the myriad of complex issues,” Girion said.

On April 25, the Escrow Theft White Paper (C) Subgroup held a conference call to discuss the outlines drafted by the Nebraska DOI and



ALTA, as well as responses to a survey the NAIC distributed to state regulators. The NAIC asked state regulators to answer these questions:

1. *Has your state experienced or addressed issues with title agencies and insurers failing to provide the consumer with a policy and clean title for which they paid?*
2. *Has your state experienced or addressed issues with agencies failing to remit premiums to their appointed insurers?*
3. *Has your state experienced or addressed issues with agents failing to send out the policies they have sold?*
4. *Has your state experienced or addressed issues with closers failing to perform closing services for which they received a fee?*
5. *How many defalcations has your state seen from 2005 to the present?*

In addition to providing an outline for the whitepaper, the NAIC also

offered ALTA the opportunity to provide a list of practices currently utilized by members of the industry to prevent theft of escrow funds. Due to differing real estate and title insurance laws in each state, the practices adopted by the industry to combat escrow theft also differ on a state-by-state basis.

The list of practices continues to evolve as the industry learns important lessons from incidents of theft that have recently occurred in connection with the bottoming out of the housing market over the last two years. ALTA’s compilation of industry controls used to protect escrow funds covers practices utilized to detect and minimize escrow theft, information technology, financial statements, accounting processes, escrow reconciliation, escrow processes, agency audit programs, and escrow personnel.

For more information about NAIC, contact Justin Ailes, ALTA’s vice president of regulatory and government affairs, at [jailes@alta.org](mailto:jailes@alta.org).

## Industry Encourages Improved Market Conduct Exam Process

**D**uring the National Association of Insurance Commissioners Spring Meeting in Louisiana earlier this year, Justin Ailes, ALTA's vice president of government and regulatory affairs, urged state insurance departments to adequately oversee third-party firms contracted to conduct market conduct exams in order to make them more efficient and less costly.

Ailes encouraged state insurance regulators to provide consistent standards, training and expense control policies for market conduct examinations in order to enhance accountability and ensure a credible process.

To achieve this, he offered six solutions:

- Develop guidelines for third-party exam costs with penalties for exceeding budgets and timelines,
- Limit charges to the actual cost incurred,
- Set standards for transparent and itemized invoicing,
- Assess any fines to the responsible party according to state law,
- Establish requirements for examiner accreditation and certification for each line of insurance they contract to examine; and
- Cite the applicable statute or

regulation violated when issuing enforcement actions.

Ailes asked the NAIC to work with ALTA to resolve issues surrounding market conduct exams and “restore credibility to this important regulatory practice.”

“The market conduct process is a valuable tool for both the regulator and the examined and provides an important opportunity to cultivate communication,” he added. “We want to work with regulators to see that these examinations are conducted to deliver the highest benefit possible at the lowest cost available.”

Ailes said that while the NAIC Market Conduct Examination Handbook provides reasonable guidelines on what should be charged by departments, the same standards should apply to outside examiners.

“Especially in title insurance, we frequently find that third-party examiners lack the knowledge necessary to properly examine the insurer,” Ailes said. “The result is a significant burden and unreasonable cost to the insurer of educating examiners on topics they purported to have expertise.”

ALTA members have said examination interruptions cause additional expense on entities being examined. Companies have been

charged for time an examiner spent to become re-familiarized with where they were in the exam process. Companies also have been charged in similar instances after an exam was stalled during contract negotiations between the examiner and the state department of insurance.

To help alleviate this issue, ALTA members suggested that states could agree not to assign contract examiners to perform examinations when there's a reasonable expectation the exam won't be completed before the examiner's contract with the state department of insurance expires. It's been suggested the expense of restarting the exam should be covered by the state or the contractor.

Another problem voiced by ALTA members is examiners often times take an expansive view of regulatory and state requirements. For example, one company was found to have violated the privacy notice requirement in almost every agent closing file that was audited because there was no signed privacy notice statement in the file or other evidence that it was delivered. However, the state's statute allows notices to be mailed or hand delivered without any requirement to provide proof of delivery.

ALTA members also suggested states employ examination standards based on a fair and balanced reading of insurance laws and regulations, rather than a “gotcha” method of seeking wrongdoing.

Second, they suggest states assess fines and penalties against the licensee most culpable of violating market conduct standards in order to encourage industry compliance. ■

*Katie Andrews*  
*Florida Agency Operations*



# OUR PEOPLE.

*Here for you every day.*

*fntg.com/agency*



Yes, we have the largest investment portfolio in the industry. And yes, our reserve for claim losses is more than the next three largest title insurers combined. But, it's the strength, expertise, and service of our people that really makes the difference.

If you know our people, you know they set us apart from the rest of the competition. If you don't know them, you should. Get to know our people and experience the difference they make. Get to know Fidelity National Title Group.



## Indiana Legislation Supported by Title Industry Revives Strict Foreclosure

On March 19, Indiana Gov. Mitch Daniels signed Senate Bill 298, reversing immediately the Indiana Supreme Court's June 2011 decision in *Citizens State Bank of New Castle v. Countrywide Home Loans and Federal National Mortgage Association*, which abrogated the doctrine of strict foreclosure.

For nearly 150 years, title companies, law firms and banks in Indiana used the doctrine of strict foreclosure to eliminate junior liens and other interests that were mistakenly omitted from foreclosure proceedings.

According to Doyle Legal Corp., the court's decision departed from long-standing precedent, and essentially held that the right of strict foreclosure was cut off when a senior lender bought the foreclosed property at sheriff's sale and conveyed it to a third party. The result was to elevate the junior lien to a senior position. Obviously, this created significant exposure for title insurers, title agents, law firms and lenders, who were left with

no remedy to eliminate or de-prioritize these liens.

In an effort to overturn the case, reinstate the doctrine of strict foreclosure and protect it from judicial modification, the Indiana Land Title Association (ILTA) and Doyle Legal drafted and proposed SB 298, which sought to codify the essential components of the doctrine. State Sen. Joe Zakas and state Rep. Mike Speedy sponsored the bill.

SB 298 permits an interested party to file an action to adjudicate the rights of an omitted party (a junior lien holder or other interest that was not named in the foreclosure). If an omitted party appears in such an action, it must redeem the property from the sheriff's sale by paying the amount bid at the sheriff's sale, plus interest, or a greater amount as determined by statutory factors. If an omitted party fails to redeem or elects not to redeem, its interest is extinguished. This statutory process provides for the orderly and efficient removal of interests mistakenly omitted from

foreclosure actions due to simple human error, indexing problems, fraud or other issues. It provides a powerful tool for title insurers to quickly and cheaply resolve claims based on interests omitted from foreclosure proceedings.

Senate Bill 298 also includes a provision

proposed by the ILTA and supported by the Indiana Mortgage Bankers Association that provides for the expiration of a mortgage lien if it is not enforced within 10 years of its maturity date. If the mortgage does not contain a maturity date, it expires 10 years after execution.

## ALTA Member Honored as Citizen of the Year

After graduating from college in 1974, TJ Friederichs joined his father at Friederichs Abstract and Title in Chilton, Wis. While that launched a nearly 40-year career in the industry, it also led to an equally long history of community service.

His years of community service were recognized as Friederichs received Chilton's 2012 Citizen of the Year Award. Friederichs Abstract and Title has been a member of ALTA since 1994.

"I first joined the Chilton Chamber because it seemed like a natural fit being in business," said Friederichs, who has served in many capacities with Chilton's Chamber of

Commerce over the years. He has volunteered for many other organizations, including Chilton Lions Club, Chilton Area Development Corp., Chilton Area Community Foundation, Calumet Area Community Health Foundation and the Calumet County Historical Society Museum, to name a few.



Photo provided by Paula Mortimer

## First American's Donald Kennedy, Former ALTA President Passes Away

Donald P. Kennedy, who helped grow First American Financial Corp. from a one-office firm into a Fortune 500 company, passed away on March 24 at the age of 93. Kennedy served as ALTA president in 1983-84 and also was named an honorary member of the association.

When Kennedy began leading First American's expansion efforts in 1957, the company's revenues were less than \$1.5 million. By 2006, they exceeded \$8 billion. In a spin-off transaction completed in 2010, First American's data businesses became a separate company known as CoreLogic. First American and CoreLogic are now traded on the New York Stock Exchange.

Parker, the grandson of First American's founder C.E. Kennedy, served First American for more than 60 years. He is credited with beginning the company's expansion efforts in 1957 with the acquisition of title companies outside the Santa Ana, Calif., area. Kennedy's strategy of allowing the leadership of each First American office to operate as if it was its own company played

a key role in driving this expansion and the company's profitability.

"When Dad started with First American, the company had one office in one county and now it has hundreds of offices throughout the world. He saw the opportunity for growth and worked tirelessly to create a great company," said Parker S. Kennedy, First American's chairman and Donald Kennedy's son. "I couldn't have asked for a better dad and the company couldn't have had a better leader." Parker Kennedy served as ALTA president in 1993-94 and also is an honorary member.

Donald Kennedy left an indelible mark not only on First American but also on the title insurance industry, helping usher in many of the advancements and practices that are commonplace today. In addition to serving as president of ALTA, Kennedy served as president of the California Land Title Association, and chaired numerous committees in both organizations.

Roger Bell, who served as ALTA president from 1978-79 and is an honorary member, described Kennedy as a

wise industry powerhouse who had the ability to focus on the big picture.

"To think Don started with a single office in Orange County and ended his career as Chairman of a Fortune 500 company is mind-boggling," Bell said. "He was a wise, dedicated, aggressive title executive who built an empire based on his high principles of character, integrity, knowledge and performance. A great sense of humor coupled with real empathy for people. We will not see his like again."

Bell recalled the time Kennedy flew out to meet him to buy his title company.

"One of his utmost concerns was for our employees – not only the transition, but also wanting to assure them that their benefits wouldn't change. That really impressed me," Bell said.

Donald Kennedy, whose family roots in Orange County date to 1873, attended Santa Ana High School and graduated from Stanford University in 1940. After serving in the Navy during World War II, where he took part in the landings in southern France, he graduated from



the University of Southern California School of Law.

Kennedy joined First American in 1948, when it was known as Orange County Title Company. After passing the bar exam in 1949, he served as the company's associate counsel for three years, then was appointed vice president of First American in 1951, executive vice president in 1958, president in 1963, and chairman of the board in 1993. He was named chairman emeritus in 2003, a title he retained after retiring from the board of directors in 2008. "Don was a true visionary and a man of tremendous integrity who was admired by all those who knew him," said Dennis J. Gilmore, chief executive officer for First American. "While we will greatly miss his wise counsel and quick wit, he leaves behind a legacy of creativity and innovation that will always remain with our company."

## Stewart Partnership Aims to Help Wounded Army Veteran

Stewart Title Guaranty Co. has partnered with Helping a Hero and ABC television's *Extreme Makeover: Home Edition (EMHE)* to build a custom home for a wounded U.S. Army veteran, and assisted in helping the charity's goal of raising more than \$1.1 million for additional homebuilding projects to benefit injured military personnel and their families.

Through Stewart's philanthropic program, Community of Sharing, more than 1,900 associates of the company's independent agencies participated to raise more than \$42,000. This exceeded Stewart's \$35,000 donation goal, to help make home ownership possible for one wounded veteran, Staff Sergeant Shilo Harris, U.S. Army (Ret.).

As part of its contribution to the effort, Stewart Title also coordinated a mortgage payoff and clear title for Harris' previous home. In addition, Helping a Hero and *EMHE* hosted a VIP fundraiser, which raised more than \$1.1 million. Funds will be used to pay off the mortgage on the

Harris family's new dream home and support 10 additional homebuilding projects to be undertaken by Helping a Hero this year. The project will be featured next December as one of four special holiday episodes that will conclude the successful television series.

"Stewart Title is proud to have worked side by side with our network of independent title agencies, *Extreme Makeover: Home Edition* and Helping a Hero to help support our wounded veterans who have given so much to this country," said George Houghton, Stewart's group president, agency operations. "It's always rewarding to help families get into their adapted dream homes, and it was especially so in this case as evidenced by the tremendous outpouring of support from our independent agencies who were inspired by this hero."

Harris, a third generation Army veteran, was severely injured in Iraq when an explosive device hit his truck and burned more than 40 percent of his body.

## PropertyInfo Integrates Title Production Software with Release Tracking Solution

PropertyInfo Corp. will integrate AIM, its title and escrow production system, with reQUIRE, a web-based lien-release tracking and reporting solution. The integration

allows AIM users to close files faster, ensures lenders comply with statutory requirements and eliminates some of the direct cost of follow-up work on closed files.

## Report: NextAce Saves Title Industry \$100 Million

NextAce Corp., a provider of automated real estate data, reported its patented title production and workflow platform has saved the title industry more than \$100 million in labor and production costs.

NextAce's platform connects and automates all major functions of the title search and production process and the company charts daily industry savings on its home page. The figure is based on an average savings produced from up to 1.5 hours

of labor and overhead reductions associated with every title order processed by NextAce.

"NextAce drastically improves our firm's title order turn times and product delivery," said Southwest Title Group's Natalie Bombardier, the manager of a combined production facility for the Fidelity family of companies. "As a high volume shop, we have come to rely on NextAce as an integral part of our processes."

## Data Trace Completes Title Plant Coverage for All Florida Counties

Data Trace Information Services LLC has completed its statewide title plant expansion project in Florida with the addition of data from Charlotte and Putnam counties.

Florida is now the second state in which Data Trace has complete title plant database coverage. Data Trace

announced in March that it finalized its title plant expansion into every county in California. Florida is a strategic market for Data Trace and, according to a study posted on [Realtor.com](http://Realtor.com), Florida was home to five of the 20 most active U.S. real estate markets in the month of February 2012.





# Not every cloud is filled with rain...

**At op2, our cloud is filled with the tools your business needs to take this industry by storm.**

We've bundled all of the technology a title agent needs – world-class title and settlement software, the complete Microsoft Office® suite, desktop faxing, corporate-grade data storage and security, a comprehensive disaster recovery plan, and more – into a hosted, portable “cloud.” So, regardless of size, op2 gives your company all of the horsepower you need without any of the hassle. And the silver lining? You can have it all for one smart monthly fee.

There are other hosted solutions but only one true cloud. Visit [op2online.com](http://op2online.com) or call 1-888-746-0023 today.



---

**ARKANSAS**

Scott Bronson  
**Bronson Abstract Company, Inc.**  
*Fayetteville*

---

**CALIFORNIA**

David B. Epstein  
**Epstein Turner Weiss, P.C.**  
*Los Angeles*

---

**CONNECTICUT**

John Dillon  
**John T. Dillon, Attorney at Law**  
*Guilford*  
Tony Jorgensen  
**The Jorgensen Law Firm, LLC**  
*Hartford*

---

**DELAWARE**

Jill Gray, PLS  
**Kercher Engineering, Inc.**  
*Newark*

---

**DISTRICT OF COLUMBIA**

Frank Grace  
**Bank of Georgetown**  
*Washington*

---

**FLORIDA**

**Cheryl Julien Kaufman, P.A.**  
*Miami*

Kristy Clayton  
**Closing Time Title, Inc.**  
*Davenport*

**David B. Hendler, P.A.**  
*Doral*

Virginia Evans  
**FLA Title Services, Inc.**  
*New Port Richey*

**Raphael F. Hanley**  
*Rockledge*

Frederic Kaufman  
**Kaufman Attorneys, P.A.**  
*Gainesville*

Wendy S. Herberth  
**Professional Title LLC**  
*Bonifay*

Trent Steele  
**The Law Offices of W. Trent Steele**  
*Hobe Sound*

Joann Quarles  
**Treasure Title Insurance, Inc.**  
*Winter Garden*

Jeanty Remy  
**Universe Trust Title, Inc.**  
*Miami Lakes*

Gary Dechellis  
**Watson Title Services, Inc.**  
*Longwood*

---

**GEORGIA**

**Altisource Solutions, Inc.**  
*Atlanta*

Perry Underwood  
**Choice Title Company, Inc.**  
*Ringgold*

---

**ILLINOIS**

Ronald Petrekovich  
**CTTC, Inc., DBA Town & Countrytitle Co.**  
*Swansea*

James Erwin  
**Erwin & Associates, LLC**  
*Chicago*

**Robert M. Claes**  
*Darien*

**Wittman & Lorton, P.C.**  
*Jerseyville*

Ralph Harvey  
**Black Rock Lenders Services Group, LLC**  
*Chicago*

---

**INDIANA**

Patricia Coffin  
**Action Title & Escrow, LLC**  
*Martinsville*

Beth Wood  
**Languell Abstract & Title Corporation**  
*Spencer*

---

**KANSAS**

Jessica Eland  
**Norton County Title, LLC**  
*Norton*

---

**KENTUCKY**

Keith Carwell  
**English, Lucas, Priest & Owsley, LLP**  
*Bowling Green*

Jeanette Brown  
**Jeanette Brown D/B/A JB Abstracts**  
*Louisville*

**Loan Processing Center, Inc.**  
*Louisville*

---

**LOUISIANA**

David LeClere  
**Alliance Title, LLC**  
*Baton Rouge*

Jacob Begnaud  
**Begnaud Abstracts, LLC**  
*LaFayette*

Michael Johnson  
**Johnson & Siebeneicher**  
*Pineville*

Shea Edward Landry  
**Milestone Title, Inc.**  
*Denham Springs*

---

**LOUISIANA CONT.**

Connie Trieu  
**Trieu Law, LLC**  
*Gretna*

---

**MINNESOTA**

Chris Brown  
**Ancona Escrow, Inc.**  
*White Bear Lake*

---

**NEBRASKA**

Valerie Kircher  
**Paramount Title & Escrow**  
*McCook*

---

**NEVADA**

James M Walsh  
**Walsh Baker & Rosevear**  
*Reno*

---

**NEW HAMPSHIRE**

Brian Germaine  
**Germaine & Blaszk, PA**  
*Derry*

---

**NEW JERSEY**

Stacy LoPrimo  
**Advanced Title & Abstract, LLC**  
*Colonia*

---

**NEW YORK**

Kenneth Zahler  
**Aquebogue Abstract Corporation**  
*Riverhead*

David Juneau  
**McNamee, Lochner, Titus & Williams, P.C.**  
*Albany*

Shaul Greenwald  
**Riverside Abstract**  
*Brooklyn*

Lisa Gahn  
**Source Abstract, Inc.**  
*Freeport*

Sandra L. Zens  
**Syracuse Metro Abstract Co. Inc.**  
*East Syracuse*

**Thomas C. McGregor Esq., P.C.**  
*Hopewell Junction*

---

**OHIO**

P. Reid Lemasters  
**Multi-State Title Agency, LLC**  
*Cincinnati*

William D Burding Jr.  
**Real Advantage Title Insurance Co.**  
*Columbus*

Gregory Dupont  
**Step 1 Title Agency, Inc.**  
*Dublin*

**Tapatha Knupke**  
*Sandusky*

**PENNSYLVANIA**

Mark Golen  
**Clear To Close Settlement, LLC**  
*Pittsburgh*

Lisa Donahue  
**ISGN Corporation**  
*Bensalem*

John Prorok  
**Maiello, Brungo & Maiello, LLP**  
*Pittsburgh*

**McClimans Insurance**  
*Mechanicsburg*

MaryJane Walters  
**Plymouth Abstract Company**  
*Exton*

**William C. Hart**  
*Elkins Park*

**RHODE ISLAND**

Emile Martineau  
**Martineau, Davis & Associates, P.C.**  
*East Greenwich*

**SOUTH CAROLINA**

Edward McDonnell  
**Boomerang Title**  
*Columbia*

Christina S. Van Voorhis  
**The Van Voorhis Law Firm, PC**  
*Conway*

**TENNESSEE**

Donna Mule  
**Abstractors of Tennessee**  
*Hendersenville*

Teresa Collins  
**Aspen Title & Escrow, LLC**  
*Knoxville*

Hannah Cassidy  
**Reno & Cavanaugh, PLLC**  
*Nashville*

**UTAH**

Richard P. Stevens  
**Jones, Waldo, Holbrook,  
& McDonough, PC**  
*Salt Lake City*

**VERMONT**

William McCarty  
**McCarty & Buehler P.C.**  
*Brattleboro*

**VIRGINIA**

Kay Shaheen  
**Alliance Title & Settlement, LLC**  
*Hampton*

Judy Tran  
**Apex Settlement Corporation**  
*Falls Church*

Susan Thalacker  
**Colonial Title Company**  
*Fairfax*

# Protect Your Industry's Future

- The Title Action Network is an energized movement of title insurance industry professionals promoting the industry's value and protecting homeownership rights.
- From state houses to Washington, D.C., elected officials make decisions that impact our industry, our customers and consumers.
- That's why it's vital to speak with one voice about the role we play.
- It's easy and free to join.

Join today, take action and invest in the industry's future.

Go to [www.alta.org/tan](http://www.alta.org/tan)

**TITLE  
ACTION  
NETWORK**





## ALTA Focuses Efforts to Preserve Title Agents' Role in Transaction

With several economic indicators pointing to a market recovery, you'd think spirits would be up, focused on tending to the spike in business. Unfortunately, talk has moved from how to survive the down market to how to maintain our role in the real estate transaction.

There are several issues that cause concern for me and ALTA, and should concern you as well. First, there will be a new HUD-1 Settlement Statement proposed this July that could push lenders to perform settlement services currently performed by title agents. ALTA has made recommendations to the Consumer Financial Protection Bureau (CFPB), the new regulator in charge of RESPA, to ensure ALTA members continue to serve as the independent, third-party settlement agent for real estate transactions.

Another threat is that the National Association of Insurance Commissioners (NAIC) is pushing the industry to do more to prevent escrow theft. This new emphasis may force underwriters to be held strictly liable for the acts of title agents at closing. It could also push underwriters to take over more settlement services currently performed by title agents. There's also been talk of banks turning to a centralized net-funding mechanism.

Agents, together with their underwriters, need to be proactively talking about what can be done to prevent fraud and escrow theft. ALTA's Liaison Committee with the NAIC developed a suggested outline for the NAIC's white paper on escrow theft and also compiled a list of industry controls used to protect escrow funds. (For more on the NAIC white paper, see Page 24.) I ask that every ALTA member agent review these two papers. We are at a crossroads, where as an industry, we can set the speed and direction or we can let the NAIC take the wheel.

Finally, Fannie Mae and Freddie Mac currently require the purchase of a lenders' title insurance policy on every mortgage they guaranty. Congress is considering putting these two mortgage finance companies out of business and if they are not in the market, who will recognize the value of title insurance? ALTA has worked hard to ensure any GSE reform bills include language requiring title insurance.

So what can you do to help? Hopefully, you joined us for the Federal Conference and Lobby Day earlier this month. You can also join the Title Action Network. This free-to-join organization gives everyone in the industry – from business owners and managers to examiners and closers – the ability to promote a consistent, pro-business message to policymakers. You can register at [www.alta.org/tan](http://www.alta.org/tan). Additionally, it's critical that you encourage your colleagues at your company to sign up as well. If you have questions, or if you would like to learn more about the Title Action Network, contact Nick Hacker at [nick@alta.org](mailto:nick@alta.org).

I thank you for your time. These discussions are difficult because the threats to your business are serious, but together we can preserve our important role.



– Diane Evans, chair of ALTA's Abstracters and Title Insurance Agents Section Executive Committee

# perseverance has its rewards



**T**IAC, the only E&O company owned and governed by title professionals is going stronger than ever after 20 years!

TIAC is also the only E&O program endorsed by ALTA and ALL the national title insurers. We're 20 years young and moving forward!

Join us for cutting edge coverage, stable rates, unparalleled claims and underwriting services, and the only E&O insurer paying policyholder dividends!

Call us today.

## **Your company. Your choice.**

Title Industry Assurance Company, A Risk Retention Group.  
7501 Wisconsin Avenue, Suite 1500 • Bethesda, MD 20814-6522  
phone: (800) 628-5136 • fax: (800) TIAC FAX (842-2329)

[www.cpim.com/tiac](http://www.cpim.com/tiac)



**Celebrating 20 Years  
of Great Service**

On a road filled with regulation,  
**WE WILL HELP YOU  
STAY AHEAD  
OF THE CURVE.**



Regulatory changes are a constant in today's marketplace, and you need a partner to keep you ahead of the curve. At SoftPro, we understand the impact of these changes on your business, and we are committed to keeping you up-to-date and equipped with the necessary tools to efficiently handle these changes. We develop award-winning, highly innovative closing and title software to keep you on the straight and narrow.

Call **800-848-0143** for a **FREE 30 DAY TRIAL**  
or visit **[www.softprocorp.com](http://www.softprocorp.com)**.

