

October 2012

Official Publication of the
American Land Title Association

TitleNews



Market Demands on Lenders Impacting Settlement Service Providers

Industry Reacts to
Third-party Vetting Companies



ALTA's
BuSiness
Strategies
CONFERENCE

Save the Date

March 13-15, 2013
RENAISSANCE OKC
Oklahoma City, Oklahoma



AMERICAN
LAND TITLE
ASSOCIATION



> contents

TitleNews • Volume 91, Number 10



10

COVER STORY

Market Demands on Lenders Impacting Settlement Service Providers

By Jeremy Yohe

Uncertain regulatory requirements coupled with recent monetary settlements have forced lenders to be more sensitive about the companies they do business with.

Features

19

RUNNING YOUR BUSINESS

CFPB's Proposed Three Day Rule Could Alter Business, Work Flow

Creditors could be required to ensure that borrowers receive the Closing Disclosure at least three business days before consummation of the transaction.

23

RUNNING YOUR BUSINESS

PERK Up Your Employees and Improve the Bottom Line

By Cynthia McGovern

Title companies can improve customer relationships by putting employees first.

26

INSIDE THE INDUSTRY

2012 Presidential Election Will Impact Housing Recovery

The re-election of President Obama would mean continued government support, while a Romney victory would let the private market dictate the outcome.

30

ALTA NEWS

Former ALTA Executive Called 'Tireless Ambassador' for Title Industry

William McAuliffe Jr., who served as executive vice president of ALTA from 1965-1984, passed away Aug. 30.

Departments

5

From the Publisher's Desk

7

ALTA News

30

Industry News

34

TIPAC Contributors

38

The Last Word

calendar

ALTA CONFERENCES

October 17-20

2012 Annual Convention
Colorado Springs, CO

March 13-15

2013 Business Strategies Conference
Oklahoma City, OK

Check It Out

ALTA Launches Redesigned Website to Better Serve Members



Highlights of Enhanced Homepage Include:

- Large rotating graphic promoting meetings, advocacy, news
- Simplified design making it easier to find member benefits, news and business tools
- Ability for members to tailor website
- Integration of social media
- Ability to share news

www.alta.org

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

Stewart Morris Jr.
Stewart Information Services Corp.
Houston, TX

CHAIR, ABSTRACTERS AND TITLE
INSURANCE AGENTS SECTION
Diane Evans
Land Title Guarantee Co.
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

VICE PRESIDENT
Kelly Romeo, CAE

DIRECTOR OF COMMUNICATIONS
Jeremy Yohe

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

Send address changes to *TitleNews*, American Land Title Association, 1828 L Street, N.W., Suite 705, Washington, D.C. 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 • Email Feedback to: service@alta.org

from the publisher's desk

Meeting Market Demands Nothing New for Title Industry

The conversations at ALTA are likely the same conversations you are having in your office: “How can we shape the future of the title industry?” Our discussion has centered on what we can do as an association to ensure that we are responding effectively to the pressure on the industry from regulators, consumers and lenders—especially in terms of lenders’ requirements from their regulators. In the cover article of this edition you can read in detail what we are discussing. New market demands are forcing lenders to know more about their service providers, including closers and settlement agents, to ensure third-party service providers are meeting consumer financial law. Lenders need to have a better understanding of your company and know more about the people to whom they send money.

Through all of this, we must remember that the title insurance industry has a strong tradition of local title agents serving their communities well. In order to ensure that our local agents have the tools and infrastructure to meet these demands, we must develop our own solutions instead of getting squeezed by the regulated marketplace. Lenders are looking for help in meeting the regulatory requirements they face. This is part of what we are seeing with companies offering background checks of title and settlement agents as a service to lenders. ALTA’s Board of Governors is offering strong leadership in working to address these market demands. The development of new industry best practices—with advice from the agent and underwriter executive committees—is evidence of their hard work.

As an industry, we must help lenders meet these regulatory requirements. In doing so, everyone must be aware there are many requirements lenders need to fulfill. While we work at ALTA to develop these standards, it’s important you talk to your lender clients about all the steps and processes you already have place to protect transactions. ALTA members should be proud of the role they’ve played in the real estate process. The title industry has a long tradition of protecting the integrity of the real estate transaction. There is a strong role for the title industry in the future.

In order to fill that role in the future, we need to understand the current world of real estate is changing and acclimate ourselves to the new marketplace. Providing professional service to consumers and safeguarding funds is the cornerstone of this industry. As we have in the past, and will in the future, ALTA and its members will meet market demands.



A handwritten signature in black ink that reads "Michelle Korsmo". The signature is fluid and cursive, written in a professional style.

- Michelle Korsmo, ALTA chief executive officer

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.

FHFA to Increase Guarantee Fees

The Federal Housing Finance Agency (FHFA) announced Aug. 31 that it has directed Fannie Mae and Freddie Mac to raise guarantee fees (g-fees) on single-family mortgages by an average of 10 basis points. The changes to g-fee pricing represent a step toward encouraging greater participation in the mortgage market by private firms, a goal set forth in the FHFA's Strategic Plan for Enterprise Conservatorships. For loans exchanged for mortgage-backed securities (MBS), the increase will be effective with settlements starting Dec. 1. For loans sold for cash, the increases will be effective with commitments starting Nov. 1. Fannie Mae and Freddie Mac will work directly with lenders to implement the changes. Also, the FHFA released its fourth annual report on single-family guarantee fees, covering 2010 and 2011. The report, required by the Housing and

Economic Recovery Act of 2008, found that the average g-fee charged by Fannie Mae and Freddie Mac increased from 26 basis points in 2010 to 28 basis points in 2011. This and prior reports also found that mortgages that posed higher credit risk, on average, were subsidized by lower-risk loans, and that a majority of the single-family mortgages acquired by Fannie Mae or Freddie Mac came from a small group of large lenders. The fee changes aim to address both issues, according to the FHFA.

The increase will:

- *Make more uniform the g-fees that Fannie Mae and Freddie Mac charge lenders who deliver large volumes of loans as compared to those who deliver smaller volumes and*
- *Reduce cross-subsidies between higher-risk and lower-risk mortgages by increasing g-fees on loans with maturities longer than 15 years more than on shorter-maturity loans.*

CLTA, ALTA Join Others Warning of Plans to Seize Mortgages through Eminent Domain

The California Land Title Association and ALTA joined 16 other groups opposing proposed plans by San Bernardino County and the cities of Fontana and Ontario in California to acquire underwater residential mortgage loans by voluntary purchase or eminent domain and restructure these loans to allow homeowners to continue to own and occupy their homes.

The three local governments recently approved a Joint Powers Agreement that would implement a Homeownership Protection Program.

In a letter to the municipalities, CLTA, ALTA and 16 other groups said using eminent domain to seize mortgage loans raises "very serious legal and constitutional issues." The trade groups contend the plan could be "immensely destructive to U.S. mortgage markets by undermining the sanctity of the contractual relationship between a



borrower and creditor."

In 2005, the U.S. Supreme Court affirmed an expanded concept of eminent domain in its *Kelo v. New London* decision. In that case, a 5-4 majority of the court ruled that governments could use eminent domain to take private property if the taking may result in public benefit. A one-vote majority of justices ruled a redevelopment project qualified on the expectation of new jobs and increased tax revenues. Property rights advocates and dissenting justices opposed the decision on the grounds that it placed property rights at the whims of any elected officials who could be swayed by developers' promises to upgrade land.

New Standard Short Sale Guidelines for Fannie Mae and Freddie Mac

On Aug. 21, the Federal Housing Finance Agency (FHFA) announced that Fannie Mae and Freddie Mac are issuing new, clear guidelines to their mortgage servicers that will align and consolidate existing short sales programs into one standard short sale program.

The new guidelines, which go into effect Nov. 1, 2012, will permit homeowners with Fannie Mae or Freddie Mac mortgages to sell their home in a short sale—even if they are current on their mortgage—if they have an eligible hardship. Servicers will be able to expedite processing a short sale for borrowers with hardships such as death of a borrower or co-borrower, divorce, disability or relocation for a job without any additional approval from Fannie Mae or Freddie Mac.

Guideline Highlights

- *Fannie Mae and Freddie Mac will waive the right to pursue deficiency judgments in exchange for a financial contribution when a borrower has sufficient income or assets to make cash contributions or sign promissory notes: Servicers will evaluate borrowers for additional*

capacity to cover the shortfall between the outstanding loan balance and the property sales price as part of approving the short sale.

- *Offer special treatment for military personnel with Permanent Change of Station (PCS) orders: Service members who are being relocated will be automatically eligible for short sales, even if they are current on their existing mortgages, and will be under no obligation to contribute funds to cover the shortfall between the outstanding loan balance and the sales price on their homes.*
- *Consolidate existing short sales programs into a single uniform program: Servicers will have more clear and consistent guidelines making it easier to process and execute short sales.*
- *Provide servicers and borrowers clarity on processing a short sale when a foreclosure sale is pending: The new guidance will clarify when a borrower must submit their application and a sales offer to be considered for a short sale, so that last-minute communications and negotiations are handled in a uniform and fair manner.*

- *Fannie Mae and Freddie Mac will offer up to \$6,000 to second lien holders to expedite a short sale: Previously, second lien holders could slow down the short sale process*

by negotiating for higher amounts.

Due to ALTA feedback, Freddie Mac is dropping its requirement that the arm's length affidavit be notarized.

Title Action Network Recognizes 'Stars' for Helping Growth

The Title Action Network, a free energized movement of title insurance professionals promoting the industry's value and protecting homeownership rights, would like to honor several members for helping drive participation.

These Title Action Network Stars are individuals dedicated to the title insurance industry. They help protect homeownership by growing the Title Action Network. Through their efforts of asking peers and co-workers to join the Title Action Network, they recognize the value of a strong grassroots organization to be able to respond to issues at the state and national level.

Here are the Title Action Network Stars so far in 2012:

- Dan Mennenoh, *H.B. Wilkinson Title Company*
- David Townsend, *Agents National Title Company*
- Jim Lamphere, *Nebraska Land Title and Abstract*

- Phyllis Mulder, *Alliant National Title Insurance Company*
 - Greg Kosin, *Greater Illinois Title Company*
 - Frank Pellegrini, *Prairie Title*
 - Diane Evans, *Land Title Guarantee*
 - Richard Welshons, *DCA Title*
 - Tim Evans, *Evans Title Agency*
 - Marty Henschel, *Edina Realty Title*
 - Leslie Wyatt, *SoftPro*
 - John Voso, *Old Republic National Title Insurance*
 - Craig Haskins, *Knight-Barry Title*
 - Linda Grahovec, *Fidelity National Title Group*
- Nearly 2,000 title insurance professionals have joined the Title Action Network.

To get involved, go to www.titleactionnetwork.com to register or contact Steve Gottheim at sgottheim@alta.org for more information.

CFPB Extends Comment Period for Proposed Finance Charge Changes

The Consumer Financial Protection Bureau (CFPB) extended the deadline to comment on a proposed rule that would change the definition of a finance charge.

Originally due Sept. 7, comments must now be sent to the CFPB by Nov. 6. The CFPB has proposed to include title fees, the lender's title insurance premium and closing agent fees in the finance charge, which is used to calculate the Annual Percentage Rate (APR). The owner's title insurance premium would still be excluded.

The CFPB said it wants the APR to be a more accurate reflection of the overall cost of credit. However, higher APRs and finance charges could impact the Home Ownership Equity

Protection Act proposed rule since the shift to an all-in APR would affect the number of loans that law covers. The CFPB's notice includes formal extensions for both the TILA/RESPA proposal and the HOEPA proposal.

The extension aligns the finance charge comment period with the deadline for comments on the rest of the TILA/RESPA proposed rule. HOEPA proposal comments, with the exception of the proposed finance charge proposed changes, were due to the CFPB by Sept. 7.

ALTA expects to send comments to the Bureau arguing that most title and settlement fees are not a "cost of credit." ALTA believes title fees should continue to be excluded from the finance charge



Consumer Financial
Protection Bureau

because they are paid in a comparable cash transaction. ALTA will work with its membership and Title Action Network members to help them provide the Bureau with helpful comments. If you would like to learn more about this issue, contact Steve Gottheim, ALTA's legislative and regulatory counsel.

In a letter to the CFPB, the Office of Advocacy

criticized the Bureau's proposal. The letter said CFPB's notice was inadequate to give small businesses enough time to comment and that the proposal could have a serious impact on small financial institutions and settlement agents. The Office of Advocacy said further economic study of the impact of this proposal was necessary.

Title 101 at PRIA



▲ Continuing ALTA's efforts to educate others about title insurance, ALTA Immediate Past President Anne Anastasi moderated the Title 101 presentation with a group of land title professionals from Tennessee during the PRIA Annual Conference. Participating (pictured from left to right) were: Andy Maloney, president of Nashville Title; Matt McDonald, president of Realty Title; Anne Anastasi, president of Genesis Abstract; Shawna Hulse, general manager of Realty Title; and Mary Allisandratos, underwriting counsel at First American Title Insurance Co.

'Like' Us on Facebook

If you don't already follow ALTA on Facebook, we encourage you to go to www.facebook.com/altaonline and "like" our page. By doing so, you'll be able to get additional information about what's going on in the industry and network with other professionals.

We also post some great photos of members. If you are already a "fan," send us information and photos of your company and employees and we may post them to our page.

Market Demands on Lenders Impacting Settlement Service Providers

Industry Reacts to Third-party Vetting Companies

Uncertain regulatory requirements coupled with recent monetary settlements have forced lenders to be more sensitive with the companies they do business with. Consequently, regulators' increased demand to protect consumers has forced lenders to adjust their relationships with service providers. >>

By Jeremy Yohe



Recent bulletins and consent orders from the Federal Reserve, Consumer Financial Protection Bureau (CFPB) and Office of the Comptroller of the Currency (OCC) all point to increased focus on service providers and holding lenders responsible. Requirements for more oversight of foreclosure practices by lenders and servicers coming out of the national mortgage servicing settlement have added more pressure.

While lenders have been responsible for their service providers' actions for years, it's only been recently that enforcement orders and corrective actions have demonstrated regulators' intent that the banking organizations oversee actions of third parties.

ALTA's Board of Governors recently met in Chicago to address the increased regulatory pressures, and consequently, the rising trend of lenders demanding more information from settlement agents.

"Since the housing bust, lenders have been reassessing their operations, looking for areas that could lead to losses," said Frank Pellegrini, chief executive officer of Prairie Title and ALTA president elect. "Lenders have put a focus on settlement services because of the potential for significant losses due to escrow theft and the significant regulatory penalties written into federal laws, including TILA and RESPA."

Consent Orders Driving Lender Decisions

While recent actions by the CFPB has garnered much of the attention, consent orders reached with federal and state authorities are the main driver forcing lenders to rethink

relationships with their service providers.

Last year, several federal banking agencies announced formal enforcement actions requiring 10 banking organizations to improve oversight of bank and nonbank vendors in the foreclosure area. Among other things, the companies must submit plans acceptable to the Federal Reserve that "establish robust controls and oversight over

The settlement also requires servicers to conduct reviews of third-party providers to ensure any fees and costs charged to consumers are lawful and reasonably incurred.

The \$140-million enforcement action CFPB took against Capital One Bank for credit card activities in July amplifies the actions regulators are examining to prevent third-party providers from harming consumers. Capital One hired a third-party call

■ ALTA's Board of Governors recently met in Chicago to address the increased regulatory pressures, and consequently, the rising trend of lenders demanding more information from settlement agents.

the activities of third-party vendors that provide to the servicers various residential mortgage loan servicing, loss mitigation, or foreclosure-related support, including local counsel in foreclosure or bankruptcy proceedings."

Then in February 2012, the federal government and 49 state attorneys general announced a \$25 billion joint state-federal settlement with the country's five largest loan servicers. It also requires servicers to oversee and manage their third-party providers. Servicers subject to the settlement must perform due diligence of third-party providers for their qualifications, expertise, capacity, reputation, consumer complaints, information security, document custody practices and financial viability.

center that used deceptive marketing tactics. Michelle Korsmo, ALTA's CEO, said this enforcement action is instructive because it shows the CFPB will penalize financial institutions when their third-party vendors' actions harm consumers.

"We know that the CFPB and other state regulators have targeted so-called residential mortgage 'service providers' for heightened scrutiny," said Francis Riley III, a partner of the law firm Saul Ewing LLP in New Jersey. "However, who is a 'service provider' in the CFPB's mind? There is good reason to believe that the definition now includes, will include or may include—at the regulator's discretion—title agents with respect to title insurance procurement, but most certainly concerning settlement and closing services."

CFPB to Hold Financial Institutions Liable for Vendor Violations

A bulletin issued in April by the CFPB fanned the flames even more that lenders need to increase oversight of their service providers. The memo indicates that financial institutions under Bureau supervision may be held responsible for the actions of the companies with which they contract. The Bureau said it will take a close look at service providers' interactions with consumers and hold all appropriate companies accountable when legal violations occur.

"Consumers are at a real disadvantage because they do not get to choose the service providers they deal with—the financial institution does," said CFPB Director Richard Cordray. "Consumers must not be hurt by unfair, deceptive, or abusive practices of service providers. Banks and nonbanks must manage these relationships carefully and can be held accountable if they (service providers) break the law."

The Bureau's bulletin, which mirrors past guidance from other federal banking regulators, urges supervised financial institutions to have an effective process for

managing the risks of service provider relationships to "limit the potential for statutory and regulatory violations and related consumer harm." According to the memo, some examples of oversight by mortgage lenders and servicers include:

- Conducting thorough due diligence to verify that the service provider understands and is capable of complying with the law;
- Requesting and reviewing the service provider's policies, procedures, internal controls, and training materials to ensure that the service provider conducts appropriate training and oversight of employees or agents that have consumer contact or compliance responsibilities;
- Including in the contract with the service provider clear expectations about compliance, as well as appropriate and enforceable consequences for violating any compliance-related responsibilities;
- Establishing internal controls and ongoing monitoring to determine whether the service provider is complying with the law; and
- Taking prompt action to address fully any problems identified through the monitoring process.

"Based on what we've seen, we believe that title agents are likely to face increased scrutiny regarding their business practices, policies and procedures," Riley said. "It's imperative for title agents to begin preparing for potential examinations by the CFPB and audits by mortgage lenders and mortgage servicers. Title agents should begin to work with their compliance attorneys to determine exactly what next steps should be taken before they are behind a curve that will be extremely hard to get around."

Lender Liability Not New

While the CFPB memo has caused new concern, lender liability for the acts of service providers is nothing new. In 2001, the Office of the Comptroller of the Currency (OCC) issued guidance to national banks on managing the risks that may arise from their business relationships with third parties.

The OCC guidance says a bank's use of third parties does not diminish its responsibility "to ensure that the third-party activity is conducted in a safe and sound manner and in compliance with applicable laws." Additionally, Fannie Mae and Freddie Mac in its seller/servicer guidelines indicate the action or inaction of a third party constitutes "the lender's breach of a selling warranty."

While lenders face increased regulatory scrutiny, Korsmo said there are no specific requirement or government action that is driving lenders to impose these new requirements. She said the CFPB published the memo to remind banks that they do not transfer liability for compliance with federal consumer financial law to avoid consumer harm when they contract with a service



provider to conduct business on their behalf. This reminder was consistent with regulations in place for large national banks, according to Korsmo.

To highlight this, the Federal Deposit Insurance Corp. (FDIC) issued guidance in 2006 raising the awareness of third-party arrangements. The FDIC said that third parties can help institutions attain strategic objectives, but also present risks.

“Failure to manage these risks can expose a financial institution to regulatory action, financial loss, litigation, and reputational damage,” the FDIC’s guidance said. The FDIC encouraged financial institutions to recognize risks and implement an effective risk-management strategy.

Meanwhile, the CFPB has made it clear that banks must ensure that consumers are not harmed, specifically if there is a violation of federal consumer law. Federal consumer law is defined in Dodd-Frank and includes RESPA, TILA and Gramm-Leach-Bliley, among other laws. From the CFPB’s perspective, lenders can prevent consumers from being harmed by knowing who lenders do business with.

“One of the problems we face right now is that we don’t know what the final regulations will look like,” Pellegrini said. “But it’s important for title companies and settlement service providers to understand the demands being put on lenders and

to be proactive and aware of how the industry will operate going forward.”

Industry Reacts to Vetting Companies

An outcome of this has been the creation of settlement agent vetting companies. Settlement agents are receiving letters from their lender clients—mainly warehouse lenders—indicating they must be vetted by these third-party companies in order to continue closing loans for them. (Warehouse lenders provide a short-term revolving line of credit to a mortgage banking company to fund the closing of mortgages from the closing table to sale in the secondary market.)

GET STARTED ON YOUR NATIONAL TITLE PROFESSIONAL REQUIREMENTS



Save 10% when you register for all three classes

Title 101

Offers basic instruction on Searching, Evidencing, Abstracting, Insurance, Underwriting, Regulations, and more.

Title 201

Offers advanced instruction on Easements, Water Rights, Reinsurance, and more.

Ethics in the Title Industry

Ethics in the Title Industry self-study course designed to address title-related ethical issues.

To Order

Call 800-787-2582 or visit www.alta.org/ntp/SpecialOffer.pdf

To learn more about the National Title Professional Designation visit: www.alta.org/ntp/

PROFESSIONAL DESIGNATION
NATIONAL
TITLE
PROFESSIONAL



The most visible of these vetting companies has been New Jersey-based Secure Settlements, which requires closing agents to pay \$299 per year and provide confidential information including personal and business information, professional licenses, trust accounts, professional liability/E&O insurance, fidelity bond insurance, three lender references, and history of any civil lawsuits or criminal convictions.

In July, Scott Stevenson received a letter from Texas-based warehouse lender First Tennessee Bank, informing him of the new policy. The president of Northwest Title in Ohio wasn't alone. Title and settlement agents across the country received letters from lenders indicating they must apply for certification with a third-party vetting company and pay the fee in order to keep getting orders.

Angered by the letter and the information required by Secure Settlements, Stevenson posted a comment on ALTA's LinkedIn group, creating a firestorm of concern from the agent community. However, after weighing the pros and cons, he decided to go through the process and register with Secure Settlements.

"One of my mortgage brokers was furious about this and indicated he would find another warehouse lender," Stevenson said. "I find it funny that they are providing a service to lenders and charging us. I'm concerned about what happens if multiple companies pop up requiring this, but another side of me is willing to be a guinea pig and see how this shakes out."

Secure Settlements founder Andrew Liput said he got involved in the industry 10 years ago as a closing attorney working with banks on the

East Coast. He became concerned that lenders wire large sums of money to people they don't know.

"I started thinking about the need to have some uniform approach to vet closing professionals," Liput said. "Anytime you are going to change or implement a new process, it can create fear and confusion, but if you look at the details of our system, it all makes sense. Lenders should know who they are dealing with."

■ "I find it funny that they are providing a service to lenders and charging us ... but another side of me is willing to be a guinea pig and see how this shakes out."

"Our software system generates a matrix of data that creates a rating for lenders to review on their own," he added.

In addition to having issues with providing personal and business information, many agents are concerned about the additional expense that they will incur signing up with these vetting companies. While closing professionals must pay a \$299 annual fee for Secure Settlement's vetting service, notaries and settlement company employees who do not handle trust funds—but only attend closings and manage documents—must pay \$99. Meanwhile, abstract agencies, settlement companies and law firms must pay a fee for each employee who will be conducting closings. Title agencies must also have their licensed title producers vetted, whether or not

they actually close loans, according to Secure Settlements.

Steve Crone of Justice Title and Escrow LLC in Florida, however, believes this type of system will have the same negative impact similar to what happened in the appraisal industry with the creation of appraisal management companies (AMC). AMCs were created to ensure security and confidence in appraisals, but Crone said "most have proven the

opposite, resulting in higher prices."

"All it has shown is that they have instituted a new company that can slow the process down and they usually just take money from either the end users or servicers, who are the title companies in this case," Crone added.

A mortgage broker in Ohio reached out to Jeffrey Auker of Talon Title Agency warning him of the requirements coming down the pike. Auker went online to learn more about what the vetting company required and started setting up an account. When it asked for his Social Security number, Auker decided against proceeding. He then reached back out to his broker.

"I merely talked to the local mortgage broker who said that he would not require us to enroll and that if it became a problem for him, he would use a different warehouse

lender,” Auker said. “I told my broker that he already gets copies of our errors and omissions and fidelity bond policies. These third-party vendors are essentially requiring me to pay them money to review information I already send the broker to get approved.”

Diane Cipa of The Closing Specialists in Pennsylvania sees it differently. As a former mortgage banker before entering the title industry more than 20 years ago, she was “astounded at the lack of regulation and oversight and the fact that confidential consumer data and money moved through the hands of title agents and law offices with practically no vetting.”

“I am happy to see someone being more careful about whose hands they

place their consumers’ most private financial data and cash,” Cipa said. “The ‘good guys’ will always survive the vetting process. Let’s applaud any process that allows us to step into business where the bad guys can’t go.”

Lender Concerns

First Tennessee Bank, which has more than \$25 billion in assets, was one of the first lenders to sign up with Secure Settlements. Bob Garrett, executive vice president for the Texas-based warehouse lender, said his company has been hit with some recent losses, and when fraud occurs, “it almost always involves a closing agent.” While he said this doesn’t make their “brokers pure as the snow,” lenders are looking to prevent losses in this area.

“Proper vetting and evaluation of mortgage closing professionals is not only a smart business move, it may also be required of mortgage originators under recent federal regulations,” Garrett said.

Garrett believes the closing protection letter (also known as an insured closing letter), where available, does not provide lenders enough protection. That’s why he’s intrigued by the alternative insurance product Secure Settlement is attempting to secure. In its marketing materials, Secure Settlements claims it will provide a CPL alternative, backed by protection from losses up to the entire amount of lender and consumer funds brought to the table up to \$1 million.

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

TITLE
ACTION
NETWORK



“The concept is to insure closing with a true closing insurance contract,” Garrett said. “In order to do that, closing agents need to be vetted.”

An underwriting counsel in Ohio said the service “doesn’t appear to be anything much more than a pay service to end up on a list of ‘Approved Closing Agents.’” The underwriting counsel also believed the company’s offering of a CPL alternative would violate Ohio law because only licensed title insurers may offer this coverage.

State Associations Get Involved

State land title associations have been active in this area as well, attempting to learn more information. Both the Florida and Texas land title associations surveyed membership to see if they had been contacted by a vetting company. Additionally, the TLTA sent a letter to the Texas Department of Insurance (TDI) outlining its concerns with third-party vetting companies.

“As you know, in Texas, escrow officers are licensed by the state, required to take continuing education, and to undergo background checks,” the letter states. “Any perceived benefit to lenders or consumers from the requirement that a private third party firm duplicate the efforts of TDI may be illusory.”

Communicate with Lenders

While the CFPB’s bulletin is one of many demands on lenders, Korsmo said it is important to note that the document does not require any specific practice or vetting program, nor does it set a specific time frame for lenders to start a vetting program. ALTA encourages members to

reach out to lender clients and learn what they need to meet regulatory requirements.

“It’s crucial that you talk to your lenders to understand this pressure and how you can work with them to meet their needs,” Korsmo said. “We are asking all ALTA members—even those that have not been contacted by any third-party vetting company—to reach out to their lender clients or mortgage brokers and ask questions.”

Questions that title and settlement agents should ask include:

- What banks/investors/warehouse lines do you write business for?
- How much of your business do you do with those entities which are enrolled in these vetting programs?
- What types of pressures are you facing from investors, regulators and the public? Specific laws, bulletins or investor guidance is helpful to give us a fuller picture.
- Are there any specific programs that help you alleviate those pressures? This includes asking whether lender clients have been examined by a regulator and what recommendations the regulator made to reduce risk in the settlement space.
- What do you believe the settlement industry needs to do—above and beyond what we are doing today—to help lenders meet these pressures? This includes asking about why things like state licensing or the CPL may not be sufficient for their concerns.
- What does the lender need from you to continue to do business with your company in the future?

“These conversations are great starting places for you to tell your lenders about your processes and the work you do to protect their money and ensure that your mutual consumer

has a good and compliant settlement experience,” Korsmo said. “In many instances, lenders do not know about what you do to protect them.”

Industry Solutions

There are many potential solutions available to satisfy lender regulatory requirements. Individual companies must decide how they want to respond. ALTA’s Board of Governors, along with input from the Abstracters and Title Insurance Agents Executive Committee and the Title Insurance Underwriters Executive Committee, is collecting feedback from the lending community to develop a set of standards that will satisfy lenders’ concerns about complying with their regulatory requirements.

While ALTA’s board is working on developing the details, the outline of best practices could include procedures and controls for escrow and trust accounts, protecting private information, network security, timely recording of documents, charging appropriate rates, reconciliation and refunding overpayments to consumers, delivery of title policies; title premium remittance, insurance coverage and responding to consumer complaints.

“These steps should be communicated to lenders, regulators and the public to create awareness that the title industry has always been serious about protecting consumers,” Pellegrini said. “In the past, title professionals have been there to meet the needs of their customers, and we will adapt once again and answer these new market demands.” ■



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

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

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

Julia Sherouse
Assistant Relationship Manager
949-553-2558

CFPB's Proposed Three Day Rule Could Alter Business, Work Flow

Creditors Could Be Required to Ensure Borrowers Receive Closing Disclosure No Later Than Three Business Days Before Consummation of Transaction

Since the Consumer Financial Protection Bureau (CFPB) released its 1,099-page proposed rule to go with a new Loan Estimate and Closing Disclosure that will replace the current TIL, GFE and HUD-1 disclosures, ALTA has held several webinars to help inform the industry about the proposal and prepare for the changes.

On Aug. 8, ALTA hosted a webinar to analyze the CFPB's proposed three day rule which, according to the proposal, would require the creditor to provide the Closing Disclosure to the homebuyer at least three business days before the consumer closes on the loan. Participating on the webinar were ALTA CEO Michelle Korsmo and ALTA members Ruth Dillingham of First American Title Insurance Co. and Shari Schneider, who was with Title Resource Group during the webinar but recently joined Stewart Title.

How It Works Today

Under the Truth In Lending Act and Regulation Z (as amended by the Mortgage Disclosure Improvement Act of 2008), the creditor, in a residential mortgage lending transaction, must provide to the consumer a final disclosure of the finance charges (and the related Annual Percentage Rate) if those charges have changed since the initial disclosures. This must be done at least three business days before the closing (or "consummation" in the wording of TILA).

Meanwhile, settlement agents currently prepare the HUD-1. Under RESPA, the settlement agent must provide the HUD-1 a day before the closing if requested by the borrower.

This process allows for flexibility to make adjustments to final amounts before closing if needed, provided the changes don't lead to an increase in the finance charge beyond allowed tolerances.

Why CFPB Proposed the Three Day Rule

Mandated by the Dodd-Frank Act, the Bureau must integrate the disclosures. In doing so, the Bureau must determine when the integrated disclosures must be provided, given that the statutory requirements are not in sync, said Dillingham, who also is a member of ALTA's RESPA Task Force.

According to the Bureau, the creditor must ensure the consumer received the disclosures no later than three business days before consummation. In its proposed rule, the Bureau indicates that section 1098 of the Dodd-Frank Act, which amends RESPA section 4 to require integrated disclosures, specifically provides that such integrated disclosures shall "include real estate settlement cost statements." This suggests that Congress intended creditors to deliver the settlement cost statements with the TILA disclosures required to be delivered no later than three business days before consummation, according to the Bureau.

As an example, if settlement is scheduled for Thursday then the consumer must receive the disclosures by Monday, Schneider said.

"Effectively, the Bureau is putting a three business day waiting period after the final disclosure is received by the consumer," she added. "Their commentary talks about letting the

consumer understand what they need for closing.”

Changes to the final disclosure will trigger a new three business day waiting period unless an exemption applies.

How It Works in Practice

The term “business day” means all calendar days except Sundays and legal public holidays, according to the proposal. The key in this is receipt of the disclosure, not delivery, Schneider pointed out. There are three ways to deliver the disclosure to the borrower:

- In person: Disclosure is deemed received by the consumer the day it is delivered in person.
- Mail/Fed-Ex/Courier: Creditor or settlement agent can presume the consumer received the disclosure three business days after mailing. This presumption may be rebutted by evidence that the consumer received the disclosures earlier or later than three business days.
- Email: There is the same presumption as for mail. Creditor or settlement agent must comply with E-Sign and must get prior approval from the consumer to use electronic disclosure.

Schneider said it is possible to waive the waiting period, but added the rule makes it tough and discourages the use of waivers.

“Consumers may waive the waiting period and close immediately if after receiving the disclosure they declare that they have a bona fide personal financial emergency,” Schneider said. “Unfortunately, the Bureau is not clear on what this means.”

The Bureau does provide one example: imminent foreclosure sale. The waiting period can only be waived after receiving the disclosure. Also the creditor must be provided

with a dated written statement describing the emergency that modifies or waives the waiting period. It must be signed by all consumers who are primarily liable on the legal obligation. Printed forms for this purpose are prohibited.

There are five exemptions that will not trigger a new three-day waiting period. They include:

- Seller/Buyer negotiation
- Minor cost increase
- Post-closing change to government fee
- Correct non-numerical clerical error
- Tolerance refund

Dillingham said the Bureau recognized that sellers and buyers frequently alter the terms of the real estate transaction based on the condition of the house at the time of the walk-through inspection, which is often the day before the scheduled real estate closing. In some cases, both parties even continue to negotiate the deal at the closing table. These negotiations may affect items included on the Closing Disclosure, which, under the proposal, must be delivered three days prior to consummation.

“As an example, assume consummation is scheduled for Thursday, the consumer received the disclosures on Monday and a walk-through inspection occurs on Wednesday morning,” Dillingham said. “During the walk-through, the

consumer discovers damage to the dishwasher. The seller agrees to credit the consumer \$500 toward a new dishwasher. The creditor complies with the requirements of the rule if the creditor provides a revised disclosure at or before consummation on Thursday.”

Schneider pointed out that small miscalculations or minor changes to the transaction should not result in closing delays. Therefore, the Bureau proposes that if the amount actually paid by the consumer does not exceed the amount disclosed by more than \$100, the creditor/settlement agent

The term “business day” means all calendar days except Sundays and legal public holidays, according to the CFPB proposal.

shall deliver revised disclosures at or before consummation. The Bureau is seeking comments to decide if the \$100 price change is the correct threshold.

“This was created for prorated items,” Schneider said. “If the disclosures reflect a homeowner’s insurance premium of \$800, but the premium is actually \$850, the \$50 understatement is not a violation. This does not, however, apply to items where there is a zero tolerance.”

Schneider added that this is an area where the title industry must be very careful. The Bureau has a significant amount of commentary cautioning against inflating fees on the Loan Estimate. The intention is for true miscalculation errors.

Dillingham said the Bureau is aware that some costs are not known

More Information

Go to www.alta.org/cfpb for more information about CFPB's proposal and to view all of ALTA's advocacy efforts regarding the mortgage disclosures.

If you have questions or need more information, contact any of ALTA's government affairs team:

Justin Ailes, ALTA's vice president of government and regulatory affairs, at jailles@alta.org.

Jessica McEwen, ALTA's director of government affairs, at jmcewen@alta.org.

Steve Gottheim, ALTA's legislative and regulatory counsel, at steve@alta.org.

with absolute certainty until the documents are recorded. For example, it is possible that a locality could change its schedule of recording fees, without advance notice, the day after the consumer signs the mortgage loan documents, but before the documents are recorded. One caveat is that the redisclosure under this exemption must be received by the consumer within 30 days after closing.

Inadvertent or technical errors will not be considered violations of the disclosure requirements. As an example, assume the disclosure identifies the incorrect settlement service provider as the recipient of a payment. The creditor/settlement agent must provide revised disclosures reflecting the corrected non-numeric disclosure as soon as reasonably practicable, but no later than 30 days after closing.

In regard to tolerances, if an amount listed on the disclosure exceeds the tolerance, which would entitle the consumer to a refund,

the refund can be included in the disclosure without triggering a new waiting period.

Impact on Business

The first impact the proposed three day rule will make on settlement agents is increased coordination with the lender.

Assuming settlement agents produce the Closing Disclosure, they will need to start working with lenders earlier in the process to get final numbers and approvals. If lenders provide the disclosure, settlement agents will need to provide final settlement numbers to lenders earlier in the process and alert the them of changes in those numbers and reasons for them.

she said. "Lenders will want more documentation showing when an exemption applies to the three day period. These documents will likely have to be transmitted to the lender for when it is examined by regulators."

Loss of Productivity

The potential loss of productivity is one of the areas of the proposed rule that the industry needs to provide comments and explain how it will affect staffing and processing time.

"Consumers may expect the settlement agent to be available to answer questions about the disclosures in advance of closing," Schneider said. "This could require companies to allocate more staff time

■ "Consumers may expect the settlement agent to be available to answer questions about the disclosures in advance of closing. This could require companies to allocate more staff time away from production and toward consumer contact."

"There's an increased liability for the accuracy of these numbers," Schneider said. "The rule makes it clear that even if the lender is not the party providing the Closing Disclosure, it remains liable for accuracy."

As a result of more liability, lenders will want more control over the transaction, according to Dillingham.

"They will turn around and tell settlement agents what they need,"

away from production and toward consumer contact."

Instead of working on the next closing, settlement agents will be working on a file that will close sometime in the next week.

"You will have to start working a file almost a week in advance of it actually closing," Dillingham said. "It seems like you will be touching a file for a long time." ■

2012 ALTA Convention Gold Sponsor

Data  Trace[®]

The National Title Technology Company

www.eDataTrace.com

ion • Geographic Title Plants • **Title plant access in more than 30 states** • Tax Information
n & Conversion • NY State Services • Nazca eVTP • Document Images • Property Profiles • T
ce Gateway • Fraud Detection • **100% county coverage in Arizona** • Geographic Title Plant
on • Plant Creation & Conversion • Nazca eVTP • **100%** Nazca eVTP Nazca • Document Imag
ofiles • **Over 400 title plants nationwide** • Title IQ • Data Trace Gateway • Fraud Detection
Title Plants • Tax Information • Plant Creation & Conversion • NY State Services • Nazca eVT
ages • Property Profiles • **100% county coverage in California** • Title IQ • Data Trace Gatew
ction • Geographic Title Plants • Tax Information • Plant Creation & Conversion • NY State Serv
P • **Over 150 title plants added to our nationwide database since 2010** Document Images
files • Title IQ • Data Trace Gateway • Fraud Detection • Geographic Title Plants • Tax Informatio
n & Conversion • NY State Services • **100% county coverage in Florida** • Nazca eVTP • Docum

Data Trace Information Services LLC
200 Commerce, Irvine, CA 92602
www.eDataTrace.com • 800.221.2056

© 2012 Data Trace Information Services LLC. All rights reserved.
Data Trace Information Services LLC makes no expressed or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. V1012

Please note our new mailing address in Irvine, California

PERK Up Your Employees and Improve the Bottom Line

Companies Can Improve Customer Relationships by Putting Employees First

BY CYNTHIA MCGOVERN

I cannot count how many times I hear people in our industry say “this is a relationship business” or “this is a service business.” Guess what? They are both 100 percent correct. But what about good service *inside* of our organizations? What about creating lasting relationships with our employees? There is a growing trend toward the “employee-first” movement. This means that if we put our employees first, everything else will fall into place. We had better pay attention, because if we don’t, we’ll lose our best employees in an increasingly competitive workforce arena. You don’t have to build an employee gym or cater lunch daily, but you do have to pay attention to some basic employee needs.

There is a direct correlation between customer satisfaction and employee engagement. For those who study it in the field, there is a growing body of evidence to support the fact that managers and business owners have the power and ability to affect their revenue stream positively by focusing on employee engagement and job satisfaction by helping their employees to be happier at work and to have more fun. This is not fluff. This is scientifically proven.

Assuming a eight-hour work day, we spend a whopping 33 percent of our waking hours at work. We did the math, trust us. With so much time spent working, we all deserve to be happy doing it, don’t you think?

You as a business leader have control of this in your organization. Forget “customer first” initiatives. Companies that put employees first recognize that satisfied and happy employees will treat their customers right, and often will go the extra mile to do so.

Many of you are asking “Can happy employees really help increase revenue?” The answer is “you betcha.” Just look at Southwest Airlines flight attendants. Those are some of the happiest people on the planet. Who would have thought that tossing peanuts to a captive audience would become such a coveted job?!

Here are a few tips to help you PERK up your team and your revenue.

P . . . Purpose: Your people want to know where your company is going and the plan to get there. Make sure that everyone on your team knows the goals, both action based and results based. If they don’t know what the target is, then it is pretty hard to aim for it. Empower your team to make decisions that will improve the



customer experience, as well as the employee experience.

A simple way to do this is to make sure everyone knows the goals of the company (yearly, quarterly and monthly) and why you are driving the bus in that direction (i.e. You want to be the top-rated company in customer satisfaction or want to increase our market share by 14 percent). Do you have

your employees have a written job description that clearly describes their duties? Do you have at least a bi-annual review of those expectations? If not, start there.

R . . . Remove obstacles: Set employees up to win. Make sure they have training and development opportunities, ongoing support, communication and so on. Many of our clients are not aware that

can get them to focus on some things you can actually provide without drastically impacting overhead. You can also start infusing your monthly meeting with a small training. I bet you have people already in your organization who can share their skill set.

K . . . Keep the fun: Celebrate success, individually and as a group. In our industry, we often feel like our day is running us, rather than the other way around. When this happens, it is easy to let the stress and issues of the day take over. We, as business leaders, need to remember that we need to keep the fun. I am not suggesting a field day once a month, but infuse your organization with some things to make people smile.

A simple way to do this is to add a quote of the day board in your break room where people can post funny thoughts. Or, you could post a new comic strip each day. When the company hits a goal, bring in ice cream or play Pictionary over pizza in the office. When an individual brings in a large client or someone saves a huge deal, make them the superhero of the day and give them a cape (yes, an actual cape!). These are silly, but fun ways to keep people motivated. If you don't believe me, just look at some of the most successful, growing companies—they have superhero day, crazy sock day, ice cream socials and Karaoke parties. It is all about fun.

Try out some of these tactics. You'll find some help, just give us a call. We'd be glad to put on our cape and fly in to help up your employees. **PERK**



CMCGovern is the leading provider of HR, IT, and business consulting services. We've helped to put on our cape and fly in to help up your employees. **PERK**

strong sales presence, and managing change, OLC helps companies increase productivity and profitability. She can be reached by email at cmcgovern@orangeleafconsulting.com.

“Investing in the skill sets that our clients care about is often an afterthought. Why not make it your priority?”

regularly scheduled staff meetings in which you update the team on the company's progress? Do your departments (escrow, sales, operations) have regularly scheduled department meetings to talk about issues and progress? If not, start there.

E . . . Expectations: Help employees understand their role and how they personally contribute to the overall objectives of the company. Often, employees don't understand their role in the big scheme of things. The manager's job is to make sure all of their employees know why they are important and to ensure that their teams are invested in the success of the company.

A simple way to do this is to make sure every employee knows what is expected of them and has the help they need to achieve those expectations. Does each of

there are obstacles in front of their employees until they bring us in to do an assessment. Organizations train on process, software and other items, but rarely take the time to train on business development and people skills. Does your transaction management software keep clients coming back or do your people? Investing in the skill sets that our clients care about is often an afterthought. Why not make it your priority? Also, did you know that providing regularly scheduled training and development decreases employee turnover by 50 percent? Impressive, right?

A simple way to do this is to ask your employees for their feedback on what could make their job easier. Now, while some might say weekly massages, more staff and catered lunch at month-end, I'm sure you

Closing is just the beginning...



From taking an active role in industry advocacy to developing highly configurable and intuitive tools to our unrivaled experience as partners for your business, RamQuest is unwavering in our commitment to meet and exceed your needs.



 **RamQuest™ | 800.542.5503**

2012 Presidential Election Will Impact Housing Recovery

Re-election of President Obama Would Mean Continued Government Support, While Romney Victory Would Let Private Market Dictate Outcome

While uncertainty in the housing market continues to be a drag on the overall economy, the upcoming 2012 presidential election has only fueled more doubt on when a full recovery will occur.

“The housing sector historically accounts for about a fifth of our economy and housing booms paved the path to our last three economic recoveries,” said Michelle Korsmo, ALTA’s chief executive officer. “Neither candidate has spoken directly about his plans for the housing market, but hopefully things will crystallize as we draw closer to the election. Having a clear direction will give everyone more confidence in the housing market and the economy.”

By parsing comments and actions of the two presidential candidates, it is clear Obama advocates for government intervention while Romney believes the private market should take its course. Where the two

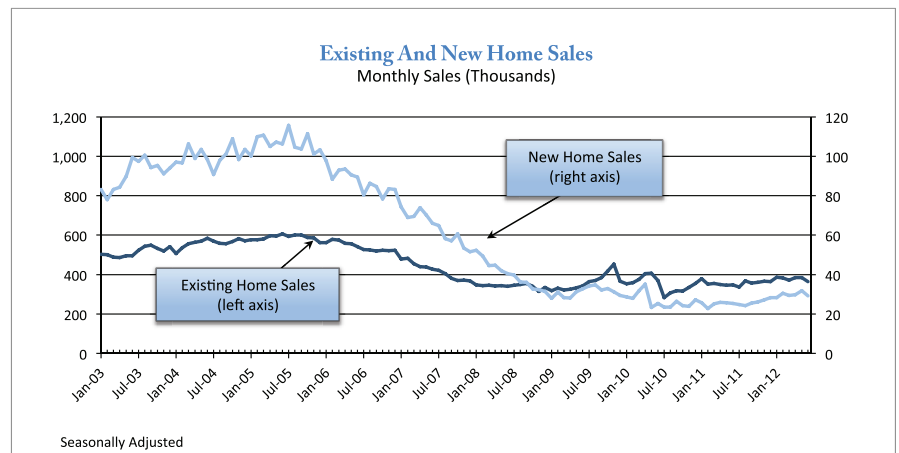
camp’s stand can probably be summed up in these two comments.

Since taking office, the Obama administration has tried numerous options to help the housing market. In March 2009, a \$75 billion plan was launched to end the foreclosure crisis by keeping defaulting owners in their homes. The Home Affordable Refinance Program was designed to help homeowners whose mortgages were backed by the government.

In October 2011, the Obama administration announced a new initiative meant to relax the program’s rules to help homeowners who are “underwater” on their loans refinance to take advantage of low interest rates. In his State of the Union address in January 2012, President Obama proposed a new housing plan aimed to make it easier for homeowners to refinance their mortgages, by streamlining the financing process and clearing the way for people with underwater mortgages to obtain new loans.

Outlining his “Homeowners Bill of Rights,” Obama said the plan would help millions of responsible homeowners who make their payments on time but find themselves trapped under falling home values.

“If you’re ineligible for refinancing just because you’re underwater on your mortgage, through no fault of your own, this plan changes that. You’ll be able to refinance at a lower rate, you’ll be able to save hundreds of



dollars a month you can put back in your pocket.”

Meanwhile, Romney’s proposed housing policy consists largely of generalities that are in line with the Obama administration’s policies to fix the housing market. The plan has four parts:

- 1 to “responsibly” sell 200,000, government-owned vacant foreclosed homes
- 2 to use “foreclosure alternatives” for those unable to pay their mortgages themselves
- 3 to swap out complex financial rules with “smart regulation,” and
- 4 to reform Fannie Mae and Freddie Mac to “protect taxpayers from additional risk.”

Romney told the editorial board of the *Las Vegas Journal-Review* in October 2011 that he believed the housing market needed to bottom out before homeowners would see relief. During a closed-door fundraiser in April, Romney outlined areas he may cut, including the U.S. Department of Housing and Urban Development, if elected president. He’s indicated he would probably eliminate the second-home mortgage deduction for high-income earners and likely get rid of deductions for state income and property taxes.

“I’m going to take a lot of departments in Washington, and agencies, and combine them. Some eliminate, but I’m probably not going to lay out just exactly which ones are going to go,” Romney said. “Things like Housing and Urban Development, which my dad was head of, that might not be around later.”

In August, language supporting the mortgage-interest tax deduction was added to the GOP platform following a compromise with the real

estate industry. The language says the Republican Party strongly supports a tax-code rewrite, but in the event that Congress fails to accomplish it, “we must preserve the mortgage interest deduction.”

If Romney is elected president in November, his top priority next year will likely be to reach a long-term budget deal. But housing finance reform could also be part of his first-term agenda. While the former Massachusetts governor has been critical of the role Fannie and Freddie played during the housing bubble, he has avoided saying how they should be replaced.

Romney’s naming of Rep. Paul Ryan as his vice running mate may have cemented the Republican Party’s stance on the future of Fannie Mae and Freddie Mac. While Romney has not said whether the U.S. housing market should continue to have a government backstop, Ryan, a Wisconsin congressman who chairs the House Budget Committee, has argued that the mortgage market should be privatized.

“The housing finance system of the future will allow private market secondary lenders to fairly, freely and transparently compete, with the knowledge that they will ultimately

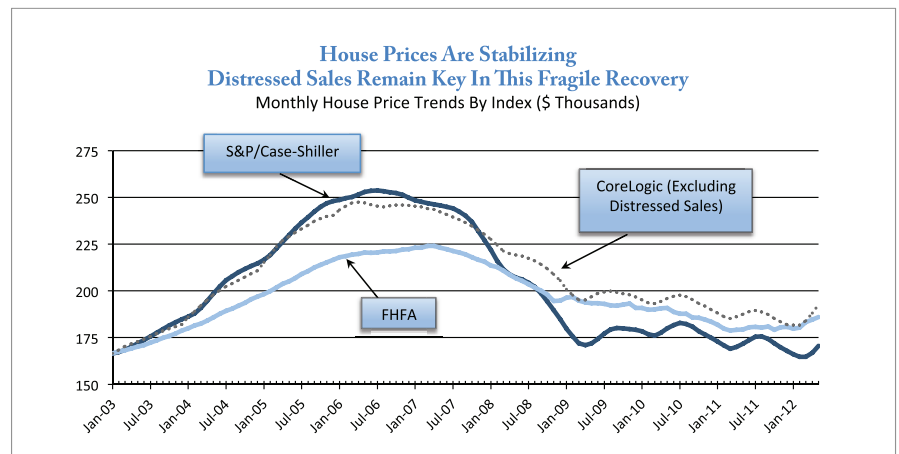
bear appropriate risk for the loans they guarantee,” Ryan wrote in his 2013 budget plan.

Ryan is a co-sponsor of a bill sponsored by Rep. Jeb Hensarling (R-Texas), a leading contender to become the next chairman of the Financial Services Committee, which would privatize the government-sponsored entities (GSEs) over a five-year period. Ryan’s own budget plan, which passed the House earlier this year, also envisions a gradual transition to a fully private market.

ALTA maintains that the GSEs’ role should be restored to their original mission, which was one of providing affordability and liquidity to the U.S. housing and mortgage markets, and once included strict and sound guidelines.

“All participants in the lending process—from borrowers to lenders—benefit from Fannie and Freddie’s promotion of competition and efficiency through the promulgation of uniform underwriting standards that lenders and servicers are required to follow in order to sell loans to the two institutions,” Korsmo said. “These marketplace efficiencies lower borrowing costs for consumers.”

The GSEs’ seller servicing guidelines, coupled with the their



In Their Own Words



Romney: “As to what to do for the housing industry specifically, and are there things that you can do to encourage housing: One is, don’t try to stop the foreclosure process. Let it run its course and hit the bottom.”



Obama: “It is wrong for anyone to suggest that the only option for struggling, responsible homeowners is to sit and wait for the housing market to hit rock bottom. I refuse to accept that and so do the American people.”

computer underwriting platforms, are used by lenders to make quick, informed credit decisions on loans. If GSEs are eliminated, each lender will have to develop their own standards for everything from appraisals, title and mortgage insurance requirements to uniform mortgage documents and mortgage-backed securities documents.

David Stevens, president of the Mortgage Bankers Association, said the lack of a government guarantee would hurt the availability of the 30-year fixed-rate mortgage and cripple the ability of borrowers to lock in mortgage rates in advance of their purchases.

“We’ve seen this on multiple occasions,” Stevens said, “where private capital refused to invest in the market because of uncertainty in the economy.”

The Obama administration has called for a smaller government role in the mortgage market, however

congressional Democrats are likely to balk at plans to eliminate the government guarantee altogether. The fact that Fannie and Freddie are turning the corner financially, while the broader U.S. economy remains fragile, make the politics of reforming Fannie and Freddie even harder.

Many experts, including David Min, a University of California, Irvine law professor who studies housing policy, said that “If we start to wind down the GSEs too quickly, that’s going to kill off any chance of a housing recovery.”

ALTA membership appears split on the issue of government involvement in the housing market. Some believe free markets are prone to abuse by those who are unscrupulous.

“Therefore, some level of regulation backed by strict enforcement must be maintained,” said one member. “There are far too many people out there who don’t care a lick about anyone or anything but themselves.

The average consumer must be protected from people like that.”

On the other hand, many members advocate for free markets.

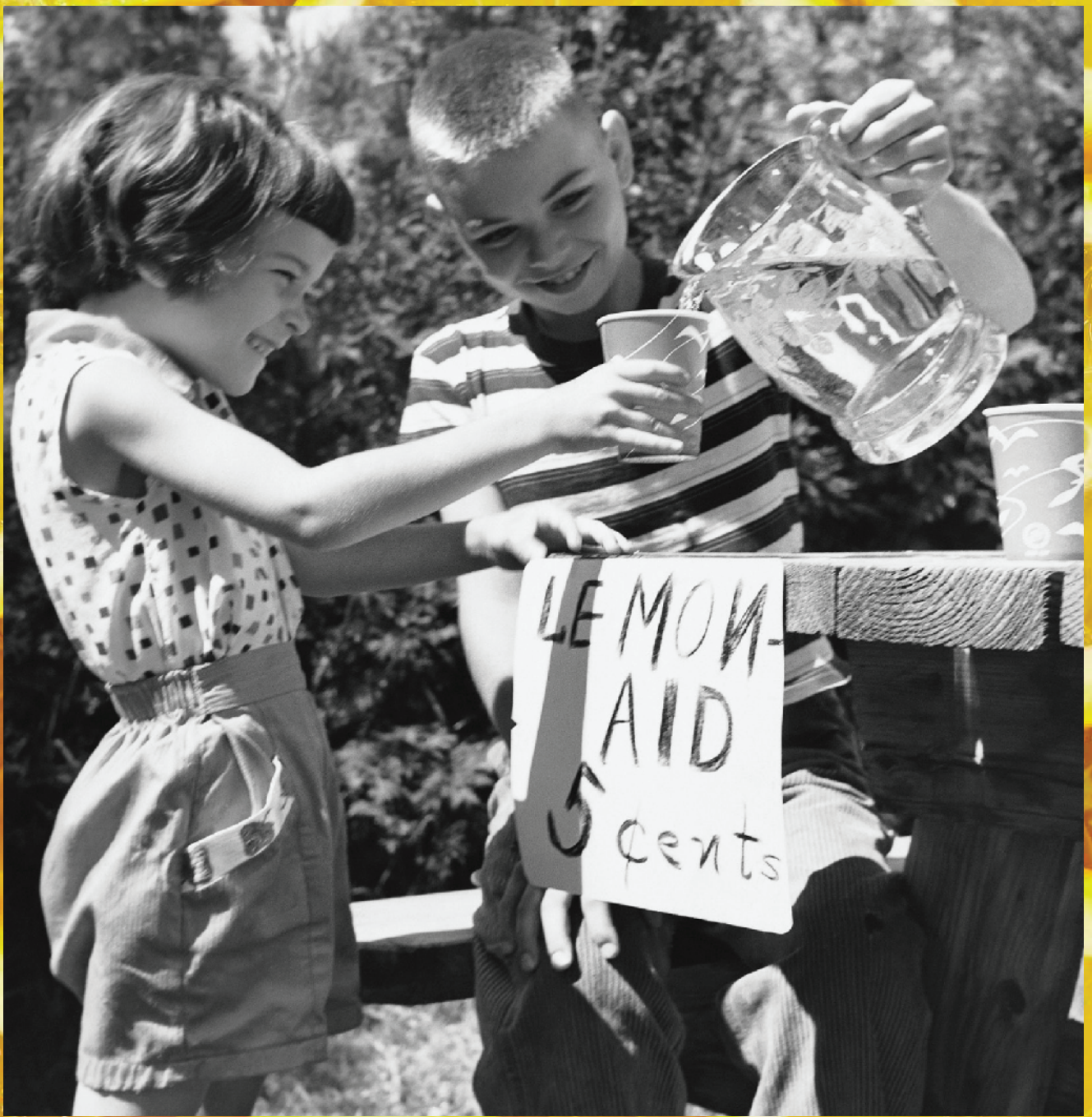
“Government should not manipulate interest rates, it should not issue loan guarantees and it should not subsidize sales through tax incentives,” said another member. “The ‘boom’ that the government creates inevitably leads to a bust. Government needs to let the chips fall where they may in order for the market to achieve long-term stability, with prices determined by genuine supply and demand.”

In the October 2010 edition of *TitleNews*, two ALTA members—Robert Miller of TSS Software Corp. and Chuck Dyer, owner of Edward Title LLC—debated allowing the market to operate freely or that government intervention is needed. Both hold true to their position.

“Economic history provides irrefutable evidence of the supremacy of free markets over interventionism,” Miller said. “Our industry, like our country, fundamentally derives from economic freedom. It is what we need now, and what we must fight for going forward.”

Dyer, on the other hand, said “While unwise regulations are dangerous, regulation isn’t our enemy. Regulation exists and is necessary, like it or not. To oppose regulation because all government involvement in private enterprise is bad, is to not enter the conversation. It’s a conversation we must have and that we as title people must take part in.”

We’ll see what happens come election day on Nov. 6. ■



Stay Genuine.

At Old Republic Title, we're experts at taking lemons and making lemonade. By combining the right ingredients - superior products and services with unparalleled expertise - Old Republic Title has thrived for over a century. We believe success isn't determined by the size of your company, but by the principles in which you operate. Our commitment to doing business with integrity means we're there when you need us.

Old Republic Title-proud to be the highest overall rated lemonade stand in history.



612.371.3882

oldrepublictitle.com

www.facebook.com/OldRepublicNationalTitle

Underwriters in the Old Republic Title Insurance Group, Inc. are: Old Republic National Title Insurance Company, Mississippi Valley Title Insurance Company and American Guaranty Title Insurance Company.

Former ALTA Executive Called 'Tireless Ambassador' for Title Industry

William McAuliffe Jr., who served as executive vice president of ALTA from 1965-1984, passed away Aug. 30 in his home at the age of 90.

McAuliffe returned to ALTA in 2002 to work on the association's Title Insurance Regulatory Survey, which includes laws, regulations and customs of the title insurance industry in every state and the District of Columbia. Into August, he served as a historian and advisor to ALTA staff. Besides being an honorary member of ALTA, he's an honorary member of the Michigan, Pennsylvania and New Jersey state land title associations.

"Bill was a genuine and compassionate person with a wealth of knowledge. He was a tireless ambassador for the title industry," said ALTA CEO Michelle Korsmo. "His drive and enthusiasm for the industry will be sorely missed. We are thankful that we had the opportunity to know and learn from him. The affection that title

professionals have for Bill is reflected by honorary membership bestowed on him by ALTA and three state land title associations."

McAuliffe always said ALTA was very fortunate for its member involvement in association activities and that he enjoyed working with members of the Executive Committee, the Board of Governors and committees. He considered many of ALTA's members as good friends.

During McAuliffe's time with ALTA, the association dealt with many of the same issues it faces today, including accusations that title insurance costs are too high. In 1969, former Sen. William Proxmire (D-Wis.) requested a study on title insurance premiums "to protect homebuyers against unreasonably high closing costs." The request was denied. Another issue was the lack of understanding of title insurance.

During McAuliffe's tenure, ALTA created the

Title Insurance Political Action Committee (TIPAC) in 1973. In 1979, the association held its first seminar for the National Association of Insurance Commissioners (NAIC) in Salt Lake City. Also under McAuliffe's leadership, ALTA's education program took a giant step forward in 1980 when Hart McKillop, an ALTA honorary member, donated his Land Title Institute to ALTA.

Prior to joining ALTA, McAuliffe was an attorney for the American Medical Association in Chicago, served as chairman of the Planning Commission of the village of Skokie, Ill., and rewrote zoning laws for the village. After graduating from Harvard University, he obtained a bachelor of law degree from Boston College Law School and a master of laws degree from Georgetown Law School.

McAuliffe is survived by his wife, Catherine. The couple celebrated their 60th wedding anniversary on Sept. 22, 2011. He was a devoted



father of C. Taney Hamill, Caroline Blakely, William J. McAuliffe III, Mary Kelly, Robert McAuliffe, Peter McAuliffe, Ruth Young and the late Ann Jones. He is also survived by 15 grandchildren and one great-grandson.

"For every ounce of dedication Bill showed to ALTA and the title industry, he had five times the level of devotion to his family, his faith and his sense of fairness," Korsmo said. "When one of his children asked him what his greatest achievement was, without missing a beat, Bill replied, 'dental braces and a debt-free college education for all the children.'"

Former ALTA President Joseph Parker Passes Away

Joseph Parker Jr., who served as the 1998-99 ALTA president, passed away Aug. 6 at the age of 80.

He began his professional career practicing law in North Carolina before joining Lawyers Title Insurance Corp. in Richmond, Va. In 1978, he moved to Winston-Salem, N.C., and became a licensed agent with the company's affiliate Lawyers Title of North Carolina. Parker ultimately became president and general counsel of the company. He remained in Winston-Salem until 1990 when he relocated to the headquarters of Lawyers Title in Raleigh, N.C. In April 1995, Parker returned to Winston-Salem to start his own company, Parker Title Insurance Agency Inc. and remained there until his retirement in 2006.

In 1997, Parker, who at the time was chairman of ALTA's Abstracters and Title Insurance Agents Section, represented the industry by testifying before the Senate Subcommittee on Financial Institutions and Regulatory Relief concerning RESPA.

Malcolm Morris of Stewart Title considered Parker a dear friend and a well-spoken supporter of the title insurance industry.

"Joe always spoke well of others and his decisions leading ALTA were always made with input and a lot of forethought," said Morris, who served as ALTA president a year prior to Parker. "Our industry can be thankful for Joe Parker's leadership. Personally, Becky (Malcolm's wife) and I will miss Joe. We lift Linda, his wife and best friend, and sidekick in all of Joe's endeavors, in our prayers, along with his family whom he loved so much."

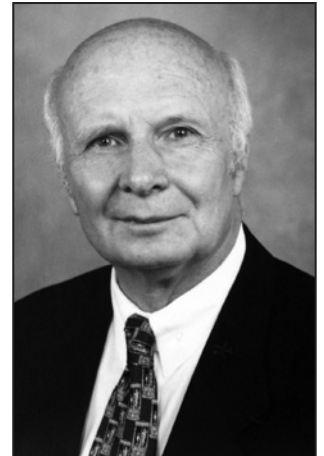
Cara Detring of Preferred Land Title in Missouri called Parker one of the finest men she ever met.

"He was one of those individuals in the title industry who helped define the word 'integrity,'" said Detring, who served as the 2000-2001 ALTA president. "His leadership style throughout his years in service to ALTA was thoughtful, courteous and persuasive. He was a true southern gentleman in every aspect of his life.

He may be physically gone from this life, but his positive influence in and through ALTA is his legacy to all of us."

Throughout his career, he valued service to his profession. He was an active member of numerous professional and civic associations and served on many committees—at both the local, state and national levels. As the title insurance industry became more technology based over the years, Parker continued to believe relationships would continue to rule the day.

"No matter what anyone says or what



challenges we face in the future, the evidencing, servicing, and insuring of titles will remain a 'people' business," Parker said in his president's message in the May/June 1999 edition of *TitleNews*.

RamQuest's Closing Market Integrates with First American's AgentNet

RamQuest Inc., a provider of title and settlement production solutions, announced that its Closing Market digital network is now integrated with First American Title Insurance Co.'s AgentNet system.

This integration provides title insurance agents who issue First American title insurance policies with access to AgentNet through RamQuest's Closing Market network at no extra cost, saving time and

streamlining their business processes, RamQuest said in a release. With this integration, agents now have a way to generate approved First American closing protection letters and policy jackets, and search prior policies (where available) without leaving their Complete Closing title production platform. Data keyed into Complete Closing is automatically duplicated in AgentNet, minimizing clerical errors and creating consistency across systems.

East Coast Lender Launches New HUD-1 Process for Refis

TD Bank announced in a memo to its vendors that it has started rolling out a new process for refinance transactions. Launched on Aug. 20 in Maine, New Hampshire and Massachusetts, the lender said it will continue to send the initial loan package to the title/settlement agent when a closing is scheduled.

TD Bank will require a copy of the preliminary HUD or invoice/itemization with fees to be sent to the closer within 24 hours of receipt of the initial package.

In a change to the process, TD Bank said it will send the title/settlement agent the final package, including the refinance HUD. The refinance HUD will be considered the final approved HUD and will be used at closing, the lender said.

Additional Planned Roll-out Dates:

- *Vermont and Connecticut: Sept. 3, 2012*
- *Maryland, Delaware and Washington, D.C.: Sept. 17, 2012*
- *New York: Oct. 1, 2012*

- *New Jersey and Pennsylvania: Oct. 15, 2012*
- *Florida, Virginia and Rhode Island: Nov. 5, 2012*
- *North Carolina and South Carolina: Nov. 19, 2012*

Other large lenders, including J.P. Morgan, have initiated similar processes for Home Affordable Refinance Program (HARP) transactions. This could become a common trend since the Consumer Financial Protection Bureau released proposed regulations to go with new mortgage disclosures, including a five-page Closing Disclosure that would replace the current HUD-1 and revised TIL disclosure.

The proposal indicates the lender or settlement agent must give consumers the Closing Disclosure at least three business days before the consumer closes on the loan. Currently, settlement agents are required to provide the HUD-1, while lenders provide the revised TIL disclosure. The Bureau proposed two alternatives for which party is required to provide consumers with the new

Closing Disclosure form. Under the first option, the lender would be responsible for delivering the Closing Disclosure form to the consumer. Under the second option, the lender may rely on the settlement agent to provide the form. However, under the second option, the lender would also remain responsible for the accuracy of the form.

Arizona-based Title Company Expands into Texas

Thomas Title & Escrow announced the opening of its new office in downtown Dallas. The office marks the firm's first location in Texas, anchored by professionals who have decades of experience in commercial title and escrow.

The office expansion is part of Thomas Title & Escrow's growth strategy that includes developing a full-service location in the fast-growing Texas market. The office complements and expands the capacities of its existing Arizona office. The firm's Dallas office provides a wide range of products and services to national and international businesses, with a focus on providing title insurance

The Bureau seeks comment as to which alternative form of delivery of the Closing Disclosure is preferable. Deadline to comment is Nov. 6. To submit comments, go to <http://1.usa.gov/MdL8ua>.

Also, to keep up-to-date about the rule and for information on how to comment, join the Title Action Network at www.alta.org/tan.

and real estate settlement services for complex commercial transactions.

While numerous firms in the title insurance industry have downsized due to the difficult economic conditions, Thomas Title & Escrow has traditionally found challenging economic conditions conducive to growth, the company said.

"Thomas Title & Escrow recognizes the importance of growth in Texas, which is one of the largest markets for our industry," said Frank W. Busch III, president and chief executive officer. "We are very fortunate to have such an impressive group of professionals to form the core of a Dallas office."

Top U.S. Mortgage Lenders

Wells Fargo & Co. saw its market share slip during the latest quarter, but still maintained its dominance.

According to data compiled by *Mortgage Daily*, Wells Fargo held 32.5 percent of the market during the second quarter, down from 33.5 percent during the first quarter. With a 28-percent improvement on a linked-quarter basis, Quicken Loans ascended to the No. 5 position in the latest ranking.

Second-Quarter 2012 Market Share

1. *Wells Fargo*: 32.5%
2. *Chase*: 11%
3. *US Bank*: 5.4%
4. *Bank of America*: 4.7%
5. *Quicken Loans*: 3.4%

Investors Title Reports Q2 Earnings

North Carolina-based Investors Title Co. reported that net income increased 110 percent during the second quarter of 2012. The company reported net income of \$3.4 million during Q2 2012 versus \$1.6 million during Q2 2011. Growth was attributed to an 8.3 percent increase in net premiums written during the quarter. The company reported the premium growth reflects widespread

Among the fastest-growing lenders based on a comparison to first-quarter volume was PennyMac Mortgage Investment Trust, where production leapt 89 percent. Primary Residential Mortgage Inc. and United Wholesale Mortgage each saw originations grow by half. Compared to a year earlier, several mortgage bankers more than doubled their business, with PennyMac and United Wholesale leading the pack.

Overall, second-quarter mortgage originations jumped 48.7 percent from a year ago, according to *Mortgage Daily*. Business was up 4.6 percent from the first quarter. Residential lenders closed approximately \$403 billion

volume increases across multiple markets, as overall mortgage activity increased substantially. Investors Title reported its branch network generated \$6.2 million of its premiums, while its agency network generated \$17.1 million of its premiums. New industry-wide premium charges for North Carolina that went into effect earlier this year also contributed to the increase in premiums.

in loans during the second quarter. More than half of all U.S. volume was closed by the four biggest lenders.

FHA-insured loans accounted for around 15 percent of activity, while Fannie Mae and Freddie Mac funded roughly 81 percent—pushing the government share of home lending to nearly 97 percent from the previous quarter's 94 percent. Government support increased as demand strengthened for HARP 2.0.

Wells Fargo also retained its No. 1 mortgage

servicer ranking. With its recent acquisition of mortgage servicing rights, Nationstar Mortgage became a top-10 servicer. Nationstar's standing could improve significantly if it is successful in its bid to acquire mortgage servicing assets from bankrupt Residential Capital.

Top Servicers

1. *Wells Fargo*
2. *Bank of America*
3. *Chase*
4. *Citigroup*
5. *US Bank*

North American Title Group Unveils New National Title Services Company

North American Title Group (NATG) announced the launch of North American National Title Solutions (NTS), a new national title services company positioned to offer national and regional title production and title-related services. The new entity offers a menu of settlement services for lenders, commercial brokers, asset managers, attorneys, law firms and developers. NTS is built to allow for orders to be opened and tracked from a centralized location, while driving production to strategic teams at the point of closing.

"Though many companies offer national title services," said Emilio Fernandez, executive vice president of NATG and NTS, "What distinguishes NTS is its resources. Our abilities to access North American Title's national agency network, paired with the strength of working with our Top 10 national underwriter NATIC, yet still maintain the flexibility to work with other underwriters of this caliber, puts NTS in a strategically favorable position. This imparts more competitive options, on a larger scale, to our customers."

TIPAC contributors

Diamond Club Level • \$5,000

Christopher Abbinante
Fidelity National Title Insurance Company

Justin Ailes
American Land Title Association

Anne Anastasi
Genesis Abstract

Mark Bilbrey
Old Republic National Title Insurance Company

Bill Burding
Orange Coast Title Company

Pam Day
Day Title Services

Steven Day
Fidelity National Title Insurance Company

Diane Evans
Land Title Guarantee Company

Dennis Gilmore
First American Title Insurance Company

Michelle Korsmo
American Land Title Association

Chris Leavell
First American Title Insurance Company

Erika Meinhardt
Fidelity National Title Insurance Company

Barbara Miller
TSS Software Corporation

Michael Nolan
Fidelity National Financial

Bill Peirson
Peirson Patterson, LLP

Frank Pellegrini
Prairie Title

Raymond R. Quirk
Fidelity National Financial, Inc.

Emerald Club Level • \$4,999-\$2,500

Herschel Beard
Marshall County Abstract

Bobby Burgess
Chicago Title Insurance Company

Frank Busch
Thomas Title & Escrow

Diane Calloway
Specialized Title Services

Richard Cannon
First American Title Insurance Company

Cara Detring
Preferred Land Title, LLC

Tim Evans
Evans Title Agency, Inc.

John Freyer
Land Title Guarantee Company

Tom Hartman
First American Title Insurance Company

John Hollenbeck
First American Title Insurance Company

Parker Kennedy
First American Title Insurance Company

Greg Kosin
Greater Illinois Title Company

Daniel Mennenoh
H.B. Wilkinson Title

Brian Pitman
Independence Title

Mike Pryor
Stewart Title of Arkansas, LLC

Dick Reass
Rynoh Live

Josh Reisetter
Dakota Abstract & Title Company

Al Santoro
Esquire Title Services

Sally Tyler
First American Title Insurance Company

John Voso
Old Republic National Title Insurance Company

Platinum Club Level • \$2,499-\$1,000

Marty Askins
Stephens County Abstract Company

Joseph Attura
First American Title Insurance Company

Peter Birnbaum
Attorneys' Title Guaranty Fund

Cynthia Blair
Rogers, Townsend & Thomas PC

Karen Brown
Boone-Central Title Company

Shonna Cardello
White Rose Settlement Services

Curt Caspersen
First American Title Insurance Company

Rob Chapman
Old Republic National Title Insurance Company

Yvonne Deardorff
Lakeside Title Company

David Dunbar
Meridian Title Corporation

Celia Flowers
Upshur County Title Company

Dan Fowler
Near North National Title

Mike Fromhold
First American Title Insurance Company

Tommie Frost
Fidelity National Financial

Joseph Ghilardi
First American Title Insurance Company

Larry Godec
First American Title Insurance Company

Mark Greek
First American Title Insurance Company

Jeff Green
Knight Barry Title, Inc.

Peter Griffiths
Land Title Guarantee Company

Brian Hamilton
Land Title Guarantee Company

Paul Hammann
First American Title Insurance Company

Blake Hanby
City Title & Closing LLC

Craig Haskins
Knight Barry Title, Inc.

Michael Hillman
First American Title Insurance Company

David Horne
Russ Reid

Rod Ives
First American Title Insurance Company

Roger Jewkes
Fidelity National Title Insurance Company

TITLE INDUSTRY

POLITICAL ACTION

COMMITTEE



Todd Jones
First American Title Insurance Company

Kay Keller
Trall County Abstract and Title Company

Cynthia Koebele
Titlesmart

John LaJoie
First American Title Insurance Company

Brent Laliberte
Bayou Title

Sherri Landauer
Lakeside Title Company

Linda Larson
Old Republic National Title Insurance Company

Randy Lee
Stewart Title Guaranty Company

Scott Luna
Cherokee Capitol Abstract

Rich Macaluso
Orange Coast Title Company

John Magness
Old Republic National Title Insurance Company

Andy Maloney
Nashville Title Insurance Corporation

Michael Maniche
Guardian Title

Michael Marconi
Orange Coast Title Company

John Marconi
Orange Coast Title Company

Mark McElroy
RamQuest

William F. Miller Jr.
Land Title Company of Alabama

Keith Newlon
Pioneer Title Agency

Bob Newlon
Pioneer Title Agency

Rich Patterson
Connecticut Attorneys Title Company

Tim Pearson
North Dakota Guaranty & Title Company

Mary Pellegrini
Prairie Title

William Perry
First American Title Insurance Company

Kurt Pfothenauer
First American Title Insurance Company

Joe Powell
Chicago Title Insurance Company

Brenda Rawlins
First American Title Insurance Company

John Robichaux
Ironclad Title

Steven Rogers
First American Title Insurance Company

Mark Rutherford
First American Title Insurance Company

Mary Schuster
RamQuest

Randall Scott
First American Title Insurance Company

Deborah Scroggins
First American Title Insurance Company

Phillip Sholar
First American Title Insurance Company

Kirk Sterling
Old Republic National Title Insurance Company

Scott Stevenson
Northwest Title

David Townsend
Agents National Title Insurance Company

Darin Trites
TRN Abstract & Title

Gregory Wick
Pennington Title Company

John Wiley
Orange Coast Title Company

Stephen Wilson
Old Republic National Title Insurance Company

Tony Winczewski
Commercial Partners Title, LLC

Mark Winter
Stewart Title Guaranty Company

Rande Yeager
Old Republic National Title Insurance Company

Evan Zanic
First American Title Insurance Company

Gold Club Level • \$999-\$500

Kenneth Aalseth
First American Title Insurance Company

Ellen Albrecht
First American Title Insurance Company

Kathy Austen
Fidelity National Title Group

Marjorie Bardwell
Fidelity National Title Group, Inc.

Doug Bello
D. Bello Associates

John Bethell
John Bethell Title

Jeffery Bluhm
Old Republic National Title Insurance Company

Gregory Booth
Booth Title Group, LLC

Michael Brandner
Gowey Abstract & Title, Inc.

Judith Braun-Colcord
Old Republic National Title Insurance Company

Mark Budzinski
Old Republic National Title Insurance Company

Karen Burnette
First Title & Abstract Service, Inc.

Chester Carmer
First American Title Insurance Company

Tim Conley
SoftPro

Maureen Dalton
Monarch Title Company

Bill Dinnebeil
Equity Title of Colorado

Lynn Donner
First American Title Insurance Company

Ric Eborall
Alliance Title & Escrow Corporation

Thomas Gates
First American Title Insurance Company

Sue Geigle
Professional Title Solutions

Leslie Godec
First American Title Insurance Company

Steve Gottheim
American Land Title Association

DeeAnna Herwig
Land Title Guaranty Company

Michael Holt
First American Title Insurance Company

Cornelia Horner
American Land Title Association

Robert Ibler
Chicago Title Insurance Company

Valsa Jacob
Orange Coast Title Company

Curt Johnson
First American Title Insurance Company

Ross Keller
Trail County Abstract & Title Company

Brian Kramer
Tripp & Todd Title Company

William Langner
Douglas County Abstract

Deborah Lewis
Taylor Abstract & Title Company

Maxwell Link
First American Title Insurance Company

Michael Lorber
Nova Title Agency Inc.

Ken Mackay
First American Title Insurance Company

Gregory Mason
Edina Realty Title

Matt McBride
Continental Title Company

Donald McFadden
McFadden & Freeburg

John McGrath
First American Title Insurance Company

Beverly McReynolds
North American Title Company

Jeffrey Mitzner
First American Title Insurance Company

Terrance Monnie
Terry Monnie Title Company

Carolyn Monroe
Old Republic National Title Insurance Company

Katheryn Nathan
Douglas County Title Escrow

John Obzud
Fidelity National Title Insurance Company

Joanna Patilis
Fidelity National Title Insurance Company

Joseph Petrelli
Demotech, Inc.

Scott Pierce
Old Republic National Title Insurance Company

Robert Ptolemy
LaPlata Abstract Company

Marvin Ripp
First American Title Insurance Company

Gary Robison
Land Title Guaranty Company

Jeffrey Rogers
First American Title Insurance Company

Ted Rogers
Security Title Guaranty Corp.

Kelly Romeo
American Land Title Association

Bryan Rosenberg
First American Title Insurance Company

James Russick
Old Republic National Title Insurance Company

Thomas Schlesinger
First American Title Insurance Company

Ronnie Smlak
Burnet Title

Giancarlo Spolidoro
Glaser, Weil, Fink, Jacobs, Howard, Avchen & Shapiro, LLP

Greg Thurman
Thurman & Flanagan

Herbert Walton
Old Republic National Title Insurance Company

Philip Webb
First American Title Insurance Company

Jeff Wiener
Old Republic National Title Insurance Company

Charles Wimer
Fidelity National Title Insurance Company

Dennis Wolfe
First American Title Insurance Company

Somaia Zaki
First American Title Insurance Company

Aldo Zucaro
Old Republic National Title Insurance Company

Ohio Land Title Association PAC

Silver Club Level • \$499-\$250

Peggy Adams
Adams Abstract Company

Paula Bachmeier
Minot Guaranty & Escrow Company

Suzanne Basiago
JMB Enterprises, LLC

Jeffrey Bates
D. Bello Associates

Anna Batten
Chicago Title Insurance Company

Sandra Bell
First American Title Insurance Company

Sam Benne
First American Title Insurance Company Title Company of SD

Jim Bondurant
Tennessee Valley Title Insurance

Brian Bowman
First American Title Insurance Company

Albert Boyce
Old Republic National Title Insurance Company

Robert Camerota
First American Title Insurance Company

Eric Carstensen
Fidelity National Title Insurance Company

Vincent Cassidy
Majesty Title

Jason Chun
First American Title Insurance Company

TIPAC contributors

- William Clark
Dakota Abstract & Title Company
- Christopher Clemens
First American Title Insurance Company
- Wayne Condict
First American Title Insurance Company
- Paul Cones
Integrity Title
- Pat Connor
Old Republic National Title Insurance Company
- Sue Cosgriff
Cass County Abstract/Red Rivers Title
- Bill Coyle
Accu Title
- Robert Dailey
First American Title Insurance Company
- Larry Davidson
First American Title Insurance Company
- Aaron Davis
Hillsborough Title
- Larry Deal
First American Title Insurance Company
- Francine D'Elia Wirsching
Community First Abstract
- Terry Detring
Preferred Land Title, LLC
- Andrew Drake
Arsenal Insurance Corporation
- Matt Evans
Evans Title Agency, Inc.
- David Feldman
First American Title Insurance Company
- Alan Fields
Florida Land Title Association
- Curtis Fix
Yuma County Abstract Company
- Ray Forliti
Old Republic National Title Insurance Company
- Marie Franco
First American Title Insurance Company
- Ralph Garcia
First American Title Insurance Company
- Alison Gareffa
Old Republic National Title Insurance Company
- Kevin Gartland
All American Title
- Wendy Gibbons
Stewart Title Guaranty Company
- James Graham
Ottawa County Abstract & Title
- Michele Green
First American Title Insurance Company
- Arlene Griffiths
ACS Knox Title and Closing Services
- Roger Hannaford
Hannaford Abstract Title Company
- James Harper
PFA, Inc.
- John Haviland
South Ridge Abstract and Title Company
- Charles Hayden
Old Republic National Title Insurance Company
- Martin Henschel
Edina Realty Title
- Charles Holleman
Abstract & Guaranty Company
- Chuck Hoyum
Old Republic National Title Insurance Company
- David Huffman
Attorneys' Title Guaranty Fund
- Daniel Hunt
First American Title Insurance Company
- Richard Icklan
Old Republic National Title Insurance Company
- Kenneth Jannen
First American Title Insurance Company
- Steven Jewett
Alliance Title & Escrow Corp.
- Cheryl Jones
Old Republic National Title Insurance Company
- Brandt Keefe
Stewart Title Guaranty Company
- Bryan Kelley
First American Title Insurance Company
- Michael Kennerley
Signature Information Solutions
- Nicholas Koester
Fidelity National Title Group
- Michael Koors
First American Title Insurance Company
- Tiffany Krueger
First American Title Insurance Company
- Mitchell Lafleur
First American Title Insurance Company Title Company of SD
- Natalie Lancaster
Stewart Title Guaranty Company
- Paul Langner
Douglas County Abstract
- Steven Lax
Saxony Title Services
- Simon Leeming
Preti, Flaberty, Beliveau & Pachios LLP
- Scott Mainwaring
First American Title Insurance Company
- Charlene Maleare
Lenders Title
- Tim McDonnell
Old Republic National Title Insurance Company
- Jessica McEwen
American Land Title Association
- Jim Milinkovich
First American Title Insurance Company
- Michael Mills
First American Title Insurance Company
- Robert Moline
Home Services of America
- Mary Moran
Fidelity National Financial
- Taylor Morris
American Land Title Association
- Stewart Morris, Jr.
Stewart Title Guaranty Company
- John Murphy
Union Bank
- Virendra Nath
HDEP International
- Lucas Newman
Metro National Title
- Jeffrey Noble
Old Republic National Title Insurance Company
- Mike O'Donnell
Riker, Danzig, Scherer, et al
- Don Ogden
First American Title Insurance Company
- Maureen Pfaff
Olympic Peninsula Title Company
- Jimmy Plumlee
City Title & Closing LLC
- Richard Rager
Old Republic National Title Insurance Company
- Andree Ranft
First American Title Insurance Company
- Margaret Redman
First American Title Insurance Company
- Richard Rennell
Resource Title National Agency
- Mike Rich
Fidelity National Financial
- Tori Robinson
Old Republic National Commercial Title Services
- Mark Rosser
First American Title Insurance Company
- Greg Scanio
First American Title Insurance Company
- Sandra Schoen
Old Republic National Title Insurance Company
- James (Mike) Sellari
Mississippi Valley Title Insurance Company
- Wayne Shupe
Old Republic Title Company
- James Sibley
Title Data, Inc.
- Bob Sink
First American Title Insurance Company
- Mark Sinkhorn
Fidelity National Title Insurance Company
- Dana Solms
Old Republic National Title Insurance Company
- James Stipanovich
Old Republic National Title Insurance Company
- Skip Straus
Straus & Eisler
- Julie Susik
Old Republic National Title Insurance Company
- Joseph Tavaraz
First American Title Insurance Company
- Gregory Teal
Ernst Publishing Company, LLC
- Steve Terry
RamQuest
- Frank Violi
First American Title Insurance Company
- Mark Wahlstrom
First Dakota Title
- Andrew Wells
Property Insight
- David Welshons
DCA Title
- Richard Welshons
DCA Title
- Phillip Wert
First American Title Insurance Company
- John Wiles
Law Offices of John N. Wiles
- John Wunderlich
Fidelity National Financial
- John Younglove
Genesis Abstract, LLC
- Fidelity National Financial PAC 2001

perseverance has its rewards



TIAC, 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.
2 Wisconsin Circle, Suite 650 • Chevy Chase, MD 20815-7011
phone: (800) 628-5136 • fax: (800) TIAC FAX (842-2329)

www.cpim.com/tiac



**Celebrating 20 Years
of Great Service**

ALTA Rises to Challenges During Eventful Year

2012 • 12 MONTHS • 366 DAYS (LEAP YEAR) • 8,784 HOURS • 527,040 MINUTES • 31,622,400 SECONDS

From my perspective, no matter how I count, the time during the past year has gone by “in a flash.” While many challenges arrived at our doorstep—which made the year go even faster—they also provided us several opportunities to explain the importance of our industry and highlight the professionalism of our members.

Since last year’s Annual Convention, we’ve focused on explaining who we are and what we do in an easier and jargon-free manner. To accomplish this, ALTA’s Public Relations Committee developed a letter that can be used as-is or customized to communicate with consumers. The letter is available under the Member section on our website. I also continue to emphasize that we are professionals. To that end, ALTA will introduce a new program at the Annual Convention: the National Title Professional Designation.

Over a year ago, working through ALTA and with Frank Pellegrini, I started an effort called the “Future of the Title Industry.” The original effort attempted to identify challenges facing our industry and develop opportunities for agents and underwriters. Little did we know how much more relevant the work would become as the regulatory parameters established by the Consumer Financial Protection Bureau (CFPB) began to grow. With increased demands, lenders are actively getting involved in the conditions and requirements they will place on service providers, including agents and underwriters. Armed with the work of the “Future of the Title Industry” committees, ALTA is working to develop best practices that will serve as a guide for navigating through the new regulatory challenges.

If this wasn’t enough, the CFPB issued 1,099 pages of proposed regulations to go with new mortgage disclosures. ALTA’s RESPA Task Force has been busy reviewing the proposal to not only identify issues but also to work toward possible solutions that serve to protect the consumer as well as help the hundreds of small businesses

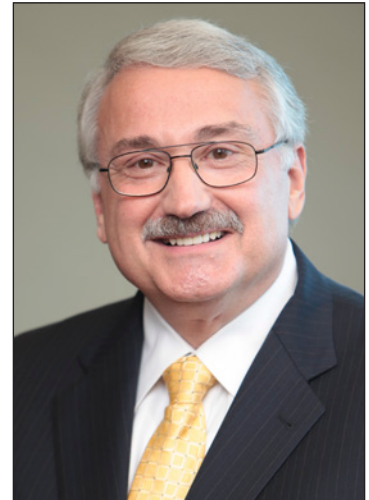
that make up a large part of our industry. Part of the proposal is to create a new HUD-1 by combining the HUD-1 and the TIL. Who completes this new Closing Disclosure and provides it to the consumer remains an open question. ALTA and its task force are developing comments that are due to the CFPB by Nov. 6.

Part of the process surrounding the work of the CFPB also gave rise to an opportunity to testify before Congress in June. It was an honor and privilege to represent the title industry and outline the principles that should be followed in order to create mortgage disclosures that will better serve consumers and the industry.

We have accomplished a great deal over the past year, but more remains to be done. Through this adversity, ALTA once again set a new membership record while the Title Insurance Political Action Committee is on pace to pass its goal of collecting \$300,000 once again. The future looks even brighter as Frank Pellegrini prepares to assume the reins as president of ALTA. Not only is Frank a great title person and a great agent with outstanding leadership skills, he is someone we can trust to help guide us in challenging times.

Thank you for the support I have received from the great staff at ALTA and from the hundreds of people who serve on ALTA committees. It has been a privilege and an honor to serve our industry.

— Chris Abbinante, ALTA president





Expertise to help you navigate coming regulatory changes

Another reason why Stewart is the right underwriter for you.

Stewart Title Guaranty Company is committed to guiding our agencies through the new requirements recently proposed by the Consumer Financial Protection Bureau (CFPB). We are reviewing process and technology solutions under the various scenarios to ensure that our agencies are well prepared for the coming changes.

Visit us at ALTA® Annual Conference booth #34/35 to find out more about Stewart's initiative to provide our agents with the knowledge and tools needed for success in the new environment.

(800) STEWART stewart.com

stewart®

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

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

CFPB

Dodd-
Frank Act

RESPA

NAIC

HUD

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**.

**SOFTPRO**[®]
CLOSING AND TITLE SOFTWARE