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American Land Title Association

TitleNews

'Because We Believe'

President Frank Pellegrini Calls
for Unified Voice to Confront
Challenges, Meet Evolving
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ALTA Works to Ensure Industry's Vital Role in Transaction

As you are reading this, the election has been decided and plans are being made for the first 100 (or 200) days of the president's administration. Elections have consequences. Elections can tell our leader three things. A president can get a vote of affirmation that he is doing the right thing; send a message that he is still supported but voters want to see different action; or the voters can decide they want to chart a new course with a different leader. In any case, it's America's way of giving a very consequential performance evaluation. Our leadership at ALTA transitioned to a great new steward for the title industry. Your 2013 ALTA president is Frank Pellegrini, CEO of Prairie Title in Oak Park, Ill. Frank has a calm and steady hand and is focused on delivering a unified message for all parts of the industry. Please read the article on page 10 to learn more about Frank's vision for the association.

In addition to the election, we are paying close attention to the direction the Consumer Financial Protection Bureau takes. Depending on the election results, the Bureau's position on oversight and enforcement may change. As you know, comments on the combined mortgage disclosure forms and rule making were due on Election Day. ALTA submitted comments on behalf of the industry and I'd like to give a special thank you to our RESPA Task Force members, who worked hard to ensure that all aspects of the proposed rule were reviewed and potential outcomes were explained to the Bureau.

Members continue to be concerned about warehouse lenders demanding that title and settlement companies obtain certification from third-party vetting firms in order to continue receiving business. While letters from warehouse lenders have indicated that title and settlement agents must sign up with a vetting company by Jan. 1, one warehouse lender executive said the deadline is more of an aspiration and not a firm date. The warehouse lender does not intend to lose business because a settlement agent hasn't signed up with a vetting company.

The fact remains that lenders want to know more about the companies with which they do business. To help title and settlement agents continue to meet that need, ALTA has developed a set of Title Insurance and Settlement Company Best Practices. Many of these practices are already an integral part of ALTA members' day-to-day business. You can read more about the best practices on page 18. The good news is that lenders are willing to work with the title industry on meeting their needs. It is our priority at ALTA to ensure that the title industry has the tools necessary to meet market requirements and allow title and settlement agents to continue serving as the vital independent third party to the real estate transaction.



- Michelle Korsmo, ALTA chief executive officer





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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.

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Title Premium Volume Spikes 20 Percent in Second Quarter

Following the positive trend of increased house sales and prices, ALTA reported title insurance premium volume increased in all 50 states during the second quarter of 2012 compared to the same period a year ago.

According to ALTA's 2012 Second-Quarter Market Share Analysis, the title insurance industry generated \$2.76 billion in title insurance premiums during the second quarter of 2012. This is up nearly 20 percent versus the second quarter of 2011.

"The second quarter of 2012 continued to show improvement for the industry," said Michelle Korsmo, ALTA's chief executive officer. "After a string of quarterly premiums fluctuating up and down with no discernible pattern since the third quarter of 2009,

the second quarter of 2012 was the second consecutive quarter with an increase over the equivalent 2011 quarter."

Operating Income was up 18 percent (\$455 million) from the second quarter of 2011, while loss expense was down 17 percent (\$45 million) and operating expenses increased only 16 percent (\$369 million). This resulted in an operating gain of \$138 million, which compares to a gain of only \$7 million in the second quarter of 2011. The industry remains in a strong financial position and has admitted assets of \$8.5 billion, including more than \$7.4 billion in cash and invested asset. Also, statutory reserves were almost \$4.7 billion and statutory surplus stood at \$3 billion."

The states generating the most title insurance

premiums during the second quarter of 2012 were California (\$415.1 million, up 29.8 percent compared to the second quarter of 2011), Texas (\$333.7 million, up 16.6 percent), Florida (\$218.1 million, up 17.4 percent), New York (\$193.6 million, up 14.8 percent) and Pennsylvania (\$113.2 million, up 16.8 percent).

Four states experienced

a 35 percent or more increase in title insurance premiums during the second quarter of 2012 compared to the same period a year ago, led by Hawaii (36.2 percent), Nebraska (36.2 percent), Illinois (35.2 percent) and Utah (35 percent).

ALTA expects to release its third-quarter 2012 Market Share Analysis around Dec. 1.

ALTA Joins Letter Urging CFPB to Drop 'All In' APR Proposal

In a joint letter sent Sept. 10 with 15 other associations, ALTA encouraged the Consumer Financial Protection Bureau to drop its proposed so-called "All In" annual percentage rate (APR), which would eliminate many exemptions to the calculation for residential mortgages.

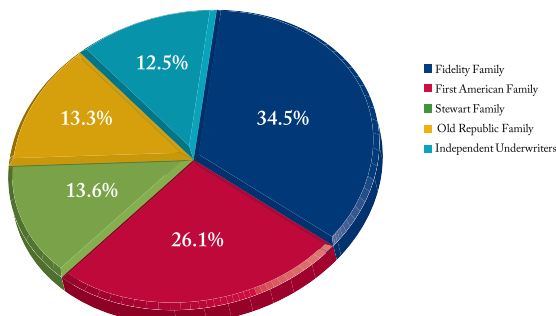
According to the letter, the current APR does not provide value to the consumer and does not serve as an accurate shopping tool. The Bureau's research indicates that consumers confuse the APR with the

note rate.

"This confusion has nothing to do with what is in or out of the APR calculation," ALTA wrote in the letter. "Simply adding additional fees ... will add significant costs and complications to the rulemaking effort, with no measurable benefit to the borrower."

Deadline to provide comment to the CFPB regarding the "All In" APR was Nov. 6. The December edition of TitleNews will include information about ALTA's letter addressing concerns about the APR proposal.

Underwriter Market Share Q2 2012



ALTA Members Reminded Healthcare Tax Will Impact Some Real Estate Transactions

ALTA reminds members that effective Jan. 1, 2013, the Affordable Care Act will impose a new 3.8 percent tax on investment income, including some real estate transactions.

Currently, healthcare tax only applies to wages, but beginning in 2013, a tax will extend to investment income—which is defined as interest, dividends, capital gains and net rents—for single taxpayers with an adjusted gross income (AGI) above \$200,000 and joint filers over \$250,000. The tax is 3.8 percent of the lesser of (1) net investment income or (2) the excess of modified AGI (MAGI) over the threshold amount.

As ALTA previously reported in the Advocacy Update, this is not a transfer tax on real estate sales and similar transactions. The ACA does NOT eliminate the \$250,000/\$500,000 capital gains exclusion on the sale of a principal residence. Rather, if a person with high income sells his or her property and earns more than \$250,000/\$500,000 on

the sale, the seller would be required to pay both normal capital gains taxes on the transaction and the new 3.8 percent tax.

As an example, a husband and wife have adjustable gross income (AGI) of \$325,000. They sell their home at a \$525,000 profit. Assuming they qualify, \$500,000 of that gain is wiped off the slate for tax purposes. The \$25,000 additional gain qualifies as net investment income under the health-care law, giving the couple a revised AGI of \$350,000. Since the law imposes the 3.8 percent surtax on the lesser of either the amount that their revised AGI exceeds the \$250,000 threshold for joint filers (\$100,000 in this case) or the amount of your taxable gain (\$25,000), the husband and wife end up owing a surtax of \$950 (\$25,000 times .038).

Taxpayers will have to report the gain on their annual tax returns. ALTA members will not be responsible for collecting the tax.

ALTA Names Director of State Government Affairs

ALTA announced on Sept. 18 the appointment of Madeleine Nagy as the director of state government affairs. She will be responsible for enhancing advocacy of the title insurance industry at the state level by strengthening ALTA's partnership with state land title associations and representing the interests of ALTA's membership before state governments, the National Association of Insurance Commissioners (NAIC) and the National Conference of Insurance Legislators (NCOIL).

"State advocacy work is particularly important in the land title insurance industry and Madeleine has the skills necessary to excel in this position," said Michelle Korsmo, ALTA's chief executive officer. "Madeleine's experience working on housing issues and her ability to bring coalitions together will enable ALTA to strengthen our advocacy efforts promoting the title industry's role in protecting consumers in the efficient and secure transfer of real estate."

Prior to joining ALTA, Nagy worked with several organizations that focused



on housing. Previously, she's worked with the international consulting firm Abt Associates, where she provided policy work on multi-family housing development for the U.S. Department of Housing and Urban Development and Department of Veterans Affairs.

"From my previous experience, I've learned the value of homeownership and the process that it takes to get a consumer into a home," Nagy said. "One of the best ways to protect consumers is to ensure that an independent, third-party conducts the closing. I'll serve as a resource to our members to ensure they have access to the needed tools so they can continue to provide professional services to consumers as they complete their real estate transactions in a safe and efficient manner."

ALTA Unveils Website Redesign

ALTA rolled out a new look to its website during the 2012 Annual Convention. The redesign focused on making the website more visually appealing and to re-organize information with the goal of making it more user-friendly, easier to navigate and less intimidating.

“ALTA constantly strives to effectively communicate important industry information to our members and providing better value to membership was our top priority,” said Jeremy Yohe ALTA’s director of communications. “There is a great deal of information on ALTA’s website and trying to organize and meet everyone’s needs is challenging. We analyzed data and were able to discover what items members needed most so we packed those elements together on the homepage. We’ve also incorporated an element allowing members to bookmark links to the information they want to have directly to the homepage. This customization gives each member direct access to the information from ALTA most valuable.”

If you have any questions or concerns about the website, send us an email at communications@alta.org.

Below are short summaries associated with the major redesign changes:

1. We have added a large graphic at the top of the homepage, making a large leap from being text heavy to focusing on visual elements. The graphic element, which rotates to a different item every 7-8 seconds, allows us to promote upcoming meetings, advocacy efforts, news items, etc.
2. The most popular member-benefit business tools are grouped here. You’ll find links to the Patriot Act search, Forms and the Membership Directory, as well as others.
3. Members can also tailor the website in this area as well, selecting links to pages that they use most often. If you enjoy reading CEO Michelle Korsmo’s weekly Advocacy Update, the member-only articles on TitleNews Online or market share data, you can put the links right here so you can always easily find the information you want and need.
4. To make it easier to find news, we’ve grouped everything here. The member-news is only available to members and requires you to be logged in to view it. Meanwhile, industry news is available to everyone and headlines are a compilation of the top articles impacting

the industry from media sources across the country. You can also find relevant industry data under the Industry Stats tab. In addition, you can also download a PDF of the latest edition of TitleNews, so you can stay abreast of all the relevant news impacting the industry. You also can access the TitleNews archives here.

5. With more and more of our members using Facebook and Twitter, integrating social media was an important aspect of our redesign. In this box, you can read all of our latest headlines, as well as what others are saying. If you want to join the conversation or send us a message, you can simply send us a tweet. Just make sure you are following us and that your message is less than 140 characters. We’ve also highlighted our other social media platforms and encourage members to
6. In addition to giving the website a facelift, we are improving how we collect and store member data. Under the My Account tab, members can update their personal profile and manage the types of communications you receive from ALTA.

The screenshot displays the ALTA website homepage with several key features highlighted by numbered callouts:

- 1:** A large, rotating graphic at the top of the page featuring a photo of two men in suits, with text about the ALTA Annual Convention.
- 2:** A navigation menu at the top with tabs for Consumers, About, Advocacy, Meetings, News Room, Publications, Education, and Resources.
- 3:** A section titled "Member Benefits" with links for Public Act Search, Policy Forms, Membership Directory, and more.
- 4:** A section titled "ALTA is Focused on the Title Insurance Industry" with sub-sections for News & Opportunities, Advocacy, and Education & Designation.
- 5:** A social media section titled "Tweets" showing recent tweets from @ALTAonline.
- 6:** A "Join Our Community" section at the bottom with social media icons for Facebook, LinkedIn, Twitter, and YouTube.

At the bottom of the page, there is a footer with contact information for ALTA, including the address (12211 Street, N.W., Suite 100, Greenwood, WA 98026-3442), phone number (206-266-3071), and website (www.alta.org).

'Because We Believe'

President Frank Pellegrini Calls for Unified Voice to Confront Challenges, Meet Evolving Market Needs

More than a year ago, Frank Pellegrini asked Chris Abbinante—who was the incoming ALTA president at the time—if there was a future in the industry for title agents. A confluence of events caused considerable trepidation in the title agent community and many, including Pellegrini, were concerned how they could remain competitive. >>

By Jeremy Yohe



The discussions then helped pave the way for solutions being developed today (See “ALTA Develops Best Practices to Protect Customers, Ensure Quality Service” on page 18 and check out Pellegrini’s Last Word on page 30). Now, Pellegrini takes the leadership baton, as ALTA members elected the chief executive officer of Illinois-based Prairie Title Inc. as the 2012-13 president.

“Fortunately, through strong leadership at ALTA, we are addressing these issues to ensure the industry continues to play an important role in real estate transactions,” Pellegrini said. “I’m so very proud that ALTA members created an industry solution. Our association is composed of genuine champions. We come together because we believe in the vital importance of this industry.”

Many changes on the horizon

“Our association is composed of genuine champions. We come together because we believe in the vital importance of this industry.”

will impact ALTA members. The Consumer Financial Protection Bureau has proposed new mortgage disclosures that will replace the HUD-1 and TIL with a combined Closing Disclosure. Who provides this form to the consumer is still being determined. In addition to changes at the closing table, there’s a paradigm shift regarding who is ultimately responsible for the acts of others and who can handle escrow funds. Pellegrini offers

encouragement for those who believe a viable future for them in the industry is not possible.

“Each of us has to evaluate our circumstances individually, but for those that seek to remain in the industry, I am optimistic that there will always be a future for us,” he said. “It may not look the same as it did in the past or as it does now. Nonetheless, I believe that we will adapt to change and grow stronger from the experience. You can be assured ALTA will continue to represent the industry’s interests.”

The Early Years

Born in a small village in southern Italy, Pellegrini was the youngest of three boys and three girls. When Pellegrini was 1, his father migrated to the United States. The rest of family came to the United States two years later. As a custom tailor,

his father worked long hours and most weekends. When not making suits, Pellegrini’s father toiled in their basement making clothing for his children.

“I don’t think I appreciated it much then, but I was probably one of the best-dressed kids in the neighborhood,” Pellegrini said. “I still have the suit he made for my law school graduation—an extraordinary grey wool three-piece herringbone

number that I probably could not afford even now.”

Meanwhile, Pellegrini’s mother kept busy managing a large family living in tight quarters. Calling her baking legendary, Pellegrini recalled coming home from school “to the intoxicating aromas of her daily efforts.”

“My favorite was the smell of warm loaves of homemade bread,” he added.

Her talents ranged far beyond the kitchen. Pellegrini said her postage stamp-size garden brimmed with tomatoes, peppers, beans, squash and the occasional flower.

“She canned much of this produce for the winter months,” he said. She also knitted and crocheted everything from socks and scarves to Christmas decorations, pot-holders and tablecloths.

Buoyed by parents that exuded a strong work ethic and were incurably optimistic, the Pellegrini home provided a foundation to help their children succeed.

“They instilled in us that family was the most important aspect of life and that meaningful work, no matter how difficult or strenuous, is fulfilling and rewarding,” Pellegrini said.

Attorney Aspirations

From an early age, Pellegrini wanted to be a lawyer. This played a large role in his decision to attend DePaul University, which offered a program to obtain commerce and law degrees in six years. He earned a bachelor’s degree in economics in 1973 before earning his law degree in 1976. Lured by the fulfillment of working through challenging problems to help people arrive at the best course to take, Pellegrini’s been practicing law ever since. After taking his first job as a lawyer

Getting to Know Frank Pellegrini

Some personal highlights:

- Spending time with his family (particularly his three grandsons)
- Enjoys cooking and sharing stories and laughter around the dinner table
- Taking bike rides with his wife, Mary
- Golfing (Looking to improve game, but needs practice—maybe next year?)

Some professional highlights:

- Practicing attorney since 1976
- Member of the American, Illinois, Chicago and West Suburban bar associations
- Member of the Justinian Society of Lawyers
- 2004-05 president of the Illinois Land Title Association

with a firm in downtown Chicago, Pellegrini got his first taste of the title insurance industry when he was asked to unsnarl some real estate transactions that came out of divorces and probate estates. Despite nearly no training, Pellegrini worked with staff at Chicago Title to sort through the matters.

“With only a few bumps and minimal embarrassment, I got the deals closed,” he said. “As a result, I became so interested in the world of real estate transactions that I applied for a position at Chicago Title.”

Like many in the industry, Pellegrini vividly recalls working on a “knotty title issue” with a customer who was an attorney. After working



▲ Frank Pellegrini testified in 2009 before a House Financial Services Subcommittee on “Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs.”

through the deal, the attorney complemented Pellegrini by calling him a “lawyer’s lawyer.” It was then that the Chicago attorney knew the industry had him hooked.

“Of course, this would apply to any and all of the many professionals—even non-lawyers—who clear exceptions and find ways to underwrite title risks, but, at that moment, I bubbled over with pride,” Pellegrini said.

Entrepreneurial Spirit

Pellegrini spent three years as an attorney/examiner with Chicago Title before opening his own law firm, Pellegrini & Cristiano in 1980. During this time, title agencies started taking root in the Chicago market. Three years after opening his law firm, Pellegrini recognized a need in a niche market area that had been largely ignored by other title companies in the Chicago area. Along with his wife, Mary, they dove

into the entrepreneurial waters and opened Prairie Title in 1983.

“Mary was already a natural at sales, so I helped her learn how to examine and close,” Pellegrini said. “So initially, it was the two of us and a part-time secretary.”

Over the years, the title company has become a family affair as Pellegrini’s niece is now his law partner. His nephew helped out after school and today is the company’s chief financial officer.

Achieving success over the years wouldn’t have been possible without several mentors along the way. Pellegrini said he currently learns daily from current and past members of ALTA’s Board of Governors, as well as the many leaders who volunteer on the association’s committees.

“There are so many talented and skilled professionals who lead or serve on committees and task forces and give freely of their time and expertise



▲ Frank and Mary Pellegrini aboard America's Cup Racing Yacht Stars and Stripes during ALTA's 2010 Annual Convention in San Diego.

in order to guide our industry," he said. "Nowhere are the words of anthropologist Margaret Mead—who said that a small group of committed people can affect real change—more appropriate than right here at ALTA."

Industry Mentors

Pellegrini recalls the many people who were "absolutely brilliant in my view" as he cut his teeth in the industry. The title officers and office counsels at Chicago Title amazed him with their expertise and willingness to dissect difficult title challenges and think through solutions.

"They impressed me deeply," Pellegrini said "I was grateful for all the instruction I received from them."

Chris Abbinante was one of Pellegrini's first managers at Chicago

Title and also proved to be a key mentor.

"I'm constantly struck by Chris' knowledge, temperament and passion for the industry," Pellegrini said. "He is a model for me and should serve as an example to all of us in this business."

Abbinante returned the high praise. "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," he said.

There were many others along the way who helped and guided Pellegrini, including former ALTA board member Make Skalka. The two worked together at Chicago Title before Skalka became regional counsel for Safeco Title. Prairie Title would become one of Safeco's first agents in the Chicago market.

"I remember many long and inspiring conversations with Mike," Pellegrini said.

Then there was Chicago Title's Ed Andersen, who headed up the metro branch operation and later led the claims group in Chicago. Andersen worked with Pellegrini during his early years with Chicago Title and through the start of his law practice and title agency. He describes Pellegrini as one of the most ethical and hard-working title guys he knows, adding that he will be a tremendous leader for ALTA.

"Frank is a quality individual," said Andersen, who was formerly a title manager and Chicago claims manager, senior vice president for Fidelity. "As an underwriter, lawyer and agent, Frank exhibited a high level of professionalism, legal skills and integrity and respect for his customers. He used these skills to grow a successful agency operation in



▲ Frank and Mary Pellegrini with White House Senior Advisor Valerie Jarrett.

a very competitive Chicago market based upon his quality standards."

Pellegrini, however, said an enormous amount of gratitude goes to Tom Simonton, a former vice president and Midwest regional manager for Fidelity National Title Insurance Co., for being a significant reason why he started a title company.

"He was instrumental, instructive and a mix of inspiration, guidance and support as Mary and I dove into the vastly unknown world of running a title agency," he said. "By most measures, Tom was the reason I got into the agency part of the business, and on more than a few occasions, the reason we were able to stay in it."

Pellegrini's friendship with Simonton started during their time working together at Chicago Title and has continued over the past 35 years. Pellegrini and his wife are godparents to one of Simonton's two boys. While Pellegrini eventually left to start his own law practice, Simonton joined Safeco Title

Insurance Co. as a regional manager and was looking for new agents.

“It’s tough to just hang up a shingle, but we talked about Frank’s interest in opening a title agency,” Simonton said. “Knowing Frank’s ability and integrity it was a natural to sign him as an agent. Frank is such a pleasure to work with and the kind of guy you want carrying your banner.”

“ALTA is fortunate to represent a diverse membership. It is from this diversity that we will draw knowledge, experience and strength.”

Industry Advocate

Three years ago, Pellegrini testified during a House Financial Services Subcommittee on “Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs.” He told members of Congress that “title professionals enjoy a unique vantage point from which to observe, identify and thwart instances of fraud. Title agents are the independent third party to the transaction whose only interest is the integrity of the transaction and the protection of our customers. Through training and experience, we hone our ability to spot improper transactions every day.”

That will be a focal point of Pellegrini’s message over the next year. He’s already requested a meeting with Richard Cordray, director of the Consumer Financial Protection Bureau. Pellegrini plans to explain the industry’s important role in

ensuring customers receive a positive and compliant real estate settlement experience, as well as explain how new regulations coming from the CFPB are impacting the industry.

“We are feeling the effects of the CFPB’s bulletin on service providers and we will feel the direct effects of the RESPA/TILA proposed rule, the qualified mortgage/ability to repay regulation, the qualified residential mortgage/risk retention regulation,

the changes to the definition of the finance charge and others. Like many businesses, sometimes we cannot help but feel somewhat overwhelmed by regulations,” he said.

Pellegrini believes the top three issues facing ALTA members and the title insurance industry are the shifting regulatory landscape, uncertainty over the settlement process and the evolving relationship between underwriters and agents. With the industry at a critical juncture—with increased market demands from lenders requiring more information from their service providers, including title and settlement agents, along with the CFPB’s proposal to create new mortgage disclosures—Pellegrini said ALTA is in a prime position to ensure title professionals remain important participants in the real estate transaction.

“To do this, we must provide guidance and information to members and provide a forum for discussion,” he said. “We must engage lenders and other industry partners to work through conflicts, concerns and areas of friction. And we must maintain aggressive advocacy with legislators and regulators.”

During his year as president, it’s Pellegrini’s fervent hope that the industry confronts its challenges as a strong and unified group.

“ALTA is fortunate to represent a diverse membership,” he said. “It is from this diversity that we will draw knowledge, experience and strength. There will be times that issues may divide us if vision is too confined. We will all need the fortitude at times to shirk narrow self-interest and face up to issues that will test us on a higher level and as a cohesive force.”



▲ Frank Pellegrini behind the wheel of a vintage Mini Cooper racecar during the Pennsylvania Land Title Association Annual Convention.

Getting Involved

Pellegrini understands the importance of being involved in ALTA. In addition to serving on the board, he co-chairs the Public Relations Committee while sitting on the Finance, Government Affairs, Nominating and Planning committees, as well as the Abstractor/Agent Research Subcommittee. He said it's important that all title and settlement participants get involved with ALTA, stating the association serves members by providing effective advocacy, disseminating industry information and providing networking and idea-sharing opportunities.

"ALTA is the singularly cohesive and credible voice for the title and settlement services business," Pellegrini said. "In addition, ALTA's staff has succeeded in establishing solid credentials for our association in the eyes of all who impact us—lawmakers, regulators and the representative groups of sister industries."

Participation in ALTA should not come at the expense of participation of other associations, according to Pellegrini. He served as the 2004–05 president of the Illinois Land Title Association and stays involved at the state level through committee work.

"Just as important as ALTA membership is on the national level, membership in state associations is likewise essential," he said. "Obviously, state associations are essential because our industry is primarily regulated at the state level, but they also provide great opportunities for continuing education, information and networking."

With regulators putting more emphasis on protecting consumers and making sure the real estate



▲ Members of the Pellegrini family during ALTA's 2012 Annual Convention.

transaction is more transparent, Pellegrini said ALTA and its members must do more to help consumers better understand the important role title professionals play in the transaction and how the parties to the transaction benefit from having a title insurance policy. He pointed to ALTA's consumer website (homeclosing101.org) as a great example of outreach, as well as the consumer letter developed by ALTA's Public Relations Committee. ALTA members can send this simple and short letter to homebuyers informing them of the benefits they receive from working with a title professional and purchasing an Owner's Title Insurance Policy. In addition, the PR Committee is developing a first-time homebuyer seminar that members can use to explain the closing process and value of title insurance.

"Our member companies should look for ways to provide education and resources that consumers can access," Pellegrini said. "We could also partner with our traditional customers such as lenders, real estate agents and lawyers to connect with consumers.

By such activities, we can demonstrate to regulators that we are serious and diligent in addressing consumer concerns and working toward making our processes more transparent."

Unified Front

Undaunted by all the uncertainty the industry faces in the coming year, Pellegrini said that together the industry can find solutions to the obstacles ahead.

"It is amazing how much we can fit into a month, week, day or even an hour. Just jump in, you will be surprised how much you can do," Pellegrini said. "Someone once said that 95 percent of success is just showing up. Although the forecast is a bit stormy, we need to be in the thick of it. There have been plenty of other times in the past when our future was uncertain, at best. We came through then, we will once again." ■



Jeremy Yohe is ALTA's director of communications. He can be reached at jyohe@alta.org.

ALTA Announces 2012-13 Board and Executive Committees

ALTA is pleased to present its 2012-13 ALTA Board of Governors, as well as the Abstracters and Title Insurance Agents Executive Committee, and the Title Insurance Underwriters Executive Committee.

BOARD OF GOVERNORS

President: Frank Pellegrini (*Oak Park, Ill.*)
President-Elect: Rob Chapman (*Minneapolis, Minn.*)
Treasurer: Peter Birnbaum (*Chicago, Ill.*)
Chair of Finance Committee: Dan Mennenoh (*Galena, Ill.*)
Agents Section Chair: Diane Evans (*Denver, Colo.*)
Agents Section Rep: Bill Burding (*Santa Ana, Calif.*)
Agents Section Rep: Herschel Beard (*Madill, Okla.*)
Underwriters Section Chair: John Hollenbeck (*Santa Ana, Calif.*)
Underwriters Section Rep: Steven Day (*Jacksonville, Fla.*)
Underwriters Section Rep: Stewart Morris Jr. (*Houston, Texas*)
Immediate Past President: Chris Abbinante (*Jacksonville, Fla.*)



ABSTRACTERS AND TITLE INSURANCE AGENTS EXECUTIVE COMMITTEE

Chair: Diane Evans (*Denver, Colo.*)
Vice Chair: Dan Mennenoh (*Galena, Ill.*)
Secretary: Celia Flowers (*Tyler, Texas*)
Three-year term: Cynthia Blair (*Columbia, S.C.*)
Three-year term: Tim Evans (*Tipp City, Ohio*)
Three-year term: Celia Flowers (*Tyler, Texas*)
Two-year term: Bill Burding (*Santa Ana, Calif.*)
Two-year term: Craig Haskins (*Milwaukee, Wis.*)
Two-year term: Brian Pitman (*Austin, Texas*)
One-year term: Herschel Beard (*Madill, Okla.*)
One-year term: Josh Reisetter (*Brookings, S.D.*)
One-year term: Dan Mennenoh (*Galena, Ill.*)

TITLE INSURANCE UNDERWRITERS EXECUTIVE COMMITTEE

Chair: John Hollenbeck (*Santa Ana, Calif.*)
Vice Chair: Richard Patterson (*Rocky Hill, Conn.*)
Secretary: Mary O'Donnell (*Winter Park, Fla.*)
Three-year term: Mark Budzinski (*Minneapolis, Minn.*)
Three-year term: Bob Grubb (*Longmont, Colo.*)
Three-year term: Stewart Morris Jr. (*Houston, Texas*)
Three-year term: Ted Rogers (*Baltimore, Md.*)
Two-year term: Morris Fine (*Chapel Hill, N.C.*)
Two-year term: Scott McCall (*Dallas, Tex.*)
Two-year term: Mary O'Donnell (*Winter Park, Fla.*)
One-year term: Peter Birnbaum (*Chicago, Ill.*)
One-year term: Steven Day (*Jacksonville, Fla.*)
One-year term: Rich Patterson (*Rocky Hill, Conn.*)

ALTA Develops Best Practices to Protect Customers, Ensure Quality Services

Members Can Use the Best Practices to Highlight Procedures the Industry Exercises to Protect Lenders and Consumers

While lenders have been responsible for their service providers' actions for years, it's only been recently that bulletins, enforcement orders and corrective actions have demonstrated regulators' intent that banking organizations are expected to oversee actions of third-party service providers, including title and settlement agents.

Consequently, regulators' increased demand to protect consumers has forced lenders to adjust their relationships with service providers and be more sensitive to the types of companies they do business with. To help meet this need, ALTA has created a set of best practices called Title Insurance and Settlement Company Best Practices to help members highlight practices the industry exercises to protect lenders and consumers, while ensuring a

positive and compliant real estate settlement experience.

"The best practices serve as a benchmark for the real estate settlement and mortgage lending industries and illuminate the high level of professionalism that ALTA members follow to protect consumers and businesses," said Michelle Korsmo, ALTA's chief executive officer. "The title insurance industry takes protecting consumers and combating criminal behavior seriously. It is beneficial for those in the title business to promote self regulation through the publication of best practices that meet high professional standards of operation to protect consumers and businesses."

The best practices address areas ranging from controls regarding escrow and trust accounts to protecting customers' personal information and responding to complaints:

- Establish and maintain current license(s) as required to conduct the business of title insurance and settlement services. The purpose is to ensure that the company is fully compliant with all applicable laws and regulations.
- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation. These controls help meet client and legal requirements for safeguarding client funds.
- Adopt and maintain a written privacy and information security plan to protect Non-public Personal Information as required by local, state and federal law. Federal and state law requires a written information security plan describing how non-public customer information is protected.
- Adopt standard real estate settlement policies and procedures. This can ensure a settlement company can provide a safe and compliant settlement and meet state, federal and contractual obligations governing the settlement process and provide for ongoing employee training.
- Adopt and maintain written procedures related to title policy production, delivery, reporting and premium remittance. Appropriate procedures for the production, delivery and remittance of title insurance policies ensures title companies meet their legal and contractual obligations.

- Maintain appropriate professional liability insurance and fidelity coverage. Appropriate levels of professional liability ensure that title agencies and settlement companies have the financial capacity to stand behind their professional services.
- Adopt and maintain procedures for resolving consumer complaints. A process for receiving and addressing consumer complaints is important to ensure that any instances of poor service or non-compliance do not go undiscovered.

Diane Evans, vice president / legislative affairs of Land Title Guarantee Co., said the best practices are a tremendous tool for agents to use as a guide to enhance many of their current best practices.

“As we continue to develop resources that emphasize the important role we play in real estate transactions each and every day, this is one of the most effective means to help eliminate doubts, undue oversight and bad actors in our market place,” Evans said. “I am proud of the role agents play in a real estate transaction and look forward to continuing to promote our value.”

Recently, nearly 750 title professionals completed ALTA’s best practices survey, which showed that the majority in the industry already have processes and procedures in place that meet lender needs. Here are some results:

- 99 percent of respondents maintain separate operating and escrow/trust accounts;
- 94 percent perform monthly, three-way reconciliation of accounts;
- 72 percent have a clean desk policy requiring employees to close files containing non-public personal information when not at their desk;
- 81 percent use strong passwords

for computers and require frequent password updates;

- 90 percent record documents within one to three days on average;
- 79 percent deliver title policies to customers within a month after closing;
- 90 percent remit title premiums to your underwriter by the last day of

 “We are already doing a lot of the items that are in the best practices.”

the month following the month in which the insured transaction was consummated;

- 95 percent carry E&O insurance;
- 67 percent carry other professional liability insurance (fidelity, surety);
- 96 percent have procedures to ensure that customers are charged the appropriate rates;
- 81 percent have a policy in place to respond to consumer complaints; and
- 71 percent perform background checks on employees who have access to consumer funds.


“We are already doing a lot of items that are in the best practices,” said ALTA President Frank Pellegrini. “We just need to get a little better in a few areas and get better at communicating to lenders the processes we already have in place protecting consumers and the transaction.”

Korsmo said ALTA will provide training and webinars, and look into affinity programs for members that want to utilize a vendor to handle a portion of the best practices. She added that ALTA will create a standing committee to regularly review and improve the best practices, provide sample policies and seek comments from stakeholders.

Chris Abbinante, ALTA’s immediate past president, said the industry allowed a void to be created in the market. Anyone can try and fill a void and settlement agent vetting companies attempt to do this. At the end of the day, however, Abbinante believes the industry can address this need better than anyone else.

“I don’t think there is a vetting solution that comes close to addressing various needs of lenders,” he added. “Our industry protects consumers and play a critical role in protecting the health of the real estate industry and overall economy. Don’t stop believing because when agents and underwriters work together there are no issues we can address. We just need to tell our story better. Shame on us when we let someone else tell our story.”

Documenting and following effective processes will help ensure accuracy, provide further safeguards to consumers and greatly reduce the risk of loss.

“It is the industry’s responsibility to protect consumer funds and consumers’ personal information,” Korsmo said. “Publishing industry best practices helps lenders understand the safeguards in place to ensure that closing activities meet all applicable laws and regulations. Providing professional service to consumers and safeguarding funds is the cornerstone of this industry, and ALTA will work to ensure title, escrow agents and attorneys continue in their role of facilitating the safe, efficient and compliant transfer of real estate.” 

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Enhance Your Website and Generate More Business

Title Companies Must Organize Content, Setup Clear Call-To-Action Areas and Measure Web Traffic to Help Boost Results

For title companies today, having a presence on the Internet is the modern equivalent to being listed in the phone book. Your customers expect to easily navigate and find information when they go to your website.

John Arcidiacono, vice president of national marketing for Stewart Title Guaranty Co., and Karie Cortes-Costa, content and website manager for Stewart, offered tips on how title companies can enhance their website by making it more engaging with customers with the goal of capturing more business.

Purpose and Goal

When analyzing your website, Cortes-Costa said you need to consider your target audience, what the point of the website is, what you want people to do on your website and who is going to maintain the website.

“If you don’t know who specifically you are writing your content for

or what you should have on your website, you will not have much user interest or stickability,” Cortes-Costa said. “Do you want title agents, real estate agents, home buyers or home sellers. You want to consider the audience and what tools they want

and need so they come back on a consistent basis.”

Maintaining the website is a big deal because once it’s built, you can’t walk away. Cortes-Costa said websites are an online living, breathing organism that require constant attention.

“You have about 5-8 seconds to make an impact with your audience. If you do not engage them immediately, they will leave your website and possibly not come back,” she said.

Organizing Content

Title companies should have clearly defined navigation areas and provide visitors with a “breadcrumb trail of where they are within your website,”



according to Cortes-Costa. Many companies have a top navigation or left sidebar to help visitors maintain where they are on a site. Cortes-Costa suggests keeping the homepage simple and clean. Title companies shouldn't feel compelled to fill all the space because cleaner pages lead to better usability on the site.

"The home page should remain uncluttered, so when you add something new, visitors can see it," Cortes-Costa said. "In marketing, these are the areas where we are

relevant to them. It's not about you, it's about them."

To make your website more user-friendly, Cortes-Costa offered eight usability suggestions:

- Don't use pop-ups
- Don't change users' window size
- Don't use too small font sizes
- Don't have unclear link text
- Don't have dead links
- Have at most one animation per page
- Make it easy to contact you
- Links open in the same window

■ "Content shouldn't be what you think your customer wants, but what they are interested in and the services you offer."

trying to get people to do something. You need to give them something to do within the site."

This can be achieved by providing informative content, rate calculators, online dictionary, etc. If title companies have home buyers or sellers on their site, Cortes-Costa said it's a good idea to include information about the closing process and explain key real estate terms.

"Content is important," Arcidiacono said. "Content shouldn't be what you think your customer wants, but what they are interested in and the services you offer. Think about the things that make you different and relevant to your target audience, whether it's a Realtor, lender, builder or attorney. You need to provide access to content that is

Animation was popular five years ago, now it's more distracting than anything, according to Arcidiacono. In addition, because title companies are in the service industry, it's important to make it as easy as possible for customers to reach you.

"You need an easy to find 'Contact Us' section, you need your phone number on there and you need the locations of your offices if you have multiple locations so people know where you are," he added.

Website Analytics

Once you have a website built, title companies should evaluate how it's performing. You won't know if you are serving the needs of your customers unless you know who is visiting the site, how long they

are there and which pages they are viewing.

"If you notice a predominate amount of people are going to a certain page, may want to do a call-out on the homepage about it," Cortes-Costa said.

One recommended tool to measure website performance is Google Analytics, which is free and provides a good amount of data about your website traffic

"Having an analytics tool just to have data is not what's effective," Arcidiacono said. "What is effective is learning from that and making adjustments to your website based on that."

As an example, title companies can examine their traffic source. If they see people are coming to their page via Bing as opposed to Google, then you may want to consider a paid search campaign with Bing. Arcidiacono added that if a title company noticed a spike in web traffic after posting a URL link from Facebook, it might be worthwhile investing more in a Facebook page or Facebook ad.

"Understanding the source will help your campaigns in the future," Arcidiacono added.

Cortes-Costa provided these recommendations for title companies looking to enhance their website:

- Provide value to your website visitor
- Install website analytics and use them
- Develop a content calendar
- Online marketing is a two-way conversation. Make sure to get feedback ■

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Time to Close Loans Increases Nearly 25 Percent from 2011

However, Homes Selling More Quickly as Time on Market Down with Tighter Supplies

The length of time to close a loan increased nearly 25 percent in August compared to the same period a year ago, according to Ellie Mae's Origination Insight Report.

Overall, the average time to close a deal rose to 49 days in August as opposed to 40 days in August 2011. The time needed to close a purchase transaction increased to 47 days in August from 43 days in August 2011. Meanwhile, the average time to close a refinance increased by two full weeks to 51 days compared to the same period a year ago.

Sixty-one percent of loans closed in August were refinances compared to 58 percent in July. Refis comprised 61 percent of all closed loans a year ago as well. FHA loans represented 21 percent of all loans closed in August and conventional loans had a 70 percent share. The FHA share was down 8 percentage points from a year earlier, reflecting the increase in conventional loans.

Jonathan Corr, chief operating officer of Ellie Mae, said the closing

rate for purchase loans increased for the fourth month in a row from 59 percent in July to 60 percent in August. Over the past month, the closing rate for refinances increased from 38 percent to 41 percent in August.

Meanwhile, the quality of loans continues to improve. An average closed loan in August had a FICO score of 750, a loan-to-value (LTV) ratio of 79 and a debt-to-income (DTI) ratio of 23/34. One year earlier those numbers were 741, 79 and 25/36. At the same time, denied loans had an average FICO score of 708 in August, an LTV of 88 and a DTI of 27/43 where one year earlier those numbers were 696, 82 and 29/45.

"The percentage of refinances at 95 percent-plus LTV dropped for the third consecutive month, from 10.2 percent in June and 8.7 percent in July to 7.8 percent in August, a possible sign that HARP 2.0 continues to be cooling off, which is in line with what the Federal Housing Finance Agency has been reporting," Corr added.

Several title agents supported the report's conclusion that refinances are taking longer to close. Susan Mannarino of ProSettlement Services said one lender is taking 90 days on HARP loans.

Diane Cipa of The Closing Specialists in Pittsburgh said longer a processing period should be expected because lenders need more time to ensure they meet compliance and underwriting criteria.

"As people get more comfortable in their knowledge and the old-fashioned notion of documenting a file, things will start to move more quickly," she said. "In the meantime, I find the slower pace a much less stressful work style. We no longer have lenders sending an order and expecting it to be processed and closed in a few days."

While it may be taking longer to close deals, the National Association of Realtors reports the typical amount of time it takes to sell a home is shrinking. The median time a home was listed for sale on the market was 69 days in July, down 29.6 percent from 98 days in July 2011. The median reflects a wide spectrum; one-third of homes purchased in July were on the market for less than a month, while one in five was on the market for at least six months.

Lawrence Yun, NAR chief economist, said there is a clear relationship between inventory supply and time on market. "As inventory has tightened, homes have been selling more quickly," he said. "A notable shortening of time on market began

Time to Close (Days)

	12-Sep	12-Aug	12-Jul	12-Jun	12-May	12-Apr	12-Mar	12-Feb	12-Jan	11-Dec	11-Nov	11-Oct	11-Sep
All	50	49	48	47	46	45	42	44	48	47	46	43	41
Refinance	53	51	48	47	48	47	42	43	48	48	46	42	39
Purchase	47	47	47	46	44	43	42	45	47	45	45	44	45

Source: Ellie Mae Origination Insight Report/September 2012

this spring, and this has created a general balance between home buyers and sellers in much of the country. This equilibrium is supporting sustained price growth, and homes that are correctly priced tend to sell quickly, while those that aren't often languish on the market."

At the end of July, there was a 6.4-month supply of homes on the market at the current sales pace, which is 31.2 percent below a year ago when there was a 9.3-month supply.

There are consistent and related findings between annual consumer research in NAR's Profile of Home Buyers and Sellers, and sets of data

median selling time of just over six weeks.

In such balanced market conditions, home prices generally rise 1 to 2 percentage points above the overall rate of inflation as measured by the Consumer Price Index.

"Our current forecast is for the median existing home price to rise 4.5 to 5 percent this year and about 5 percent in 2013, which is somewhat stronger than historic norms because of the inventory shortfall that is most pronounced in the low price ranges," Yun said. CPI growth is projected at 2.1 percent for 2012 and 2.3 percent next year.

traditional sellers of non-distressed homes. The new series include short sales that typically took three months or longer to sell. "Factoring out short sales, the median time on market for traditional sellers appears to be in the balanced range of six to seven weeks," Yun explained.

During the peak of the housing boom in 2004 and 2005 when inventory supplies were historically low, averaging 4.3 months over the two-year peak period, the median selling time was four weeks. Prices in that time frame were bid up and rose at an annual rate of 10.3 percent, historically higher than the 3.1 percent average growth in CPI during the period.

Since the economic downturn, time on market for non-distressed sellers peaked at 10 weeks in 2009 with a 10-month annualized supply. The median price fell 12.9 percent that year, which was the biggest annual decline on record.

"Ironically, if housing construction doesn't pick up to normal levels within two years, supply shortages could be sustained for an extended period and lead to above average appreciation," Yun said. "Therefore, any unnecessary hindrance to housing starts, such as excessive local zoning regulations or stringent bank capital rules for construction loans, should be carefully re-examined." ■

Overall, the average time to close a deal rose to 49 days in August as opposed to 40 days in August 2011.

in the existing-home sales series, that show current market conditions are comparable with median selling time in balanced markets.

In periods where the existing-home sales series averaged close to a 6-month supply of homes in listed inventory, which is near the low end for market equilibrium, the home buyer and seller series showed a

From 1987 through 2011, analysis of the NAR Profile of Home Buyers and Sellers series showed the typical time on market was 6.9 weeks, while the existing-home sales series showed an average supply of 7.0 months, just above the high end for a balanced market.

The new measure of days on market shows a longer selling time than the historic findings which measured

perseverance has its rewards



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**Celebrating 20 Years
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VLTA Names Distinguished Service Award Winner

The Virginia Land Title Association honored Dave Croson of Stonewall Title & Escrow as the seventh recipient of its Distinguished Service Award for 2012.

Croson, who is a member of ALTA and served as VLTA president in 2009-2010 said he was honored and surprised to receive the award. Current VLTA President Judy Blackwell said Croson spearheaded efforts to get legislation passed in the state requiring title agents to be licensed.

“Dave is a classic rock and roller with a visionary mind,” Blackwell said while presenting Croson with the award.

“He is phenomenal at forging and maintaining relationships and he played an integral part in opening lines of communication with our regulators, starting with the Bureau of Insurance. He is known for being a consummate title professional, and takes great care in ‘doing it right.’”



▲ Dave Croson

DataQuick Completes Acquisition of Rels Title

DataQuick has completed its acquisition of ATI Title Companies, dba Rels Title. The transaction was first announced Sept. 6.

“The addition of Rels Title significantly expands our ability to deliver high-quality title solutions to the lending community,” said John Walsh, president

of DataQuick. We also expect to be able to deliver a greater array of related solutions to existing Rels Title customers.”

Leslie Foster, president of Rels Title, will join DataQuick and continue to lead title operations which will remain headquartered in Minnetonka, Minn.

Mortgage Lenders Embrace Paperless Technology Due to Regulatory Changes, Survey Shows

Xerox’s eighth-annual Path to Paperless survey finds changing industry regulations and standards are having the greatest impact on mortgage lenders’ e-mortgage and paperless initiatives, according to 86 percent of survey respondents.

Survey participants represented mortgage professionals involved with loan origination, underwriting, closing, archiving, investing/funding and servicing.

Up from 28 percent in 2011, 43 percent of respondents believe that the mortgage industry will close more than half of all loans as an e-mortgage within the next four years.

The growing focus on regulatory compliance has also affected how organizations evaluate the advantages of paperless mortgage solutions:

- 90 percent cited access to an audit trail as an important benefit of going paperless.
- 88 percent consider how well a solution

supports compliance for industry regulations as an important paperless benefit.

Almost all respondents—98 percent—said that online collaboration among internal and external participants in the mortgage loan process is a key component of making an office paperless. This includes cooperation among lenders, borrowers, closing agents, investors and servicers working together through an electronic loan folder.

For more on how title agents can maximize efficiency with paperless transactions, check out the June 2012 edition of *TitleNews*.



Ohio Land Title Association Honors Two Members

The Ohio Land Title Association (OLTA) honored William Zabkar with the 2012 OLTA Honorary Life Membership Award and awarded its 2012 OLTA Meritorious Service Award to Tim Evans of Evans Title Agency during its annual convention in September.

Mark Bennett, OLTA's executive director, said Zabkar has been an instrumental part of the title industry for the past 30 years. He has served on the OLTA Board of Trustees including a year as president. Additionally, he served on ALTA's Forms Committee, the Ohio State Bar Association Real Property Specialization Committee and the Ohio Title Insurance Rating Bureau.

Bennett said the Meritorious Service Award is intended to recognize people who have provided outstanding contributions over many years to the title insurance industry in Ohio and/or to OLTA. Evans is chair of ALTA's Title Action Network and serves on the Research, Membership and Title Industry Political Action committees.

Evans said he was honored to be given the



▲ Tim Evans

Meritorious Service Award from OLTA.

"I have always taken service to the industry and my community as a given," he said. "It has never been something I do for recognition, just as an accepted responsibility. To be nominated by a peer within the industry, selected by the nominating committee and recognized by the association is more than I ever expected."

Evans added that the title industry is facing unprecedented challenges. It is imperative for everyone in the industry go get involved.

"We need owners and employees working on behalf of our industry and taking the opportunity to be a voice to our clients, regulators and legislators," Evans said. "The Title Action Network is an ideal platform for individuals to get start today."

22.3 Percent of Mortgages in Negative Equity, Report Shows

The Q2 2012 Negative Equity Report from CoreLogic shows that 10.8 million, or 22 percent, of all residential properties with a mortgage were in negative equity at the end of the second quarter of 2012. This is down from 11.4 million properties, or 24 percent, at the end of the first quarter of 2012. An additional 2.3 million borrowers possessed less than 5 percent equity in their home, referred to as near-negative equity, at the end of the second quarter.

Nevada had the highest percentage of mortgaged properties in negative equity at 59 percent, followed by Florida (43 percent), Arizona (40 percent), Georgia (36 percent) and Michigan (33 percent). These top five states combined account for 34 percent of the total amount of negative equity in the U.S. On the flip side, North Dakota (6 percent) and Alaska reported the lowest percentage of properties with negative equity.

Nebraska Land Title Association Names Title Person of the Year

The Nebraska Land Title Association named Debbie Scott its 2012 Title Person of the Year during the association's annual convention, which was held Sept. 18-20.

"The association feels that no one is more deserving than Deb Scott for the designation of Title Person of the Year for 2012," said Marcy Wagner, NLTA president. "Her dedication in assuring our industry has a voice in Washington, D.C., has become her passion. The Nebraska Land Title Association is a better organization because of her."

Scott, of Omaha National Title & Escrow Co., served

as the 2009-2010 NLTA president. In December 2011, she was appointed by Nebraska's governor to sit on the state's Abstracters Board of Examiners for a five-year term.

"To me, the award is the highest of honors because it represents the appreciation and respect of my peers," said Scott, who also is an ALTA member. "But even without an award, I'd keep doing what I do because I love it."



▲ Debbie Scott

New Members

ALABAMA

Debra Butler
TBX Title, Inc.
Cullman

COLORADO

Larry Brown
Western Title Services, LLC
Lakewood

CONNECTICUT

Laura Benarro Uhrig
Meriden
Daniel Marecki
Premier Abstract & Title Co., LLC
Milford

DELAWARE

Rachel A. Dwares, Esq.
Connolly Gallagher LLP
Wilmington

INDIANA

Roberta J. Dean
Westwood Research Inc
Fort Wayne

MARYLAND

Adam Polsky
Peak Settlements, LLC
Rockville

MASSACHUSETTS

Joyce L. Powderly
Sandwich

MICHIGAN

Marcy A. Welburn
**Transnation Title Agency of Michigan,
Northern Division**
East Lansing

MINNESOTA

Ineke C Leer
LEER Title Services
Walker

James A. Ostendorf
Cornerstone Title, Inc.
Bloomington

NEW JERSEY

Alan S. Wellman
Assurance Title Services, LLC
Newark

NEW YORK

First Nationwide Title Agency, LLC
New York
Diane L. Priola
Counsel Abstract, Inc.
New York

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Blue Ridge Title Company
Arden
Cheryl V. Livingstone
Atlantic Land Title Agency, Inc.
Wilmington

OHIO

Kristy Bowling
Monroe Street Title Company, Ltd.
Millersburg
Charles Diersing
DCB Title Services, LLC
Lewis Center

PENNSYLVANIA

Jim E. O'Rourke
Liberty Bell Agency, Inc.
Philadelphia
Sharon Reimold
Market Street Settlement Co.
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Karin Doyle
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A & N Title & Settlement Co., LLC
Exmore
Ruchi Gupta
Apple Title & Escrow, Inc.
Alexandria

VIRGINIA CONT.

Douglas Nichols
Westwood Title Group, Inc.
McLean

WISCONSIN

Andrew Anderson
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Industry of Champions will Emerge Victorious Because 'We Believe'

It's become traditional at ALTA's Annual Convention to have a song of your choosing played when you take the stage. It didn't take me long to select "We Believe," which was co-written and first performed by Andrea Bocelli at the closing ceremony of the 2006 Torino Olympics. I chose this song for three reasons. First, it references my Italian heritage. I'm commencing the last of a three-year string of Italian ALTA presidents following Anne Anastasi and Chris Abbinante. Second, I chose the song because of its roots in the Olympics. The 2012 Summer Olympics concluded earlier this summer in London. Colorado Springs, which was the site of ALTA's 2012 Annual Convention, is an Olympic town and many of the more than 700 conference attendees toured the Olympic Training Facility.

The last and most important reason for my selection is its powerful and timely message. Just like the Olympic tradition, the song honors champions and what it takes to be a champion. It is about success and achievement through strong commitment. The song's refrain reminds us that in order to succeed at anything there must be a fervent and unflinching belief in what we pursue: "BECAUSE WE BELIEVE."

I believe we are, indeed, champions. And the times we face will require us to be champions. Our belief and our resolve will be tested in the coming months and years. The regulatory environment and the public's perception of our business will challenge us to our very core. Of course, we did not cause the housing crisis or the financial meltdown that has besieged us over the last five years or so. On the contrary, I suggest that our industry put a floor under the collapse. It could have turned out much worse without us.

The industry faces fierce regulatory headwinds. A new closing disclosure form along with new procedures will require process change and retraining. Who will prepare the forms still needs decided. New standards for those that handle settlements will be imposed upon the industry by lender customers in response to governmental

directives. Concerns over agent verification will create uncertainty and cause friction among industry participants. State regulators will continue to study the underwriter/agent dynamic as they pursue measures to protect consumers.

We will navigate the winds of change, adjusting our sails along the way, because we believe in the fundamental importance of our industry. Our guidance system through the storms will be integrity.

This Association is unique in that both agents and underwriters comprise our membership. Additionally, within those two main categories are many sub-parts. In addition to large national underwriters, we serve the interests of small and regional underwriters. Our agent community ranges from small local agents to regional agents to huge national agents. Our members include affiliated companies, as well as independents. And, of course, let's not forget our abstracters. It is through our diversity that we are able to fully and comprehensively represent the entire land title and settlement industry.

The work of the Future of the Industry Project and the creation of the Best Practices are clear examples of what can be achieved through a cooperative effort. I am so very proud of that work and the fact that the solution was an industry solution. We are the American Land Title Association and we come together to provide strength and stability to our industry. Our association is one composed of genuine champions. We come together because we believe in the vital importance of this industry and I firmly believe that integrity resides here.

— Frank Pellegrini, ALTA president



Katie Andrews
Florida Agency Operations



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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.

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