January 2016

TitleNews

Official Publication of the
American Land Title Association

2016 Forecast: Harnessing Disrupters

Title Professionals Can Capitalize on Healthy Housing Market by Adapting to New Market Demands


Where do you want to take your agency this year?
What do you need to do to get there?
It’s a good question, but not one that can be answered in traditional ways, or by a traditional underwriter if you want to really go farther. However, a conversation with us, that leads to a partnership, can help you grow now.
So ponder the question and then contact us and let’s get started achieving meaningful growth in your agency.
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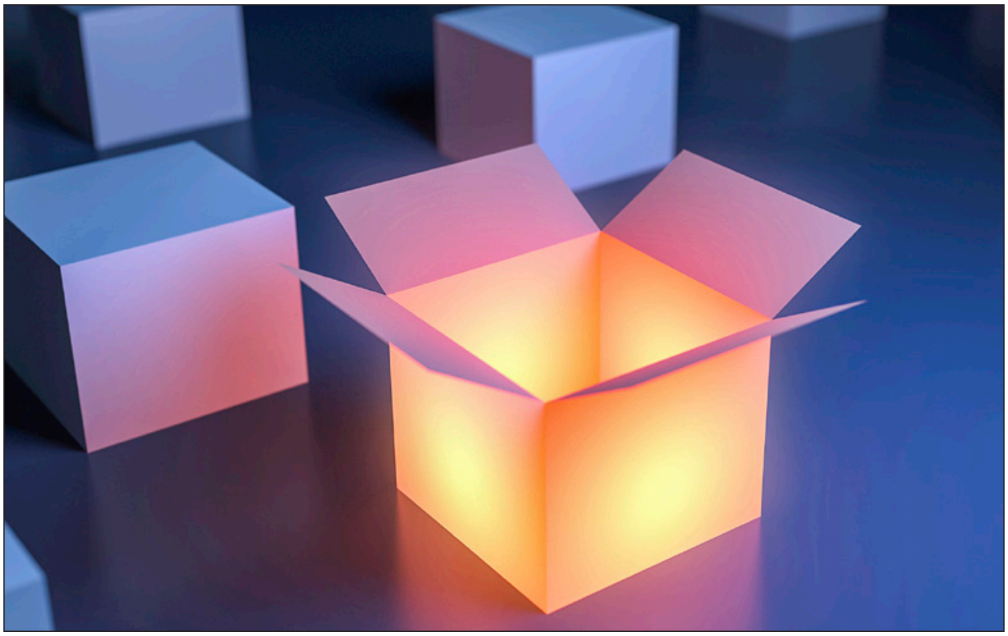

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2016 ALTA CONFERENCES

March 16	Social Media Summit *Indianapolis, IN*
March 16-18	Business Strategies Conference *Indianapolis, IN*
May 16-18	Federal Conference & Lobby Day *Washington, DC*
October 4–7	Annual Convention *Scottsdale, AZ*

STATE CONFERENCES

February 4-6	Alaska *Girdwood, AK*
April 6-8	Palmetto *Cherokee, NC*
April 14-16	Oklahoma *Catoosa, OK*

TitleNews

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AMERICAN LAND TITLE ASSOCIATION

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from the publisher's desk

The Importance of Being Mobile and Agile to Survive and Thrive

The New Year brings a multitude of issues that will affect the mortgage and real estate industry, and ultimately your business volume. Know Before You Owe, interest rate increases, regulatory enforcement, third-party oversight and cyber fraud are just a few of the items that will continue to bring unrelenting change to our industry.

Streamlining and standardizing processes is prudent to deliver sustainable and consistent quality service in a transaction-based industry. In an environment of constant change, having an agile business structure with the ability to quickly adapt to market disrupters and customer needs is essential.

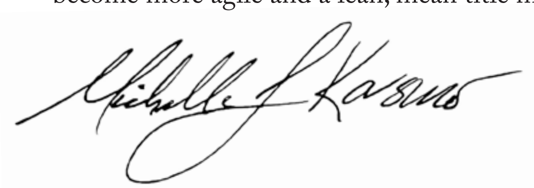
Simply standardizing processes and investing in technology won't ensure your success. To survive and thrive in today's market, you must strike the right balance between systemization and flexibility, and build strategic and operational agility into the business foundation.

Think about how the new integrated mortgage disclosures are impacting your processes. Focus on what you can control—such as the ability to provide accurate fees for the Loan Estimate and Closing Disclosure. Organize around your core processes and then develop an infrastructure that can adapt to your clients' needs in the delivery and production of mortgage documents. Leaders must walk this tightrope of organized chaos to respond quickly to market shifts without completely gumming efficiency.

ALTA understands that all of this change and complexity takes a toll on companies and the employees. Take the S&P 500 Index for instance. There are numerous companies that have existed for decades, but only 86 of the original 500 companies that belonged to the S&P 500 when it formed in 1957 existed on its 50th anniversary. The other 414 either went bankrupt, were taken over or were removed from the index. In that 50-year span, nearly 1,000 companies had been, at some point, added to the index.

What does it take for business to survive and even thrive? Business experts usually say it's about looking around the corner for potential disrupters and looking directly at your consumers to make sure you know what they want and need instead of keeping your head down delivering the product exactly the same way.

I am confident ALTA members will innovate in this time of change and getting closer to homebuyer and client needs. We understand the frustration you may feel with how the industry is evolving. We are here to help. You can trust that ALTA will continue to develop tools and provide information that will help you become more agile and a lean, mean title machine.



— Michelle Korsmo, ALTA chief executive officer

ALTA Informs CFPB of Confusion Caused by Know Before You Owe

In a Nov. 23 letter to the Consumer Financial Protection Bureau (CFPB), ALTA outlined three areas of the Know Before You Owe regulation that are causing confusion in the marketplace.

ALTA indicated that the confusion with the regulation's liability provision has spurred some lenders to modify their closing instructions in an attempt to shift liability to settlement agents for all compliance issues, including lender compliance with federal consumer laws.

"These instructions are in contrast to the clear public policy underpinning this rule, as well as language in the rule stating that lenders bear ultimate liability for errors on the Closing Disclosure form," Michelle Korsmo, ALTA's chief executive officer, wrote in the letter.

According to the rule: *The creditor shall ensure that [the Closing Disclosure and any revisions] are provided in accordance with all requirements [pertaining to final disclosures for mortgage loans secured by real property]." 12 CFR § 1026.19(f)(1)(v).*

ALTA provided several examples of modified closing instructions.

ALTA also informed the CFPB that there's uncertainty on how to handle the disclosure of an owner's title insurance policy when the bureau's calculation method results in a negative number on the Closing Disclosure.

According to Korsmo, "There is uncertainty about whether the rule permits disclosure of a negative number and how this disclosure will impact the consumer's ability to understand their financial responsibilities."

Finally, ALTA asked for clarification on how to handle seller credits. Lenders and settlement agents are unsure if the credits should be listed as individual line items on the Closing Disclosure or whether they should be aggregated and disclosed under a general "seller credits" heading.

ALTA Asks CFPB for Guidance on Vendor Management

In a Nov. 23 letter to the Consumer Financial Protection Bureau (CFPB), ALTA asked for further guidance and clarification about the bureau's role and expectations for third-party vendor management programs.

Industry members have expressed confusion about how to develop robust vendor management programs for fear that they will not meet the bureau's expectations. The letter recommended that the bureau better define its guidelines for vendor management programs, including giving more feedback to the industry about what constitutes an adequate vendor management program and specifying what entities are expected to meet the bureau's vendor management requirements.

The letter encouraged the CFPB to examine the types of vendor management programs that are being adopted in the marketplace. According to the letter, "The lack of a comprehensive understanding of what the bureau, and other federal regulators, are looking for in vendor management programs has led many lenders to impose inconsistent standards for their service providers, exposing service providers to multiple verification processes. These varying processes are proving to be expensive for vendors to adopt, especially for the small title and settlement providers."

ALTA Awards National Title Professional Designation

Tim L. Pearson, president of First Dakota Title in Bismarck, N.D., recently earned ALTA's National Title Professional (NTP) designation.

Pearson has more than 30 years of experience in the title insurance industry. He frequently speaks at industry events for lenders and Realtors and serves on ALTA's Government Affairs and Research committees. He is a member of the North Dakota Land Title Association (NDLTA).

ALTA Compliance Webinar Series to Address RESPA, GLB and UDAAP

One of ALTA's priorities is to continue to provide education to members on regulatory enforcement actions, legal opinions and other directives on legal and regulatory compliance. To help with this, ALTA will offer a Compliance Webinar Series in 2016. Webinars will address the Real Estate Settlement Procedures Act, unfair and deceptive practices and the Gramm Leach Bliley Act. Speakers and dates are still being confirmed, but here's a look at the topics:

Protecting Sensitive Customer Information: The Basics of Gramm-Leach-Bliley

Passed in 1999, the Gramm-Leach-Bliley Act provides the basic legal framework governing title and settlement companies' duty to protect their customers' non-public personal information (NPI). With the increase in data breaches and reports of identity theft, regulators are focused more than ever on the processes companies take to safeguard NPI. This webinar will provide an overview of the core requirements of the law, the latest government actions and recent court cases to help you understand when it's legal to share customer information with or without their explicit permission.

Revisiting RESPA: Understanding Things of Value and Referrals

While the Real Estate Settlement Procedures Act (RESPA) has been around since 1974, its broad language makes compliance with the law an ever-changing process. Recent CFPB and state enforcement actions have changed the game when it comes to understanding RESPA's core prohibition on kickbacks and unearned fees. Come learn the basics of Sections 8(a) and (b) of RESPA from some of the nation's leading experts as they explain the difference between a referral fee and an unearned fee or kickback, and what compensation is permissible under the law. Attendees will walk away with a good analytical framework to help avoid an enforcement action.

Exceptions to the Rule: Review of RESPA 8(c)

Have you ever wondered, "How is it possible for my underwriter to pay me for my services and the referral of business?" or "Can I promote my company to real estate agents and lenders with educational programs or things like pens and pads?" The answer to most of these questions lies in a deeper understanding of the exceptions found in section 8(c) of RESPA. Recent enforcement actions and statements by regulators are changing the way that the industry understands this important provision. Come learn from leading RESPA experts about how these exceptions work in real life and their relationship to RESPA's anti-kickback prohibition.

The Inside Rap on UDAAP: Unfair, Deceptive or Abusive Acts and Practices

Even if a practice is not explicitly prohibited by statute, that doesn't necessarily mean it's legal. The most important tool in the enforcement kits of the Consumer Financial Protection Bureau and state regulators is their ability to prohibit unfair, deceptive or abusive acts and practices (UDAAP). These statutes have far-reaching implications for title and settlement services providers because they provide for enforcement by the government to stop the practices, individual actions for damages brought by consumers who are hurt by the practices, and even criminal liability. Come learn from leading UDAAP experts about what constitutes an unfair, deceptive or abusive act, how these prohibitions are used in enforcement proceedings and how to protect your business from becoming the target of an enforcement action.

For more information and to register, go to *www.alta.org*.

Register for Upcoming Homebuyer Outreach Program Workshop

HOP
HOMEBUYER OUTREACH PROGRAM

Need training on consumer outreach and education? Register for ALTA's next Homebuyer Outreach Program, which will be co-hosted with the Minnesota Land Title Association on April 3 in St. Cloud, Minn. For more information, go to *meetings.alta.org/hop*.

@altaonline

Digital TitleNews Extra

Title Topics: Take Your Consumer Marketing to the Next Level

Learn about the new resources ALTA has developed to help you better communicate with consumers and ensure your real estate partners are prepared to answer questions about the benefits of an owner's title insurance policy.

Social Media Pro-Tip: Don't Forget ALTA's Social Media Dictionary

As part of ALTA's Homebuyer Guide, we have developed a Social Media Dictionary to help explain various social media tools and the different features provided for each tool. We also link to ALTA's social media pages for members to see examples of how to properly use each platform. Access the dictionary at *www.alta.org/homebuyer*.

Want to Post a Job Opening?

Did you know that members of ALTA's LinkedIn group are able to post job openings to our group account? Our group of nearly 9,000 title professionals utilizes the page frequently to identify new job opportunities in their local market. Simply go to *www.linkedin.com* and search for "American Land Title Association – ALTA" and select the ALTA group. For help or more information, email *social@alta.org*.

Looking for Title Insurance Stories?

Did you know ALTA frequently posts stories that highlight the benefits of title insurance from around the United States? The "Title Protects" section of our website can be accessed by visiting *www.alta.org* and selecting "Title Protects" under the "News Room" tab. Have a Title Protects story from your own community to share? Email it to *social@alta.org*.

United We Protect

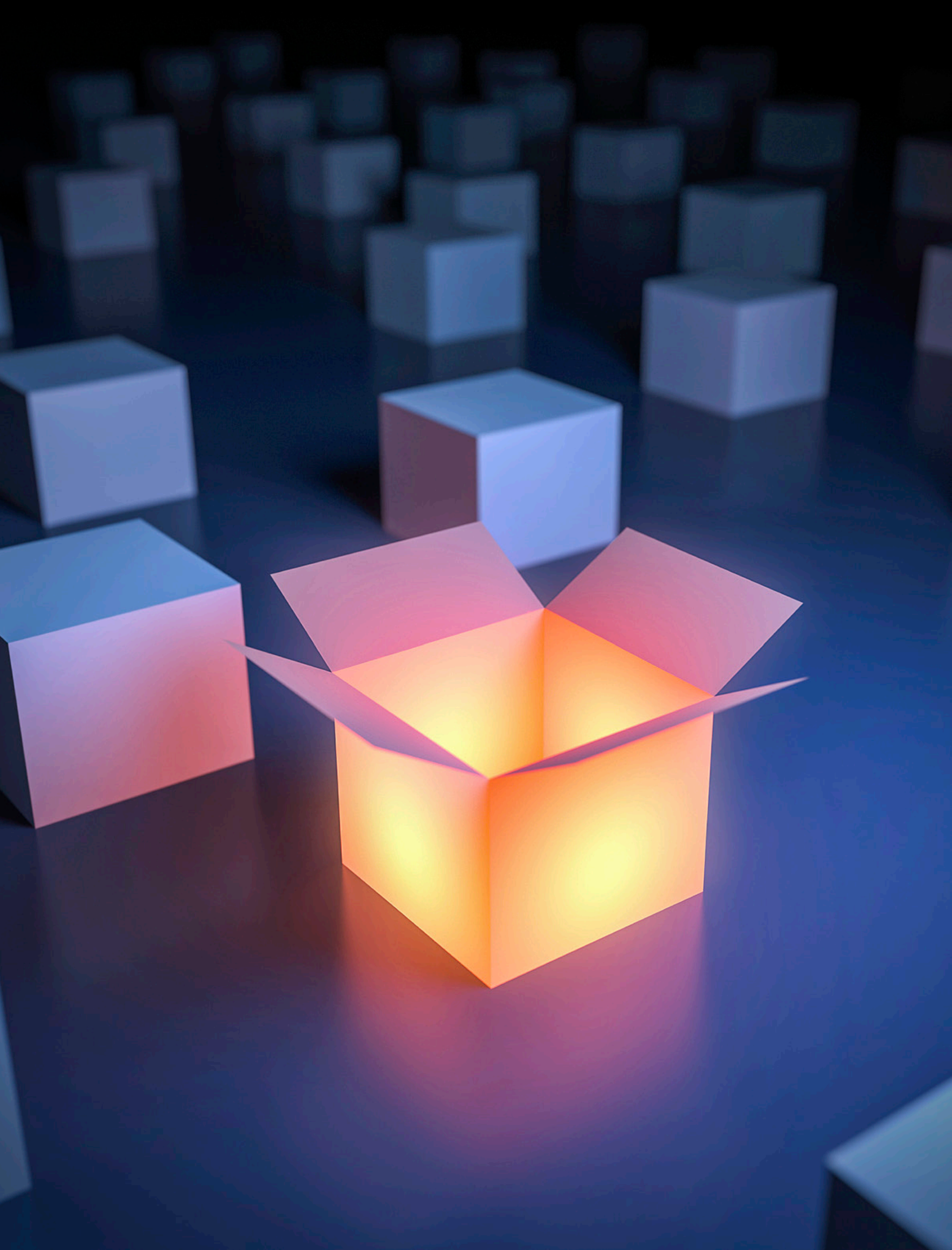
ALTA's "United We Protect" t-shirts are available in the ALTA store at *www.alta.org*. With men's and women's sizes ranging from S-3XL, these shirts make a great staff gift or office giveaway. Shirts are available to ALTA members for $20 including shipping. Show your pride and tell consumers that you help protect their property rights by purchasing one of these shirts today.

2016 Forecast: Harnessing Disrupters

Title Professionals Can Capitalize on Healthy Housing Market by Adapting to New Market Demands

In real estate, it's said location is king. If that's the case, timing may just be the queen. For Cynthia Blair, the October implementation of the Consumer Financial Protection Bureau's TILA-RESPA Integrated Disclosures (TRID) rule may have come at the perfect time. A little over a year ago, Blair and four other attorneys went out on their own and launched the South Carolina-based law firm Blair Cato Pickren Casterline LLC. >>

By Jeremy Yohe



While there's typically some bumps and unexpected issues that come up when launching a startup, Blair and her real estate partners capitalized on the opportunity provided by the new mortgage disclosures. A loyal customer base that followed the attorneys to the new firm, coupled with real estate agents and lenders that needed training on TRID, proved to be the perfect mix to drive profits.

"My partners and I decided that with the changes we knew were coming, we felt like a different business model would allow for more agility in the market," said Blair, who is a member of ALTA's Board of Governors. "We expected that we wouldn't take home a paycheck for a few months, but we were surprised at the level of business that remained loyal. Frankly, TRID was a great opportunity and fortuitous because it allowed us to take advantage of our knowledge and be front and center providing education."

With a year under their belt and a diverse book of business revolving around residential, refinances, new construction, REO and relocation, Blair holds a conservative outlook for the company in 2016.

"With the presidential election coming, the industry continuing to adapt to TRID and the Fed raising the short-term interest rate, people are holding their breath," Blair said. "The title agents and attorneys that adapt to market needs and delivery a quality customer experience will be able to withstand any sudden changes in business."

> "I don't think the industry really understood how much of the process would change. It will take about six months to understand how the TRID rollout went and another six months before people are comfortable with the process."

The TRID Effect

ALTA CEO Michelle Korsmo agrees that TRID will be a priority for title and settlement agents in 2016. She believes it's imperative for the industry to keep abreast of what consumers want in the process, and for all professionals involved in the transaction to realize they are in this together.

"It's important for everyone to continue to provide consistent and clear communication, and accurate fee information, so the industry can best assist consumers," Korsmo said. "When there's frustration, there's a tendency to point fingers. If everyone works together we will provide a better experience for borrowers. We all know that closing efficiency drives consumer satisfaction."

Early indicators point to TRID causing delays in transaction timelines. According to Ellie Mae, mortgages took an average of 49 days to close in November, a three-day increase from October and the longest closing time since February 2013. This delay caused closings on existing homes to decline 10.5 percent from November to October.

"This isn't like anything we've experienced," Korsmo said. "There will be bumps with anything that requires a new process. I don't think the industry really understood how much of the process would change. It will take about six months to understand how the TRID rollout went and another six months before people are comfortable with the process."

While TRID has slowed closings, Lawrence Yun, chief economist for the National Association of Realtors, said November home sales "without a doubt were heavily impacted" by the new rule. He added that sales may rebound because "buying interest is there, it's just that closings are not happening on a timely basis."

While 2015 brought new mortgage disclosures, the Federal Open Market Committee raised the federal funds rate for the first time since 2006.

Rates increased slightly toward the end of 2015, but according to Freddie Mac's chief economist, Sean Becketti, interest rates should remain at "historically low levels" throughout 2016, in spite of whatever moves the Federal Reserve is expected to make.

Market Forecast Highlights

Here's a look at some projections from the Mortgage Bankers Association.

$905 billion
Purchase originations will increase in 2016 from the estimated $821 billion in 2016. The MBA predicts purchase origination volume will rise to $978 billion in 2017 and $1.02 trillion 2018.

$415 billion
Refinance origination volume will shrink in 2016 compared to the estimated $630 billion in 2015. Refinance volume is projected to decline further to $331 billion in 2017 and $275 billion in 2018.

1.31 million
Housing starts are forecast to rise slowly over the next few years, rising from 1.14 million in 2015 to 1.38 million in 2017.

4.8%
The 30-year fixed-rate mortgage is forecast to rise to 4.8 percent in 2016 and then hit 5.4 percent in 2017.

0.875%
Projection for the federal funds rate by the end of 2016 before pushing up to 2.375 percent by the end of 2017.

2.5%
The U.S. real gross domestic product is forecast to hold steady compared to 2015 and then shrink to 2.3 percent in 2017.

Lender Business

Despite the Federal Reserve's decision, the Mortgage Bankers Association (MBA) still projects $905 million in purchase mortgage originations in 2016—a 10 percent increase from 2015—due to the strengthening economy. However, the MBA noted that a sharp drop in refinance originations—from $630 billion in 2015 to $415 billion—will result in an overall decrease in mortgage originations, from $1.45 trillion last year to $1.32 trillion in 2016.

"We have become increasingly more optimistic about the home purchase market," said MBA Chief Economist Mike Fratantoni. "Refinance activity will continue to decline as there are few remaining households that can benefit from an interest rate reduction and because interest rates will gradually begin to rise from historic lows in the coming years."

Fratantoni noted that home equity products may see an increase in demand as home prices continue to increase at a slower rate. Frank Nothaft, CoreLogic's chief economist, said the consensus among Fed policymakers is that the federal funds target should be raised around 1 percentage point by the end of 2016. Higher short-term rates will mean that homeowners who have adjustable-rate mortgages or home-equity lines will likely see a rise in their rate. Fixed-rate mortgage rates will likely also rise, perhaps up one-half of a percentage point between now and the end of 2016, reaching 4.5 percent for 30-year loans. Even after this rise, mortgage rates will remain historically low, more than a full percentage below the average rate during the Great Recession.

Meanwhile, the MBA projects originations of commercial and multifamily mortgages to rise by 6 percent in 2016 to $485 billion.

Resale Market on Track for Expansion in 2016

According to Yun, the pent-up demand for buying in recent years finally broke out in a meaningful way in 2015, fueled by sustained job growth in many parts of the country and rising home values giving more homeowners the incentive to sell—a trend that he expects to continue next year.

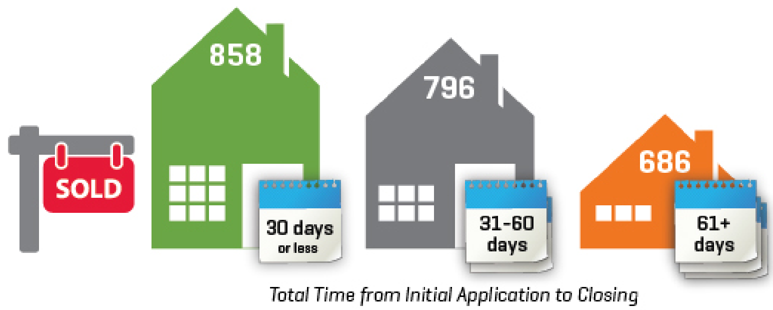
"Sales activity in 2016 will once again be primarily driven by the ongoing release of more pent-up sellers finally realizing their equity gains and using it towards the down payment on their next home," said Yun.

Yun forecasted home sales to finish 2015 at a pace of 5.3 million and then expand 3 percent to around 5.45 million in 2016. The national median existing-home price was expected to rise around 6 percent last year before slightly

SNAPSHOT | 2015 U.S. Primary Mortgage Origination Satisfaction Study

The Longer the Mortgage Process, The More Customer Satisfaction Declines

Overall satisfaction based on a 1,000-point scale



moderating to around 5 percent in 2016. Although Yun anticipates further expansion in existing sales next year, rising mortgage rates and supply constraints are two likely roadblocks that have the potential to slow the pace of sales from being even more robust. Yun forecasts single-family housing starts to close out around 1.1 million in 2015 and reach 1.3 million in 2016, which is still below the 1.5 million he says is needed each year to keep up with current demand. New-home sales are likely to total 505,000 last year, and increase to 590,000 in 2016.

Cris deRitis, senior director of credit analytics at Moody's Analytics, also expects ongoing affordability pressures in some areas as builders slowly respond to current housing shortages. DeRitis said there's still an above-average share of young adults living with their parents. He predicted a burst of activity in new construction and home sales in upcoming years, backed by a labor market at full employment, and pent-up demand from delayed household formation and rising rents will encourage more renters to consider buying.

Yun anticipates the homeownership rate will decline slightly further as the number of new renter households exceeds the share of new homebuyers. He said the pendulum will likely swing toward a balance of more new homeowners as early as 2017.

Jonathan Corr, president and CEO at Ellie Mae, believes the mortgage and real estate industries must adjust to the upcoming wave of new buyers.

"Millennials outnumber baby boomers by almost 10 percent, and they're collectively just entering their homebuying years with marriage and children on the horizon," added Corr. "The good news is that most surveys are finding that Millennials still want to engage directly with mortgage professionals and Realtors at key times in the buying process. Going forward, both will need to adjust accordingly by further adopting digital processes that make the buying experience easy and accessible for this group of engaged buyers."

Housing Recovery to Pick Up Steam in 2016, but Challenges Remain

Steady employment and economic growth, pent-up demand, affordable home prices and attractive mortgage rates will keep the housing market on a gradual upward trend in 2016. However, persistent headwinds related to shortages and availability of lots and labor, along with rising materials prices, are impeding a more robust recovery.

"This recovery is all about jobs," said David Crowe, chief economist for the National Association of Home Builders (NAHB). "If people can get good jobs that pay decent incomes, the housing market will continue to move forward."

The good news, Crowe added, is that total U.S. employment of 142 million is now well above the 2008 peak of 138 million.

The one caveat is that job growth has been concentrated heavily in the service sector, which tends to pay lower wages than goods-producing jobs.

FannieMae

Housing Forecast

	2015				2016				2017							
	15.1	15.2	15.3	15.4	16.1	16.2	16.3	16.4	17.1	17.2	17.3	17.4	2014	2015	2016	2017
Housing Starts and Sales (SAAR, Thous. Units)																
Housing Starts	978	1,158	1,153	1,125	1,180	1,215	1,251	1,281	1,315	1,337	1,376	1,391	1,003	1,103	1,232	1,355
Single-Family (1 Unit)	643	706	744	735	770	810	846	881	915	937	956	971	648	707	827	945
Percent Change: Year-over-Year													4.9%	9.1%	16.9%	14.3%
Multifamily (2+ Units)	335	451	409	390	410	405	405	400	400	400	420	420	355	396	405	410
New Single-Family Home Sales	517	497	487	484	512	548	567	593	607	624	636	649	437	496	555	629
Percent Change: Year-over-Year													1.9%	13.5%	11.9%	13.3%
Total Existing Home Sales (Single-Family, Condos and Co-Ops)	4,973	5,297	5,477	5,372	5,376	5,434	5,501	5,466	5,491	5,506	5,543	5,576	4,940	5,280	5,444	5,529
Percent Change: Year-over-Year													-2.9%	6.9%	3.1%	1.6%
Total Home Sales (New + Existing)	5,490	5,794	5,964	5,856	5,889	5,981	6,068	6,059	6,098	6,130	6,180	6,226	5,377	5,776	5,999	6,158
Percent Change: Year-over-Year													-2.6%	7.4%	3.9%	2.6%
Home Prices (NSA, Thous. $)																
Median New	293	290	299	316	306	301	311	331	320	313	323	342	283	299	312	325
Median Total Existing	203	228	227	217	213	237	236	228	222	246	245	236	208	219	228	237
FHFA Purchase-Only Index (% Change: Quarterly YoY, Annual Q4/Q4)	5.3%	5.6%	5.7%	4.7%	4.6%	3.9%	4.2%	4.9%	4.8%	4.1%	3.8%	3.7%	5.0%	4.7%	4.9%	3.7%
Mortgage Rates (Percent)																
30-Year Fixed Rate Mortgage	3.7	3.8	4.0	3.9	4.0	4.0	4.1	4.1	4.2	4.2	4.2	4.3	4.2	3.9	4.1	4.2
5-Year Adjustable Rate Mortgage	2.9	2.9	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.6	3.6	3.0	2.9	3.3	3.5
1-Year Adjustable Rate Mortgage	2.4	2.5	2.6	2.6	2.8	2.9	2.9	3.0	3.1	3.1	3.2	3.2	2.4	2.5	2.9	3.2
Single-Family Mortgage Originations (NSA, Bil. $, 1-4 Units)																
Mortgage Originations	384	500	427	400	310	379	374	347	287	374	376	353	1,301	1,711	1,410	1,390
Purchase	156	261	263	236	173	266	269	244	185	277	279	255	783	916	952	997
Refinance	229	239	164	164	137	113	104	103	101	97	97	98	518	795	458	393
Refinance Share (%)	59%	48%	38%	41%	44%	30%	28%	30%	35%	26%	26%	28%	40%	46%	32%	28%

December 10, 2015

Note: Interest rate forecasts are based on rates from November 30, 2015.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Sources: Actuals: Census Bureau, National Association of REALTORS®, Federal Housing Finance Agency, Freddie Mac, Federal Reserve Board. Forecasts: Fannie Mae Economic & Strategic Research Group

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Meanwhile, home equity has nearly doubled since 2011 and now stands at $12.5 trillion.

"The single biggest asset in most people's portfolio is the home they own," said Crowe. "That's important because the primary purchasers of new homes are the sellers of existing homes. The more equity they have, the more comfortable they feel about purchasing a new home."

Supply Headwinds

Crowe noted several factors that are hindering a more robust recovery. Citing an NAHB survey of its members, 13 percent of builders reported that cost and availability of labor was a significant problem in 2011 and that concern jumped to 61 percent in 2014.

About one-fifth of builders shared the same concerns regarding lots in 2011 and that ratio shot up to 58 percent in 2014. Concerns over building materials stood at 58 percent among builders in 2014, up from 33 percent in 2011.

NAHB projects a total of 719,000 single-family starts in 2015. Single-family production is projected to increase an additional 27 percent in 2016, to 914,000 units. Multifamily starts are expected to rise 9 percent to 387,000 units in 2015 and post a modest 3 percent decline to 378,000 units in 2016. Residential remodeling activity is forecasted to rise 6.1 percent in 2016.

Suburbs Still Sizzle

Looking at home-buyer preferences, Trulia Housing Economist Ralph McLaughlin said that contrary to popular belief, Millennials prefer to own a home in the suburbs rather than rent in the cities.

"Many believe that homebuyers are bucking the trend of previous generations in that they want to live in urban areas and want to rent," said McLaughlin. "What we are finding from our surveys is just the opposite. Among Millennial renters, almost 90 percent say they eventually want to purchase a home. That is significantly higher than Gen Xers and quite a bit more than current Baby Boomer renters, who are at 40 percent."

However, an overwhelming majority of Millennials, who are still starting households and paying off college debt, say it will be at least two years before they are ready to buy.

Roughly half of all Americans prefer to live in suburban areas, about a quarter prefer urban areas and just over 20 percent prefer rural communities, according to a Trulia survey conducted last November.

"As we get into the recovery, suburban areas are growing faster than urban areas," said McLaughlin. "That is a sign that the urbanization trend we saw start to happen at the beginning of the recovery was more of a blip rather than a new rule."

Moreover, the percentage of households living in urban neighborhoods in 2013 was lower among nearly all age groups compared to 2000.

"So again, this shows there really isn't an urbanization trend among households," said McLaughlin.

Over the past five years, the share of searches on Trulia in suburban-urban zip code areas has held fairly constant, at roughly a four-to-one ratio for suburban searches.

"Homebuyers are saying they prefer modern and modest-sized homes in the suburbs with amenities," he said, adding that 44 percent of Americans say they want to live in a house between 1,400 and 2,600 square feet.

"You should make plans to ensure your company is easy to work with and transparent in its processes."

Recovery in All Regions, but Pace Varies

Delving below the national numbers, NAHB Senior Economist Robert Denk said that housing market conditions are improving in all regions, but the pace of recovery continues to vary by state and region.

"We've gotten to the point in the recovery where we no longer have problems that came with the housing bust," said Denk. "It now is really a matter of housing markets reconnecting to the fundamental driver, and that is employment. Production has been rebounding in all regions, prices have been moving up and new foreclosures are back to more normal levels."

Using the 2000-2003 period as a healthy benchmark, when single-family starts averaged 1.3 million units on an annual basis, NAHB is projecting that single-family production, which bottomed out at an average 27 percent of normal production in early 2009, will rise to 74 percent of normal by the fourth quarter of 2016 and climb to 91 percent of normal by the end of 2017. Single-family production currently stands at 53% of normal activity.

The hardest-hit areas during the downturn were a combination of the bubble states—California, Arizona, Nevada and Florida—and the industrial Midwest. The bubble states had the most excessive price and production spikes, while the problems in the Midwest were more related to fundamental economic weakness.

The most successful recoveries are happening now in the energy states, including North Dakota, Wyoming, Texas, Montana and Louisiana. Other states exhibiting strong employment and housing growth include South Carolina, Utah, Tennessee, Idaho, Oregon and North Carolina.

In another way of looking at the long road back to normal, by the end of 2017, the top 40 percent of states will be back to 99 percent or more of normal production levels, compared to the bottom 20 percent, which will still be below 73 percent.

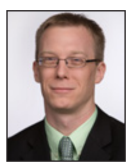
"Keep in mind that with all of these buckets, the numbers keep getting higher," said Denk. "There is broad-based improvement across the country."

Adjusting to Disrupters

Crunching the economic numbers and having a solid business plan will go a long way to achieving success in 2016. Another key metric will be the ability to adapt to market changes. TRID and technology is bringing a culture shift for the industry and will affect the way consumers purchase homes.

"What does all of the consumer and compliance change mean?" Korsmo asked. "It means you should make plans to ensure your company is easy to work with and transparent in its processes. Understand your customers. Know how they want to interact and what makes them feel valued."

"Lenders and real estate agents influence consumer selection of settlement service providers, however, a more informed consumer makes for a better marketplace. Settlement agents need to take a more active role in engaging consumers and explaining the benefits of title insurance."



Jeremy Yohe is the vice president of communications at the American Land Title Association. He can be reached by phone at 202-261-2938 or at *jyohe@alta.org*.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A Look Into the Title Industry's Crystal Ball

2015 has been a year of seismic change for the title industry. Don't expect a total return to "normalcy" in 2016

BY COREY HULBERT

Although mortgage origination volume was relatively strong much of the year, 2015 will be better remembered as a year of upheaval for the settlement services industry. The greater real estate and mortgage industry continued its incremental recovery from the depths of the prolonged slump kicked off by the subprime meltdown, approaching some level of market stability as purchase transactions began to replace refinance. However, the day-to-day perspective of the typical title professional was focused on compliance and regulatory change. The demands and requests of lender clients, driven by regulatory mandates, became increasingly challenging and more varied from lender to lender than ever before. Several enforcement actions strongly challenged a number of marketing services agreements, putting the very future of these vehicles into real doubt. The year's biggest story, however, was the October implementation of the TILA-RESPA Integrated Disclosure rule (TRID). As the aftershocks from perhaps the most impactful of the Consumer Financial Protection Bureau's (CFPB) reforms affecting the title industry continue into the New Year, title professionals are scrambling to adapt to a rapidly-changing (and increasingly more challenging) world. Although we came into 2015 discussing the merits of implementing ALTA's Best Practices, we enter 2016 discussing the real possibility that even tighter standards may be necessary (such as the American Institute of Certified Public Accountants SOC II designation) simply to keep the business of risk-averse lending clients.

With change comes opportunity. There can be little doubt that 2016 will be volatile (especially on the regulatory front). However, the overall loan origination and housing market outlook looks very similar to that of 2015. There is ample business to be had for those willing to adapt to change. With this in mind, here are several strong possibilities for our industry in 2016.

The industry will become accustomed to TRID, until the first CFPB enforcement actions arrive, spurring a new period of activity.

Early indications are that, while a significant percentage of the title industry understood just how significant the changes mandated by TRID would be, not all lenders or originators did. The early months have involved quite a bit of adaptation, improvisation and rearranging to accommodate clients that did not foresee some of the impending complications. Like any major regulatory change, TRID will eventually become accepted as the new normal. However, don't be surprised if we see another significant spike in technological development and adaptation after the CFPB issues its early guidance—especially if it comes in the form of an enforcement action. It is quite possible these actions could be brought against service providers (technology developers, title agents) directly to make a point. We also know that there are a number of gray areas in the implementation of TRID that will need to be resolved. Some of the "workarounds" employed to address uncertainty will likely prove to be unacceptable. Once we are given additional clarity, there will be another, albeit slightly less dramatic, adjustment period. This could go on throughout the year.

Settlement services firms will become increasingly creative in an effort to "get bigger" to meet market demand.

We've known for some time now that the CFPB is holding mortgage lenders accountable for the actions of their service providers. Over the past two years, this has spurred quite a bit of activity on the lender side as they move to bulk up vendor management procedures, move some functions in house and, above all, consolidate their network of service providers to limit their exposure. Already, the title industry has begun to react. We've certainly seen some increase in merger and acquisition activity in the past 18 months. However, many more firms—especially independent agencies—are exploring different options. Mid-sized firms are partnering into loose strategic alliances, combining back-office resources to eliminate redundancies and reduce costs while increasing geographic footprint. Larger firms are partnering with small agencies—via acquisition or less-binding agreements. It is an expensive proposition to simply acquire another business. It's even more daunting during a time when title agents and underwriters are spending increasingly to stay compliant and meet changing client demands. From technology to third-party certification of a firm's standards, many title-related businesses are not in position to undertake a spending spree. This trend will continue, and we will see even more creative partnerships in 2016 designed to help share costs while keeping the participants attractive to mortgage lending prospects.

The settlement services industry will more aggressively and more creatively seek ways to reduce costs and improve margins.

It has never been inexpensive to operate most forms of title or settlement services operations. However, the continued increase in costs pumped up by market demand as well as regulatory mandates have made it more difficult than ever to turn a significant profit in our industry. In 2016, we will see firms take a hard look at things they once wouldn't consider. Everything will be on the table. Even the largest businesses will consider outsourcing—and demand more of their outsourcing partners—in order to reduce costs. Multiple technologies will be considered and adopted, and more will be expected of our industry's technology developers. Versatility and flexibility may begin to supplant experience and reputation when it comes to staffing and operational strategy. And we will see more effort placed on marketing (not business development or direct sales, but true marketing) in an effort to draw new clients from a changing client base.

The names and faces may begin to change.

It has long been accepted that the title industry and, in fact, the larger real estate and mortgage industry, is not one of heavy turnover. Successful businesses tend to have long life cycles. Thoughtful leaders and successful executives may change firms, but we rarely see "outsiders" coming in and making a splash. This will begin to change in 2016. Because of the dynamic nature of regulations and rule changes such as TRID, some firms will simply not be flexible enough to maintain their success. A combination of enforcement action and M&A activity may begin to change the market landscape, which in turn may inspire others to seek to either grow—or sell. Periods of change are classic platforms for investment activity, thus, it seems likely that we will see a trickle of non-insiders coming into our industry. Additionally, many of the smaller or newer "players"—especially technology, outsourcing and similar service providers—now have an opportunity to create and innovate. While 10 years ago, potential clients were more likely to stick with the tried and true vendors, the incredible demands of the market as it is today will drive firms to consider smaller or more flexible vendors as they seek ways to become more flexible and stay competitive.

Make no mistake about it. The title industry has been anticipating major transformation since the passage of the Dodd-Frank Act and subsequent rise of the CFPB. Many have chosen to sit on the fence until a clear direction could be seen. That direction is now crystal clear and, in 2016, the title industry will have no choice but to begin making bold decisions and reacting. This is not necessarily a negative development, as it is in times of change that an industry truly begins to innovate and evolve. We may indeed be on the verge of a very bright future. ■

Corey Hulbert is assistant vice president of Sales and head of SmartProp business at American Tax & Property Reporting Inc. (ATPR), which provides technology-focused solutions for the real estate and settlement services industry. SmartProp provides property search reports backed by a nationwide network.

Tips for Hiring Managers on How to Recruit Veterans

Translating Military Experience into Civilian Language and Terminology Key to Understanding Skills

Finding the right person to fill a job opening is challenging. Employers want people who are capable and responsible. One potential demographic for title companies to consider is military veterans, who bring a set of skills to the workplace. The key thing is being able to distill their qualifications during the interview process.

Justin Constantine, who served with the Marines in Iraq and now works as a liaison between the military and corporate communities, provided some valuable tips for hiring managers who are looking to recruit veterans.

"It's great that so many businesses are saying they want to hire veterans," Constantine said. "But it's not enough to just say it. You have to do some legwork to meet them halfway, but for some hiring managers they might not know where to start, especially if they don't have a military background."

Constantine, who leads a team at the U.S. Chamber of Commerce Foundation's Hiring Our Heroes campaign, explained that members of the military have very different experiences, job titles and ways of talking about work. Even when their experience is directly applicable to a job opening, it may not be clear on their resume to a hiring manager who doesn't know what to look for.

To help, Constantine put these three tips together for hiring managers looking to recruit veterans:

Learn their language. Corporate America has *mentors*; the military has *sponsors*. Corporate America has *hiring managers*; the military has *recruiters*. Corporate America has *job titles*; the military has *billets*. The list goes on.

"When service members leave the military, they receive some training in translating their experience into corporate English," said Constantine. "But they may not always remember to do that. If you see a term you don't understand, ask what it means or search for it online."

Understand their values. People who work in the corporate world are constantly taught to self-promote in order to get ahead. But members of the military learn to focus on the mission and only take responsibility for mistakes.

"If you are interviewing a veteran, you may find they avoid talking about their achievements because they don't want to sound like they're bragging," said Constantine. "You may need to draw them out by asking them to explain their role in a mission's success."

Appreciate their experience. Even straightforward tasks in the military require exponentially more planning and risk than equivalents in the corporate world. Don't assume that you understand everything that went into a simple job description. Ask for details.

"A veteran might tell you that they 'drove a truck in Iraq,'" Constantine said. "In reality, that might mean they led four other people for six months, planned missions for 100 convoys and displayed courage under fire as enemies attacked. Who wouldn't want someone with those skills working for them?" ■

Resources

The U.S. Department of Labor has resources to help employers hire veterans:

U.S. Department of Labor's America's Heroes at Work: *www.dol.gov/vets/*

U.S. Department of Labor's Veterans' Employment and Training Service: *www.dol.gov/vets/ahaw/recruit.htm*

Title Insurance Protects Town in Dispute Over Landlocked Parcel

The Right of Legal Access to a Parcel of Land is Often Taken for Granted by Insureds

Facts: The right of legal access to a parcel of land has long been a basic coverage provided by title insurance, and is often taken for granted by insureds. This was the case for the town of Lincoln, Mass., until the Air Force erected barriers and posted an armed guard in front of a one-acre parcel that was to become a group home for mentally disabled adults. The parcel, known as 12 Airport Road, had been a single-family home for several decades before burning down in 2005. Afterward, the town acquired the parcel through their affordable housing trust.

The parcel is located on a road leading into Hanscom Air Force Base. The road was constructed and operated by the Commonwealth of Massachusetts in 1946 as a state highway. In the early 1970s, at the request of the United States, the Massachusetts Department of Public Works ordered that the part of the road leading into Hanscom was not needed for highway purposes. This portion of the road, which was needed to access the parcel, was then conveyed to the United States. Until 2011, the owners of the parcel could use the road. Once the town started moving construction equipment onto the lot to commence building the group home, the Air Force placed the barriers along the roadside barring access to the land, but not the road itself. The United States then took the position that it owned the road; the owner of the parcel never had more than a revocable license to use the road, and now it was being revoked. Massachusetts has no statute granting to abutters of discontinued public ways a right to continued use to access their land. Nor does the state's highest court recognize a common law right to such use.

Outcome: The facts creating the claim were almost as peculiar as to how the claim was resolved. Long before there was a single-family residence at 12 Airport Road, the site played host to an important battle during the Revolutionary War. Parker's Revenge took place on April 19, 1775, and is still re-enacted annually by the Minute Men National Park Association on the abutting Minute Man National Park. The Minute Men had long been trying to purchase the property to become part of the Minute Man National Park. After four years of litigation, a settlement was proposed in which a non-profit organization offered to purchase the property for land preservation. The town decided it was best to sell and find an alternative location for the group home.

Lesson Learned: The title insurance policy purchased by the town's housing trust upon taking title to the parcel proved to be a wise investment. The insurer covered all the litigation expenses in both federal and state courts, as well as negotiating the sale of the property. Without the policy, the town would have been exposed to all court costs and legal fees, and may have ended up with a valueless landlocked parcel. ■

This claims summary was prepared by Andrew LeGrant. For more information, contact John Scanlon, claims counsel at CATIC, at jscanlon@catic.com.

Claims Corner

The Claims Corner is provided by ALTA's Claims Committee, which reviews claims that have a unique or interesting set of facts or triggers an unusual aspect of a title policy. If you have an example that would make for an interesting article, send your suggestion to *communications@alta.org*.

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www.alta.org/homebuyer

For assistance with the Homebuyer Outreach Program (HOP), or to request a training in your state/at your company, please contact ALTA at 202-296-3671 or *communications@alta.org*.

Title Technology Legend Passes Away

Edward Wyatt Bell, founder and president of Landtech Data Corp., passed away on Nov. 2.

Edward started working in the title industry at a young age, completing settlement statements after hours for his father, William Wyatt Bell, who was a real estate attorney in Michigan. After attending Michigan State in the early 1970s, Edward eventually went on to found two title companies before starting Landtech.

"His vision and dedication to improving the closing process has been realized by thousands of agents all across the United States," said Benjamin Bell, director of sales and marketing for Landtech. "With the dawn of the computer age, Edward envisioned creating a software package geared toward the title insurance and closing industry."

Landtech's system launched on the Radio Shack TRS-80 Model I computer. According to Benjamin Bell, this first system had no lower-case characters or color. It had only 32K of memory with two floppy drives. Much of the internal system and the programming were written by Bill Gates and Paul Allen. This was seven years before Microsoft would go public and more than two years prior to the introduction of the IBM PC, which would revolutionize the workplace.

Benjamin Bell said Edward Wyatt Bell programmed the first closing software package on the market, the Landtech Real Estate Settlement System. He eventually sold a system in 1979 for $395. It's been said that he chose this price because he could pay it back if it didn't work. After 36 years in business, Landtech is now utilized by closing agents on over 10,000 desktops.

Edward Wyatt Bell was also an avid pilot during his free time. He was one of only 200 pilots in the world to have an Airline Transport Pilot License for helicopter and fixed wing aircraft.

OCC Provides Guidance for Initial TRID Examinations

The Office of the Comptroller of the Currency (OCC) provided guidance regarding initial examinations of OCC-supervised institutions for compliance with the TILA-RESPA Integrated Disclosure (TRID) rule.

The guidance applies to national banks and federal savings associations (collectively, banks) with $10 billion or less in total assets.

Highlights:

- During initial examinations for compliance with the rule, OCC examiners are evaluating a bank's compliance management system and overall efforts to come into compliance, recognizing the scope and scale of changes necessary for each bank to achieve effective compliance.
- Examiners expect banks to make good-faith efforts to comply with the rule's requirements in a timely manner. Specifically, examiners are considering the bank's implementation plan, including actions taken to update policies, procedures and processes, as well as training of appropriate staff and handling of early technical problems or other implementation challenges.
- The OCC's supervisory approach regarding the rule is similar to the approach the OCC took in initial examinations for compliance with implementing provisions regarding mortgage rules in the of the Dodd-Frank Wall Street Reform and Consumer Protection Act that went into effect in January 2014.

LodeStar Integrates with BeesPath Collaboration Portal

LodeStar Software Solutions, a provider of compliance software for the mortgage and title insurance industries, has integrated its Loan Estimate Calculator with BeesPath ClosingBridge for initiating closing collaboration directly with title order delivery. According to LodeStar, the new service allows lenders and title agents to accurately quote and receive fees and then securely deliver those fees as a title order, starting collaboration at the beginning of a transaction. Lodestar will also be an authorized reseller of BeesPath's ClosingBridge system.

Stewart Title Partners with zipLogix

Stewart Title and zipLogix have developed an integration for Realtors to place title/escrow orders and send documents directly from zipForm to Stewart.

This integrated solution makes it convenient to open an order by transmitting all the transaction information electronically once users click the "Go" button within zipForm, the companies said in a release. Users can select their preferred escrow officer or location, or have their order routed to the nearest Stewart policy-issuing office.

LandStar Title Agency Forms Strategic Partnership with Accord Abstract

LandStar Title Agency, a New York-based title insurance provider, recently formed a strategic alliance with Accord Abstract.

LandStar was founded in 2002 by John F. Burke and Kenneth Warner. Richard Lipman, who will remain president of Accord Abstract, has been appointed vice president and counsel at LandStar.

"Navigating the regulatory landscape we are now in, I could not think of two better people to partner with," Lipman said. "I will have the ability to offer my clients the top underwriters in the country, the latest in electronic recording capabilities and an enhanced client-focused experience."

SoftPro Integrates with Investors Title and National Investors

SoftPro, a provider of title, closing and escrow software, announced the integration of Investors Title and National Investors' ClientCONNECT software with the SoftPro 360 business exchange platform.

SoftPro customers who are agents of either company now have a direct link to generate closing protection letters and policy jackets between ClientCONNECT and their SoftPro title production software. SoftPro said that by eliminating the agent's need to leave their production system and by automatically transferring information, ClientCONNECT increases the agent's efficiency and significantly reduces re-keying errors.

North American Title Launches STAR Agent Network

North American Title Insurance Co. (NATIC) launched its STAR Agent Network program, which was created to enhance transparency with customer groups, promote the high standards of its agents and provide high-level education, training and support for its agents.

As part of the program, NATIC independent agencies and attorney agents will be provided with the new STAR Agent Network seal stating that they are part of NATIC's trusted network of policy-issuing agents.

According to NATIC President Emilio Fernandez, the program is designed to provide lenders, real estate agents, and homebuyers and sellers with important information concerning the qualities necessary to become a policy-issuing agent of NATIC.

News to Share?

If you have news about your company you'd like us to consider for publication, send an email to *communications@alta.org*.

Williston Financial Group Launches End-to-End Transaction Platform

Williston Financial Group (WFG) has introduced west, a wholly-owned subsidiary focused on streamlining and enhancing the entirety of the mortgage and real estate transaction through technology-enabled services and processes.

According to Steve Ozonian, chairman of the board for west, the company is comprised of technology solutions and service providers across the mortgage and real estate transaction working to re-imagine the real estate process from origination to closing.

West will operate under its Transaction Integrated Processing system (TIPs) philosophy to use technology and processes to connect stakeholders around a transaction.

ALTA Member Named Chair of Nebraska Abstracters Board of Examiners

Deborah Scott NTP was recently elected chair of the Nebraska Abstracters Board of Examiners, the state's licensing and regulatory agency for abstracters and abstracting companies. Gov. David Heineman appointed Scott to the board in 2011.

Scott has been in the abstracting and title industry for more than 25 years, having obtained her title insurance agent license in 1992. In 1996, Scott became a registered abstracter. She is a commercial title officer and underwriter for TitleCore National.

Scott is a member of the Nebraska Land Title Association (NLTA). She served on the association's Board of Governors and was president in 2009-10. In 2012, she received NLTA's Title Person of the Year award. Scott also participates in various ALTA committees and earned the association's National Title Professional designation in 2014.

Other members of the Nebraska Abstracters Board of Examiners include Jason White, attorney/abstracter with Custer Title and Abstract; John Laflin with Pinnacle Bank; Roy Hahn, attorney/abstracter; and Timothy Gray of McCarthy Abstract Co. The director is Mardy McCullough.

Ohio-based Evans Title Agency Completes First E-recording of Deeds in Miami and Warren Counties

About a year ago, the recorder's office in Miami County, Ohio, began electronically recording documents such as mortgages and releases.

Recently, the recorder's office expanded its capabilities as Evans Title Agency completed the first e-recording of a deed transfer through eRecording Partners Network. Last month, the title agency also completed the first e-recording of a deed in Warren County, Ohio.

"I was very impressed by the simplicity of the process," said Tim Evans NTP, president of Evans Title Agency. He added that the ability to e-record deeds will save the amount of time employees spend at the recorder's office.

"In the past, we had to walk the package through the tax map department, then to the auditor for the transfer and payment of conveyance fees, then to the recorder for recording of documents," he said. "This process could take a half hour or longer, depending on activity at the respective departments."

Evans estimated the amount of time to electronically record a file is less than 10 minutes, depending on the number of separate documents. Evans Title Agency has e-recorded nearly every transaction it has handled in Miami County since Oct. 20.

"Unless there is a specific circumstance that would warrant us to walk a transaction through, we expect to use e-recording on every transaction we conduct in the counties that make it available," Evans said.

California Credit Union Launches Title Company

A new, California-based title insurance company has been launched in California.

California Members Title Insurance Company, owned by California Credit Union, has received its certification from the California Department of Insurance. Frank Berriz, a 40-year industry veteran, will serve as president and CEO of California Members Title. He worked in the title industry for several years before co-founding American Coast Title in California in 1988. He ran the company until 2013, when he sold his interest.

FNF Appoints Mike Nolan to President

Fidelity National Financial Inc. (FNF) appointed Mike Nolan to the position of president, effective Jan. 1.

In addition to his new role, Nolan will continue to have responsibility for the Eastern Operations of Fidelity National Title Group (FNTG) and will become involved in FNF's investor relations efforts. Nolan has more than 30 years of experience with FNTG and its predecessor companies. He will continue to report to Randy Quirk, chief executive officer of FNF.

Brent Bickett, FNF's current president, will assume the role of executive vice president, corporate strategy of FNF and FNFV. He will continue to focus on corporate strategy and investments, including all mergers and acquisitions efforts.

WFG Appoints Klein to Oversee National Agency Division; Yarborough to Oversee Southeast Agency Division

WFG National Title Insurance Co. has named Thomas Klein as senior vice president. In this role, he will oversee the company's national agency division. Klein replaces Roger Blauvelt, who will retire after 40 years in the settlement services industry.

Previously, Klein served as senior vice president for the company's agency operations in the southeast region. He has 35 years of experience in the title and settlement services industry. Before coming to WFG National Title in 2010, Klein was vice president with Alliance Solutions LLC, a national consulting firm. Before that, Klein spent 22 years as an officer with a national title insurance underwriter, where he held a number of roles. Prior to working with the insurer, Klein was the president and founder of Virginia Escrow & Title Company.

Clinton Yarborough will succeed Klein in overseeing WFG's southeast agency division. Yarborough will continue to fulfill his duties as agency state manager/counsel for WFG's agents in South Carolina in addition to attending to his new duties. Yarborough has been with WFG since 2011.

Alliant National Title Hires Regulatory Compliance Officer

Alliant National Title Insurance Company has hired Elyce Schweitzer as its new regulatory compliance officer and vice president.

In her new role, Schweitzer's main focus will be to provide guidance on regulatory requirements for compliance with applicable title insurance laws, while spearheading all relevant research and analysis.

Schweitzer's experience includes working in law and real estate for over 20 years. Previously, she was claims counsel for First American Title Insurance Co. before joining Commonwealth Land Title Insurance Co.

NATIC Names Underwriting Counsel for Midwest

North American Title Insurance Co. (NATIC) recently named Gilbert Leigh Curry as vice president and Midwest regional underwriting counsel, serving agents in Illinois, Indiana, Kentucky, Minnesota, Ohio and Wisconsin. Additionally, Curry will assist as legal counsel for North American Title Co., the affiliated agency operation, in its Chicago office.

Curry most recently served for seven years as claims counsel for Stewart Title Guaranty Co. and as senior vice president and underwriting counsel for Stewart Title Co. of Illinois for five years prior to that. An advocate for the title industry, he was program developer for the Title 101 class for the Illinois Land Title Association's professional designation courses.

Security Compliance Associates Hires Marketing and Sales Exec

Security Compliance Associates (SCA) recently hired Glen Stout as vice president of marketing and sales.

He will be responsible for leading marketing initiatives and developing new business opportunities across SCA business verticals.

Formerly with RynohLive, Stout has more than 27 years in marketing sales and sales management. Stout's expertise in target marketing, promotion and sales contributed to achieving an Inc. 5000 ranking for RynohLive in August.

New Members

ALABAMA
James T. Baxter III
Ables, Baxter & Parker, PC
Huntsville

Paul Burkett
Azar & Azar, LLC
Montgomery

Amelia Perkins
Amelia & Verla Title Services, Inc.
Robertsdale

ARKANSAS
Jimmy Dill
Pine Bluff Title Company
Pine Bluff

CONNECTICUT
Thomas Kane
Kane, Hartley & Kane, PC
Glastonbury

Fatima T. Lobo
Lobo & Associates, LLC
Manchester

Jonathan A. Peck
Peck & Tuneski, PC
New London

Jacqueline Sharp
Law Offices of Jacqueline Sharp
Stamford

DISTRICT OF COLUMBIA
Addie Bowler
Congressional Title & Escrow Co., Inc.
Washington

Joyce A. Rhodes
Edmund J. Flynn Company
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FLORIDA
Julia Argamin
Global Title Alliance, LLC
Miami

George Brannon
Setco Services, LLC
Miramar Beach

Lisa Carman
Siegfried, Rivera, Hyman, Lerner, De La Torre, Mars & Sobel, PA
Coral Gables

Shannon L. Egan
Sun National Title Company, LLC
Fort Myers

FLORIDA CONT.
Dawna C. Hosier
Brokers Title of Leesburg, LLC
Leesburg

Beth LaBella
Bella Title & Escrow, Inc.
Melbourne

Dawn Malloy
First Florida Title & Trust, Inc.
Lake Mary

Fred P. Senesi
US Title & Escrow, Inc.
Fort Lauderdale

Ryan Snyder
SRQ Title Services, LLC
Bradenton

Mary Stefl
Bailey Woodruff Title Company, Inc.
Deerfield Beach

GEORGIA
Linda A. Cauley
Coolidge

Karen Ingram-Tello
The Fryer Law Firm
Atlanta

Clifford M. Kirbo
The Kirbo Law Firm
Moultrie

Robin Kummer
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Conyers

Steve Schefstad
Pendergast & Associates, PC
Atlanta

Corrie Thrasher
Thompson, O'Brien, Kemp & Nasuti, PC
Norcross

ILLINOIS
Melanie Matiasek
Melanie J. Matiasek
Countryside

Joseph Nery
Nery & Richardson, LLC
Chicago

Novas Title Company, LLC
Oakbrook Terrace

INDIANA
Kimberly S. Reese
JCLT, LLC dba Jefferson County Land Title
Madison

IOWA
Ruby Nitzel
Clay County Abstract, LLC
Spencer

Darin O'Brien
Abstract and Title Services of Story County
Ames

Candy Robinson
North Central Title Co.
Humboldt

Jessica Voight
Mitchell County Abstract Company
Osage

LOUISIANA
Penny Daigrepont
First Financial Title Agency of Louisiana, Inc.
Metairie

Ava Herbet
Ava Herbet Title, LLC
Metairie

MAINE
Debra McCue
Hampden Title, LLC
Hampden

MARYLAND
Emile Henault
Maryland First Title, Ltd.
Glen Burnie

Kathleen W. Hurd
Rasin, Wootton & Hurd, LLC
Chestertown

Dee Radovich
Title Alliance Group of Maryland, LLC
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Take Advantage of Opportunities in 2016

After months of debate, the Federal Open Market Committee finally pulled the lever and decided to raise the federal-funds rate for the first time since June 2006. This will prompt mortgage rates to move higher, but how will that affect title orders and your business?

The Fed's decision to raise the short-term rate by 0.25 percent will have a negligible impact on mortgage rates and housing prices. Long-term rates don't always respond to changes in short-term ones, although they tend to move in the same direction. The Fed, however, is unlikely to stop at one increase, and a series of small increases could dampen home price appreciation.

Despite the increase, there should not be panic—if history is any indication. After the tech bubble burst in the early 2000s, the Fed dropped its benchmark rate to 1 percent. In the summer of 2004, it began raising it by a quarter percent. At the time of the central bank's first increase, the interest rate on a 30-year fixed-rate mortgage was around 6.3 percent. During the next four months, it dropped to 5.7 percent. As the Fed continued to raise the benchmark rate, the rate on a 30-year fixed-rate mortgage declined, falling to 5.58 percent in June 2005. By the time of its last increase in the summer 2006, the rate on a 30-year fixed-rate mortgage was at 6.68 percent. It had gone up less than half a percentage point even though the benchmark rate had climbed from 1.25 percent to 5.25 percent.

Mark Fleming, First American's chief economist, believes home prices will continue to grow because of demographics. There's a significant number of Millennials who are renters and will want to become homeowners over the next 10 years. How much of an impact will this have on potential homebuyers? For example, let's take a 30-year fixed-rate mortgage with a 10 percent down payment on a $350,000 home at 4 percent. This will cost home purchasers about $1,503.86 per month plus taxes, home owner's insurance and private mortgage Insurance. That same 30-year fixed-rate mortgage with a 4.5 percent interest rate will cost a home buyer $1,596.06 per month—an extra $92.20 per month. If rates rise to 5 percent, the cost will jump to an extra $184.40 per month.

According to Fleming's research, title agents believe rates need to reach 5.1 percent before impacting primary residential transaction volumes. Title agents viewed industrial property transaction volume as the most resilient to interest rate increases. They cited 6.3 percent as the interest rate level at which industrial property transaction volumes would be impacted.

There's business to be won in 2016. Make sure you take advantage of all the benefits you get from being an ALTA member. From attending content-rich conferences, the Homebuyer Outreach Program, webinars and networking opportunities, there are many resources available to help you grow market share during the new year.

— John Hollenbeck NTP, ALTA president