

September 2016

Official Publication of the  
American Land Title Association

# TitleNews

## 2016 Presidential Election Preview

A Look at Where Hillary Clinton and  
Donald Trump Stand on Housing  
and Mortgage Market Issues

Special Section Inside: 2016 Elite Provider Guide



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## 2016 ALTA CONFERENCES

*October 4-7* | Annual Convention  
Scottsdale, AZ

## STATE CONFERENCES

*September 9 - 1* | Pacific Northwest  
Bend, OR

*September 11 - 14* | New York  
Montauk, NY

*September 12 - 14* | Ohio  
Columbus, OH

*September 14 - 17* | Colorado  
Steamboat Springs, CO

*September 14 - 16* | Arizona  
Tucson, AZ

*September 14 - 15* | Nebraska  
LaVista, NE

*September 16 - 18* | North Carolina  
Isles of Palms, SC

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Look at What You're Missing  
in this month's Digital Issue



## Money Laundering

The digital edition of TitleNews includes a webinar recording of FinCEN's new Geographic Targeting Order requiring all underwriters to identify individuals behind companies used to conduct high-end, all-cash real transactions in several jurisdictions.

Go to [www.alta.org](http://www.alta.org) to get your copy of Digital TitleNews Today!

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

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## Changing the Status Quo

**S**tatus quo is a Latin phrase meaning the existing state of affairs, particularly with regards to social or political issues. Recently, I've noticed many examples of forces pushing the status quo to change. In fact, you'll find that many of the articles in this edition of *TitleNews* delve into the concept of transforming and striving to become better.

In our cover article, we highlight the stances being taken by the presidential candidates their parties regarding issues that affect the mortgage and real estate markets. It's a great read to prepare for the November election. Aside from policy issues, this year's election has been intriguing due to the unexpected popularity of two people. When Republican presidential nominee Donald Trump and Democrat Bernie Sanders announced intentions to run for president, most believed they'd fade away. But as both of these candidates began appealing to constituents frustrated by their political parties' status quo, the opposite happened. Sanders message of anti-establishment principles and redistribution of wealth appeal to younger Democrats. Trump draws support from disaffected Republicans who appreciate his unfiltered candor. While very different, both represent dissatisfaction with the establishment. The 2016 general election campaigns will be fascinating to watch. You can be confident ALTA will persevere because we've built a strong foundation.

Meanwhile on page 26, you can read about the CFPB's proposed amendments to TRID. The rule ditched a 30-year history of using two different mortgage disclosures. The shift in how data is shared increased the need for better collaboration between parties to get deals closed. We also have an article on page 19 that focuses on the industry's need to think differently about its hiring process and consider ways to attract new talent. And then there's a fascinating article on page 22 about blockchain, which is perceived as the Holy Grail of pristine data and land records.

Lastly, I hope you check out the preview of ALTA's Annual Convention on page 16. If you want to talk about changing the status quo, this is it. Your ALTA staff has worked tirelessly to deliver an unequaled experience. We've modernized the event while reflecting and paying homage to more than a century of successful Annual Conventions. We've built an integrated curriculum focused on providing a superior professional experience, yet continuing to honor the family atmosphere that many have come to love at the Annual Convention. We hope everyone who attends goes home feeling connected, inspired and empowered.

As we gather next month, we will be united as an association and an industry. Our differences make us stronger. ALTA's Annual Convention is the one place where individuals and companies all come together to shape the future of the industry—out of many, we become one.



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

— - Michelle Korsmo, ALTA chief executive officer

## Learn About the ALTA Registry at Annual Convention

Who are you? The industry needs to know! Lenders, title and settlement agents, real estate attorneys, title underwriters and other participants in the closing process must be able to identify each other and communicate in a timely and consistent manner throughout the mortgage transaction. Because there's no unique ID number used across the industry to help match your company record in different databases, communication has often been difficult and costly for the title industry and its customers. This is especially true with recent technology innovation and new regulations driving collaboration.

Enter the ALTA Universal

ID—the unique identifier ALTA uses today to identify more than 30,000 agent companies and attorney firms in the ALTA database.

Every company location will have its own unique ID number and verified listings will be published to the ALTA Registry, a searchable online database of underwriter-verified title and settlement agent companies, underwriter direct offices and real estate attorneys.

Join us in Scottsdale, Ariz., at ALTA's 2016 Annual Convention to see a demonstration of the ALTA Registry and the ALTA Registry Management System (RMS).

Visit [www.alta.org/registry](http://www.alta.org/registry) or for more information.

## Purchase a Compliance Webinar Recordings

Three compliance webinars that ALTA has held in 2016 are available for purchase at [www.alta.org/store](http://www.alta.org/store). The available recordings include:

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

- *Revisiting RESPA: Understanding Things of Value and Referrals*
  - *Exceptions to the Rule: Review of RESPA 8(c)*
- A fourth compliance webinar will be held in November on Unfair, Deceptive or Abusive Acts and Practices.

## ALTA Announces Four National Title Professional Designations

ALTA recently awarded four more National Title Professional (NTP) designations. The four designees join 62 other industry leaders from around the country who have earned the prestigious professional designation.

The professional designation was received by Nancy L. Gusman of Brick House Title in Silver Spring, Md; Samuel J. Halkias of Old Republic National Title Insurance Company in Columbus, Ohio; Martha K. McConnell

of Chicago Title Insurance Company in Columbia, S.C.; and Eugene R. McCullough of Pershing Yoakley & Associates in Knoxville, Tenn.

The NTP designation recognizes land title professionals who demonstrate the knowledge, experience and dedication essential to the safe and efficient transfer of real property. To apply for the NTP designation and for more information, visit [www.alta.org/ntp](http://www.alta.org/ntp).

## Final Publication of ALTA Forms, Including Commitment for Title Insurance Revision

The ALTA Board of Governors approved recommendations to adopt new and revised forms during a meeting on June 9. These forms passed through a comment period and available for use.

New forms include ALTA Endorsement 18.2-06 Multiple Tax Parcel, ALTA Endorsement 23.1-06 Co-Insurance – Multiple Policies, a revised ALTA Commitment for Title Insurance, and the decertification of ALTA

Expanded Coverage Residential Loan Policy and ALTA Short Form Expanded Coverage Residential Loan Policy.

Visit [www.alta.org/forms](http://www.alta.org/forms) to download the final forms. Note, in particular, that comments were accepted and have been applied to the ALTA Commitment for Title Insurance.

If you have comments or concerns, email Kelly Romeo, ALTA's staff liaison for the Forms Committee, at [kromeo@alta.org](mailto:kromeo@alta.org).

## 2016-17 Nominations for ALTA Board and Executive Committees

Nominations for the 2016-17 ALTA Board of Governors, as well as the Executive Committees, will be voted on during the 2016 Annual Convention, which will be held

Oct. 4-7 in Scottsdale, Ariz. Here is the slate for the Board of Governors and Section Executive Committees.

### 2016-17 Board of Governors Nominations



**President:**

Daniel D. Mennenoh (*Galena, Ill.*)



**President-elect:**

Steven G. Day (*Jacksonville, Fla.*)



**Treasurer:**

Daniel M. Wold (*Minneapolis, Minn.*)



**Chair of Finance Committee:**

Jack Rattikin III (*Fort Worth, Texas*)



**Agents Section Chair:**

Cynthia D. Blair NTP (*Columbia, S.C.*)



**Agents Section Rep:**

William Burding Jr. (*Santa Ana, Calif.*)



**Agents Section Rep:**

Richard H. Welshons (*Hastings, Minn.*)



**Underwriters Section Chair:**

Mary O'Donnell (*Winter Park, Fla.*)



**Underwriters Section Rep:**

Don Kennedy (*Santa Ana, Calif.*)



**Underwriters Section Rep:**

Patrick H. Beall (*Houston, Texas*)



**Immediate Past President:**

John M. Hollenbeck NTP (*Santa Ana, Calif.*)

### Abstracters and Title Insurance Agents Executive Committee

Chair: Cynthia D. Blair NTP (*Columbia, S.C.*)

Vice-Chair: Craig Haskins (*Milwaukee, Wis.*)

Secretary: Randall E. Bradley (*Roseville, Calif.*)

Three-year term: Nicole Plath (*Roseland, N.J.*)

Three-year term: Randall E. Bradley (*Roseville, Calif.*)

Three-year term: William Burding Jr. (*Santa Ana, Calif.*)

Two-year term: Maureen Pfaff (*Port Angeles, Wash.*)

Two-year term: Thomas D. Richardson (*Ann Arbor, Mich.*)

Two-year term: John F. Robichaux NTP (*Lake Charles, La.*)

One-year term: Craig Haskins (*Milwaukee, Wis.*)

One-year term: Eric M. Schneider NTP (*Columbia, Md.*)

One-year term: Richard H. Welshons (*Hastings, Minn.*)

Board Rep: William Burding Jr. (*Santa Ana, Calif.*)

Board Rep: Richard H. Welshons (*Hastings, Minn.*)

Board Finance Chair: Jack Rattikin III (*Fort Worth, Texas*)

### Title Insurance Underwriters Executive Committee

Chair: Mary O'Donnell (*Winter Park, Fla.*)

Vice-Chair: Theodore C. Rogers (*Baltimore, Md.*)

Secretary: David Townsend NTP (*Columbia, Mo.*)

Three-year term: Patrick H. Beall (*Houston, Texas*)

Three-year term: Don Kennedy (*Santa Ana, Calif.*)

Three-year team: Don O'Neill (*Portland, Ore.*)

Two-year term: Robert J. Grubb (*Longmont, Colo.*)

Two-year term: Henry L. Shulruff (*Chicago, Ill.*)

One-year term: W. Morris Fine (*Chapel Hill, N.C.*)

One-year term: John M. Obzud (*Jacksonville, Fla.*)

One-year term: David Townsend NTP (*Columbia, Mo.*)

Board Rep: Don Kennedy (*Santa Ana, Calif.*)

Board Rep: Patrick H. Beall (*Houston, Texas*)

Board Treasurer: Daniel M. Wold (*Minneapolis, Minn.*)



ALTA's Homebuyer Outreach Program (HOP) offers more than 60 different consumer education and marketing tools to customize for your company and market. The Homebuyer Guide offers social media content and advertising for ALTA members to use—including animated ads for use on any mobile site. These ads work well on your local city website, on real estate sites like Realtor.com and in many more locations. From tweets and mobile ads to LinkedIn discussion topics and Instagram content ideas, our new Homebuyer Guide is packed with tools to elevate your consumer education efforts. To access the Homebuyer Guide and begin using this content, visit [www.alta.org/homebuyer](http://www.alta.org/homebuyer).

### Use #ALTA16 to Follow the Convention in Scottsdale

Something BIG is happening in Scottsdale, Ariz., as part of ALTA's Annual Convention. Can't make it to Scottsdale? Follow #ALTA16 as our official convention hashtag for Facebook, Instagram and Twitter. We'll post behind-the-scenes photos, exclusive video, industry updates and more!



### Save the Date: New ALTA Innovation Boot Camps

If you attended this year's Social Media Summit, you've already heard the news: ALTA is launching three new marketing events in 2017. ALTA's Innovation Boot Camps are designed to help your company raise your profile, think outside of the closing table and best connect with consumers. Each event covers the same subject matter, so save the Date now for an Innovation Boot Camp near you:

- Denver: Feb. 22-23
- Nashville: June 20-21
- Baltimore: Aug. 23-24

For more info, go to [meetings.alta.org/bootcamp](http://meetings.alta.org/bootcamp). Have an idea for session topics? Email [social@alta.org](mailto:social@alta.org).

### Social Media Pro Tip: : If You Don't Use It, You Lose It

One of the biggest mistakes an organization can make is losing leadership buy-in for a social media strategy. It's extremely important to keep your leadership engaged in your social media efforts so that when you're evaluating the program in the future you retain the support you've worked hard to receive. One of the best ways to keep leadership engaged is to come up with posts/content that directly impact or connect with your leaders. This can be done through quick videos, question and answer posts, throwback photos or requests for suggestions sent directly to your



leadership. This is a great way to make your content personal and ensure the enthusiasm never wanes. If you have any questions or want to share your photos, email them to [social@alta.org](mailto:social@alta.org) or tweet [@ALTAonline](https://twitter.com/ALTAonline).



A photograph of two construction workers shaking hands on a job site. One worker is wearing a high-visibility green safety vest over a dark jacket, and the other is wearing a dark jacket. They are standing near a concrete structure with rebar and a green safety railing. The background is a blurred construction site.

# *Together* we can...

**adapt to a rapidly evolving  
regulatory environment.**

Our highly integrated, TRID compliant, fully collaborative production solutions combined with the power of the op2 private, secure, hosted environment give you the assurance of compliance with Best Practices standards for an IT environment and lender's requirements under the new CFPB legislation.



[RamQuest.com/together](http://RamQuest.com/together)

# 2016 Presidential Election Preview

## A Look at Where Hillary Clinton and Donald Trump Stand on Housing and Mortgage Market Issues

It's been nearly a decade since the subprime meltdown triggered the financial crisis that left the U.S. mortgage and real estate industries in shambles. An avalanche of regulations—including the Dodd–Frank Wall Street Reform and Consumer Protection Act—followed the implosion.

Now, with home prices on the rise and mortgage rates remaining low, Freddie Mac predicts that origination volume should reach \$2 trillion in 2016 behind a balanced mix of purchases and refinances. According to Freddie Mac, six million homes will be sold this year, the most since 2006. Tempering those numbers, the Mortgage Bankers Association predicts originations to retreat to \$1.4 trillion next year. >>

By Jeremy Yohe



With the primaries over, the conventions concluded and the 2016 presidential election just around the corner, there's finally chatter on where Republican Donald Trump and Democrat Hillary Clinton stand on housing policy and regulation.

"With anxiety growing, many people ask what will happen to the United States following the 2016 election," said Michelle Korsmo, ALTA's chief executive officer. "While neither candidate seems to have garnered much confidence from the voters, the chance of abrupt distress to the housing market is slim. The fundamentals of the United States are strong, and it would take some time for the next president to implement policies that would affect the market."

Ralph McLaughlin, Trulia's chief economist, noted that Americans probably don't have much information about either candidates' positions on the U.S. housing market. The overall U.S. economy and housing marketing look much better than in 2008, which has resulted in the candidates turning attention to more polarizing issues such as immigration, gun control and national security.

"Voters shouldn't necessarily be surprised by the little attention that Hillary Clinton and Donald Trump have paid to housing this election cycle," McLaughlin said. "Eight years ago, housing and the economy were the main talking points of Obama and McCain because millions of homeowners were going through foreclosure and the economy was in shambles."

Over the past month, however, both Clinton and Trump have started to show their hand when it comes to housing and mortgage finance. As much as \$25 billion of Clinton's proposed \$125 billion Economic

## ALTA Encourages More Discussion on Housing

Earlier this year, ALTA encouraged all of the potential presidential candidates to make real estate a centerpiece of their economic agendas. ALTA said any real estate agenda should recognize the strength of the legal system in the United States, support a sound housing finance system, promote reasonable regulation and protect consumers' property rights.

Over the next four years the government will make key decisions about the future of our housing finance system. To help understand their policies, ALTA asked these questions:

- Will you protect and invest in our American system of property rights?
- What role should the government play in our housing finance system?
- How will you ensure that 30-year fixed-rate fully pre-payable mortgages, the backbone of first-time homeownership, continue to be available to consumers?
- How will you ensure our tax code encourages investment in real estate ownership, which is currently 15 percent of our nation's GDP?
- American businesses of all sizes want fair regulations that provide clear rules of the road for protecting consumers in a cost effective manner. What steps will your administration take to make regulations more effective? Will you commit to ensuring that industry has sufficient guidance to understand new regulations?
- The single biggest risk facing American business is cyberfraud. How will you help businesses protect themselves and their customers from loss of Americans' personal information and potential fraud?

Revitalization Initiative, is targeted toward facilitating homeownership among households that have been traditionally underserved.

The Republican Party's platform aims to advance responsible homeownership while guarding against the abuses that led to the housing collapse. To achieve this, the Republicans want to scale back the federal role in the housing market, promote responsibility on the part of borrowers and lenders and avoid future taxpayer bailouts. Trump has vowed to cut regulations that are hurting the housing and economic recovery.

"We will impose a temporary moratorium order on new agency

regulations," Trump said before the National Association of Home Builders (NAHB). "We'll cancel all illegal and overreaching executive orders signed by President Obama. We will eliminate all regulations that kill jobs. We will remove the bureaucrats that only know how to kill jobs and replace them with experts who know how to create jobs without regulations."

As part of his program to spur job and economic growth, Trump promised a major tax simplification plan to reduce the tax code to three brackets and ensure that all small businesses will be taxed at no more than 15 percent. Additionally, Trump said he will end corporate

inversions (the practice of relocating a corporation's legal domicile to a lower-tax nation) and repeal the estate tax, commonly referred to as the death tax.

The Republicans and Trump have called for a comprehensive review of federal regulations, especially those that make it harder and more costly for Americans to rent, buy or sell homes.

“For nine years, Fannie Mae and Freddie Mac have been in conservatorship and the current administration and Democrats have prevented any effort to reform them,” according to the Republican Party's housing platform. “Their corrupt business model lets shareholders and executives reap huge profits while the taxpayers cover all losses. The utility of both agencies should be reconsidered as a Republican administration clears away the jumble of subsidies and controls that complicate and distort home-buying.”

Gene Sperling, a top economic advisor to Clinton, affirmed that housing will play an important role in a Clinton administration. Noting that the credit pendulum has swung too far in the aftermath of the Great Recession, he cited a study from the Urban Institute that compared credit availability during the pre-crisis levels to the standards of today. The study found that 5 million fewer home loans have been issued as a result of current tight lending standards.

“Our challenge now is to never swing back to where we were, but to get to an equilibrium where people who are creditworthy can get the housing they need,” Sperling said. “This will lead to increased housing starts, construction and affordable housing, which we need in this country.”



▲ John Voso NTP (left), chair of ALTA's Congressional Liaisons, with ALTA member Robert Skidmore (right) of Medina, Ohio-based Transfer Title Agency during the 2016 GOP Convention in Cleveland.

Sperling noted that the issue of housing finance reform is “really tough,” but stipulated that a government backstop is essential to protect the 30-year mortgage.

“You need a backstop to ensure the United States of America still has a 30-year fixed mortgage,” said Sperling. “That is something that gives people the opportunity to become home owners in this country.”

Sperling said that Clinton's tax plan would retain the mortgage interest deduction but cap the marginal rate at which households can take their deductions at 28 percent. “So for 98 percent of Americans, the mortgage interest deduction is completely untouched,” said Sperling.

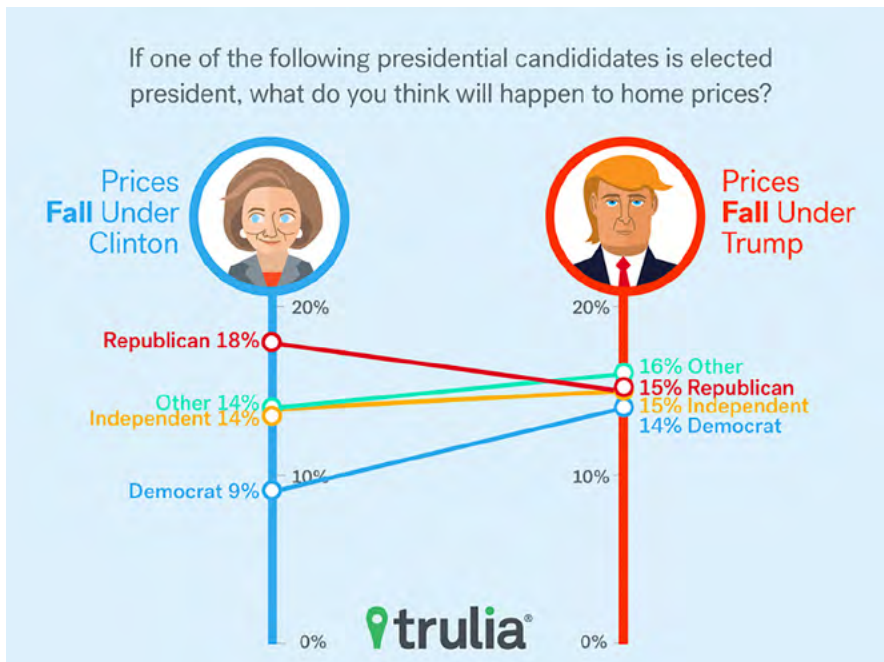
In August, ALTA heard rumblings that Clinton was actively considering repealing or imposing limits on section 1031 as a revenue offset for other policy initiatives. In response, ALTA joined other trade groups to explain the benefits of 1031s to Clinton's policy staff.

“As you continue to roll out your economic policy initiatives, we urge

you preserve the tax law's long-standing treatment of like-kind exchanges,” ALTA and other groups wrote in a letter to Clinton. “In the case of real estate, by deferring capital gain recognition, like-kind exchanges help get properties into the hands of new owners with the time, resources, and desire to restore and improve them. Without section 1031, many of these properties would languish—under utilized and under invested—because of the tax burden that would apply to an outright sale.”

Additionally, Clinton will defend the Consumer Financial Protection Bureau because she believes “we must never again allow borrowers to be taken advantage of in the rush for corporate profits.”

“As president, Clinton will defend the Consumer Financial Protection Bureau and make sure that it has the independence and resources needed to provide families across the country with the strong advocate they deserve,” the Democratic Party said on its website.



In late August, it was reported that Clinton was adding Rohit Chopra, who served as assistant director and student loan ombudsman at the CFPB, to her transition team. Chopra, an ally of Sen. Elizabeth Warren, has been outspoken about the impact of student loan debt on the first-time homebuyer.

While both parties are finally starting to discuss housing, homebuyers are increasingly pessimistic about how the upcoming election will affect the housing market. Americans appear to have more faith in Trump. When asked what would likely happen to home prices if either Trump or Clinton were elected, 39 percent of Americans said prices would rise a little or a lot if Trump was elected compared to 2 percent for Clinton, according to survey conducted online by Harris Poll on behalf of Trulia. The survey also found that 28 percent said the housing market would be better served having alternatives to Clinton and Trump.

The survey was conducted from June 7-9, 2016, among 2,034 U.S. adults.

The results stand in contrast to a Zillow survey of more than 100 economists and real estate experts. That report, which was published May 17 and included other candidates who had not yet dropped out of the race, found that Clinton would have the most positive net effect on the housing market – though it did not distinguish if that would mean higher or lower housing prices.

No matter who wins, it is unlikely the new president will be able to soothe both sides immediately and that may cause instability to the market.

“The next president will inherit the lowest home ownership rate in 48 years, and so far the voters have heard little to nothing about what the candidates will do to boost people’s chances of becoming home owners,” said Redfin chief economist Nela Richardson. “Candidates need to start discussing housing on the campaign trail now.” ■

## U.S. Congressional Elections

- How many U.S. Senate seats are up for re-election in 2016?** 34 U.S. Senate seats will be contested in 2016. The current U.S. Senate has 54 Republicans and 45 Democrats (including one independent). Of the 34 contested seats, 24 are held by Republicans. The big story of this election cycle is whether or not the Republican Party will be able to maintain control of the Senate.
- How many congressional seats are up for re-election every two years?** All 435 seats in the House of Representatives are up for re-election every two years during even numbered years. Members serve two-year terms. Senators serve six-year terms. Approximately one third of the Senate is up for re-election every two years.
- How many seats are needed to control the House of Representatives?** The Republican Party currently has the majority in the U.S. House. Republicans hold 247 seats compared to Democrats’ 187 seats. The Republican Party increased its hold on the House in the 2014 midterms when it picked up 15 seats while only losing two. In order to gain control of the House, Democrats would need to gain 30 seats in 2016.

# It's a people business.



Getting critical answers quickly is often what it takes to keep a transaction moving, whether it's at the beginning or just hours before closing. That's why we give you access to the people ready to help. Because in the end, we're in this together

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# Something BIG Is Coming at ALTA's 2016 Annual Convention

Professionals From Across the Country Will Come Together As One to Shape Industry's Future

For more than 100 years, ALTA's Annual Convention has been the place where title and settlement services professionals come together to reunite with friends, reflect on the past year and rejuvenate their minds with fresh ideas. The theme for this year's Annual Convention is "Out of Many, One" to honor how the industry forges ahead annually despite its distinct differences.

"This has been the one event over the past century that has united ALTA members through a shared purpose of shaping the industry's future and protecting property rights," said Michelle Korsmo, ALTA's chief executive officer. "While honoring the rich history of the Annual Convention, ALTA staff has reconfigured the format to deliver another 100 years of success.

"As we gather next month, we will be united as an association and an industry," Korsmo continued. "Our differences make us stronger. We hope attending the Annual

Convention leaves you feeling connected, inspired and empowered."

ALTA has worked diligently since last year to develop a format, schedule and activities that meets the needs of seasoned Annual Convention loyalists, while appealing to emerging professionals. Below are a few highlights. You can read more about what you'll learn at this year's convention at [blog.alta.org/annual-convention](http://blog.alta.org/annual-convention).

## UNthink Your Way to Increased Productivity

Over time, we've come to believe that creativity is reserved for the chosen few: the poets, the painters, the writers. The truth is bigger and better than that. Creativity is in all of us, according to internationally recognized graffiti artist and best-selling author Erik Wahl.

During opening Omni session on Oct. 5, Wahl will help attendees UNthink and discover the keys that will unlock potential, inspiring them to realize they are capable of so much

## ALTA Annual Convention

- Oct. 4-7 (note the convention starts on Tuesday and ends on Friday)
- Fairmont Scottsdale Princess
- Scottsdale, Ariz.
- [meetings.alta.org/annual](http://meetings.alta.org/annual)

more than they have been led to believe.

"ALTA's Annual Convention is the one place where you'll get the knowledge and inspiration you need to advance your business," said Dan Mennenoh, ALTA's president-elect and president of H.B. Wilkinson Title Co. "It's also the place to help reframe your organization's thinking so that new creative actions become possible. This is an opportunity to begin the process of rethinking your life and company as a blank canvas of limitless opportunity on which to create your masterpiece."

## Achieve Rock-star Status

In the modern market, if businesses aren't moving forward, they are falling behind. Though ingenuity is a necessity, it's often easier said than done. During an Omni session on Oct. 6, Ryan Estis will reveal how to avoid the frustration of stagnant creativity and become an innovative industry "rock star."

Estis, a sales professional with more than 20 years of experience,



will give a featured presentation that will teach attendees how to initiate change, inspire innovation and drive business growth. Customers do not buy on price. They default to price in the absence of value and a quality experience. Estis will teach attendees how to provide that value.

This will be a fabulous chance to learn from “one of the best keynote speakers ever heard,” according to *Meetings & Conventions Magazine*.

“You’ll leave prepared to compete and win business in a more competitive and complex market, while welcoming the unknown,” Korsmo said. “Ryan plans to explore proven habits of today’s top producers and offer the audience practical ideas they can immediately leverage to drive business growth.”

## Saturday Night Live for Business

To close out the convention on Oct. 7, the comedy couple Tim and Kris O’Shea will send attendees home energized with a lively and hilarious presentation. These motivational speakers will provide a fresh and different perspective to get attendees inspired with a new appreciation for viewing a fast-paced world with an open mind.

## Notables and Engagement Labs

In addition to epic Omni sessions, there are 34 Notable and Engagement Lab educational sessions broken down into five tracks. The track topics include:

- Boost Your Best Practices
- Build a Better Business
- Connect With Your Customers
- Follow the Law
- Protect Your Data

## What’s New This Year

ALTA has revamped the schedule, retooled the curriculum, changed the layout of the exhibit hall and provided many more opportunities to give attendees of varying industry knowledge an impactful, integrated experience. Check out some of the new opportunities:

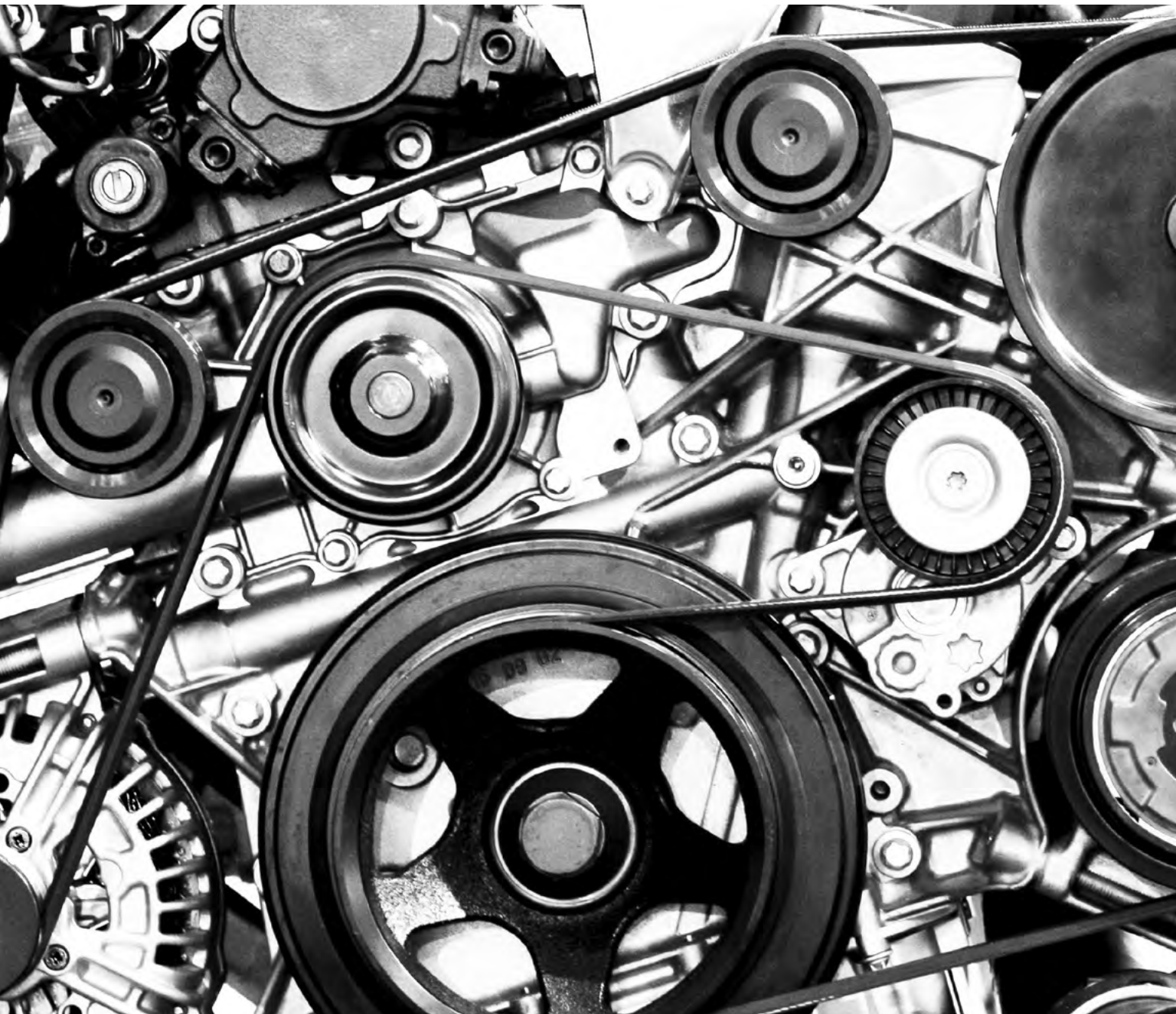
- **HQ LIVE:** ALTA’s new registration area and the heartbeat of the convention. This area will have an upbeat and energizing personality led by ALTA staff and volunteers. This will also become our new lounge, where attendees can come to correct their records, update membership information and ask questions about ALTA.
- **Omnis:** These sessions are where we come together to unite as one and to be inspired by industry leaders, strategic thinkers and big-name movers and shakers.
- **Notables:** These sessions focus on timely issues and trends affecting the industry. Faculty experts will drill down on important topics, innovative ideas and business practices. (Select Notables will offer CE/CLE credit.)
- **Engagement Labs:** These are shorter, interactive sessions that will engage the attendees and involve them directly in education conversations (interactive, tactical round-table discussions).
- **Encore Session:** Popular Notables or Engagement Labs that reach room capacity or are a huge hit with attendees will be offered again as an Encore Session.
- **Faculty Hours at the Juice Bar:** We’re providing a dedicated space near the Notable and Engagement Labs so education session participants can connect one-on-one with faculty and ask follow-up questions. After each Notable time slot, there will be time set aside for Faculty Hours.
- **Market ONE:** ALTA’s new exhibit hall is designed to create energy and flow throughout the week. We are breaking down the barriers and creating an open air concept where vendors will have the opportunity to enhance their space with lounge furniture and/or food and beverages.
- **Market Talks:** These short conversations will explore common business problems and provide tips and advice to resolve these issues.
- **Nourishment Hours at Market ONE:** These time slots will take the place of a formal buffet style lunch. Instead we will have food stations spread throughout the hall and inside vendor areas to encourage movement and networking.
- **Rejuvenate at Market ONE:** Afternoon breaks with activities to help keep attendees’ energy levels up and stay engaged.

To view the schedule, go to [meetings.alt.org/annual](http://meetings.alt.org/annual).

“ALTA has taken a fine-tooth comb to curate a one-of-a-kind curriculum that will deliver insightful intelligence,” said Eric Schneider NTP, chair of ALTA’s Education

Committee. “People learn differently, so ALTA has re-engineered the education-session format that provides a tiered approach, delivering content through various styles.” ■

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# A Recruiting Primer: As Easy as ABC

## ALTA Develops Sample Job Description and Advertisement Library to Aid Hiring Process

BY DR. CYNTHIA A MCGOVERN

Look around the room at any title company and the tenure of the staff is pretty darn impressive. While this experience is a strength, it is also a threat. What happens when all of these people retire? What are we doing to attract new (and younger) talent to our industry?

Let's face it—a lot of folks out there don't know we even exist. Heck, some of our families still don't understand what we do for a living. We need to start thinking about tomorrow. Not tomorrow, but today.

Here are a few tips to help you attract top talent.

### Assess the True Need

It is easy to assume that this step is so straightforward that perhaps it's even unnecessary. After all, if your company loses its account manager or a position opens for a sales development representative, you simply need to find someone who fits the bill, right? Not exactly. You would end up doing your company a disservice in the long run if you don't take this important first step: Assess

what you really need in talent, not just title.

Do a SWOT analysis, of sorts, of the current team; openly consider strengths, weaknesses, opportunities and threats. Then decide precisely what kind of employee would be the best to complement that particular group of people. Ask yourself what areas need a little more focus in the company. Maybe you need to find a sales representative who can enhance your presence on social media, or you need that operations manager who can manage work flow, processes, closing calendars and put out 17 fires—all before lunch. Make a clear and detailed list of what exactly your company needs, and who you are looking for.

Once you know the true need of your company, you are ready for the next step.

### Build Your Job Profile

The importance of this step for companies cannot be overstated. A clear and detailed job description is vital; don't assume that someone will know what their role is supposed to

## Engaging an Evolving Customer

Cynthia McGovern will speak at ALTA's 2016 Annual Convention with Linda Grahovec about how world of buying and selling is changing, and how title companies must evolve to meet customer needs. For more information, go to [meetings.alta.org/annual](http://meetings.alta.org/annual).

be. Clarify their job by defining the role after you have considered the strengths and gaps of your current team and know exactly what (and who) you need.

Start with the basic requirements for the position. Then take it a step further and identify particular skills and qualities that will pave the way for success in that job and, possibly, a career path in the land title industry. Again, take into account the specific needs of your company. Does the salesperson need to come with knowledge specific to the title industry? A specific sales methodology? Are you looking more for IQ (intelligence quotient) or EQ (emotional quotient), or a fair balance of both?

Define what exactly this person will need to take responsibility for on a daily basis and how success will be measured. Construct a complete job description that includes your requirements for the position. Not only will you attract qualified

candidates, but you also will receive replies only from those who are confident they can fill the role you are outlining in your job description.

ALTA has given us all a gift! The association has created a sample library of job descriptions ([www.alta.org/brsamplelibrary](http://www.alta.org/brsamplelibrary)) that you can use to get started on this process. And, remember these descriptions are not just for hiring new talent. Maybe it is time to redefine the roles of your current staff. This library will help you get started!

■ With the goal of attracting younger talent, consider looking outside the title industry. There are many industries that have transferrable skill sets that we can pull from.

### Cast, Conduct, Choose

Now that you've assessed your needs and have constructed a clear job description, it's time for the fun part: fishing. You might remember, however, from those times your grandpa took you to cast a line and you waited all day without a bite, that a single line doesn't always hook the biggest fish. The solution? Cast your net wide.

One great place to start looking for possibilities is through your team members (but clearly define the role, or you will end up with everyone's third cousin applying for the position). Ask them if they know of capable and talented individuals who might prove a good fit. Also

consider your personal circle. Let professional friends and colleagues know that you are hiring, and who you are hoping to hire. Finally, cast that net on social media, including LinkedIn, Twitter, Facebook, your website and blog. Even newspapers or online job boards are good sources. A good job posting can also weed out the riff-raff and attract top talent to your organization. Also, with the goal of attracting younger talent, consider looking outside of the title industry. We still exist in secret to most people. There are many industries that have

transferrable skill sets that we can pull from. So, cast your net wide!

Once your inbox starts filling with applications, it's time to put into effect another "ABC" list. Categorize the candidates according to the clear and detailed list you created earlier. The "A" list includes those who appear to fill every need of your company. Conduct interviews with them. The "B" list is your next line just in case the first set of interviews doesn't pan out for some reason. For those on your "C" list, you can simply respond with a polite letter of appreciation for their application. (It is a good rule of thumb to acknowledge every single application, even from the individuals you won't be considering further.)

For the interviews you will be conducting, compose a series of questions that will assess whether or not the prospective employee possesses the skills and qualities you identified earlier as necessary for your company. Also construct a scoring system to help you evaluate each candidate fairly, and stick with that scoring system no matter how someone might blow you away with their eloquence or style. The ALTA Education Committee is working on a system for evaluating job candidates that will provide additional guidance and documents to help you develop your interview questions. Watch the ALTA website at [www.alta.org/brsamplelibrary](http://www.alta.org/brsamplelibrary) for updates.

As a small but important side note, be sure to let any new recruit know that sales responsibility is everyone's job at your company, especially in our industry. The goal of each team member should be to help your business grow, so find out if they have any particular experience in that area. You'll want to make sure potential new hires are comfortable with sales as part of their job requirements.

Next time you look around the room and consider your staff, hopefully you will see a great blend of experience, skill and new talent. And, if you need to add to your team, you can use these three easy steps and the ALTA resources to bring on new team members. It's as easy as ABC. ■



**Dr. Cynthia McGovern**, is the chief executive officer of Orange Leaf Consulting, which helps title companies create sustainable growth and follows

the motto "Grow Big or Go Home." She can be reached at [cmcgovern@orangeleafconsulting.com](mailto:cmcgovern@orangeleafconsulting.com).

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# Blockchain and Title: The Distant Frontier

Perceived as Holy Grail of Immutable Records, Technology to Disrupt Title Searches Is Not Here Yet

BY ANDREW M. HINKES

Headlines from *Forbes* to *The New York Times* have lauded the potential of the blockchain to disrupt and decentralize business operations. One oft-discussed application is to decentralize real estate title records, and render title searches trivial. Although an evolutionary leap in technology sounds promising, is there any substance behind the blockchain hype? The answer is maybe, but not quite yet.

The blockchain is the technical innovation that powers Bitcoin. The blockchain is a distributed ledger system that records and verifies transactions of electronic assets between parties using “proof of work” to create consensus across the system participants that a transaction is verified, instead of relying upon a single-party verifier. This system functions like a database with a few notable exceptions:

1. it is peer to peer
2. it keeps a distributed (not centrally maintained) ledger of

transactions

3. it relies upon participant-wide consensus by “work” (the system by which energy, assets and resources of economic value are used by participants to verify transactions, and which makes later attempts to revise those records prohibitively expensive) to add transactions and verify them, instead relying upon of a trusted third party
4. it permits users, not just its central administrator, to write new entries to the ledger

Entrepreneurs have attempted to modify the blockchain to change aspects of its operation, including its consensus mechanism, its decentralized design and the nature of the digital asset it tracks. Companies such as Ubiquity, Bitfury and Chromaway have experimented with the use of blockchain technology, (or blockchain-derived ledger systems sometimes called “distributed ledger technology”) to reduce land records maintained by sovereign nations to

digital tokens maintained on those blockchain-like systems. (Nations like Sweden, partnering with Chromaway, and the Republic of Georgia, partnering with Bitfury, have already piloted test systems intended to displace parts of their land record infrastructure). Proponents suggest that these platforms may provide increased efficiencies, immutability of records, increased transactional speed, prevention of submission of fraudulent records, and enhanced security and accuracy. Is it real, or is it hype? Let’s examine some of those claims.

## Blockchains Will Make Records Transparent

Digitized land records are already common and where they exist, they are likely searchable. Blockchains, as they currently exist, cannot practically hold digital versions of recorded documents. The amount of storage and bandwidth needed to image a few centuries of paper land records for a given municipality, and then distribute constantly updating copies of this data among the participating parties on that blockchain is cost-prohibitive. Therefore, any system (using a decentralized model) designed to track recorded land documents will either (a) be centralized or (b) be required to store unique references or pointers to those recorded documents, not the actual documents, on their blockchain. This means that the references or pointers will refer to the place on another system where

the actual documents are stored. So, at this point you either have a giant central repository or you have two interlocking systems, one of which maybe a blockchain-like distributed system and one of which is likely to be a centralized database. Thus, the blockchain itself will not make the actual records transparent. It may simply create a different system for document location services, which then may be searched like most every other database.

### Blockchains Will Make Record Searches Faster

Because blockchains will probably only hold pointers to records on other systems. The speed of the search will depend on the architecture of the systems (and between the systems) and the user interface provided. But again, this can also be achieved with a well-designed relational database, and may be done faster and cheaper using a database without a blockchain front end.

### Blockchains Can Create and Permanently Maintain Immutable Records

Bitcoin's blockchain uses a brilliant combination of proof of work (proof that a transaction happened on a certain date and time) and economic incentives to create true record keeping. The work-based consensus mechanism ensures that the network agrees that transactions submitted (i.e. transfers of Bitcoin) are valid, and creates strong economic incentives for participants to not attempt to overwrite the transactions previously recorded on the ledger. Alternative consensus mechanisms require varying but higher levels of trust between transacting parties, and thus are more vulnerable to attack and corruption.

If the blockchain itself does not trust all participants (i.e. does not trust users to upload information), then the custodian of records likely will run their blockchain on a single centralized system, which would then require all participants to trust that operator, who may or may not alter records themselves. If the system is designed to trust the central recorder to properly hold and update data, the system does not need a blockchain to store that data.

Then there is the issue of storage. In current systems, a transfer of some property right is evidenced by recording a new document in the chain of title for a given property. However, in a blockchain, a simplistic transfer of property rights (for example, fee simple ownership) could be recorded as a transaction of some token from participant A to participant B. This transaction history then will be added to the blockchain-like ledger and a new copy of the new ledger will be distributed to all participants in the blockchain-like system. If the system has a centrally maintained blockchain-like system, it is equivalent to a database that records new data in its system.

However, in a distributed blockchain, every participant needs to store an entire transaction history for the entire system, which is updated every time a new transaction (i.e. recorded document) is added. Thus, as more complex forms of transactions are added (say, different tokens for recording of notice of *lis pendens*, satisfactions of liens, mortgages, deeds that only convey partial ownership, such as deeds for the conveyance of air rights or mineral rights, *etc.*) the amount of data to be recorded and maintained will become more complex, and thus continue to grow

and eventually may make storage of "immutable records" cost prohibitive, especially if those records are intended to be maintained on a distributed system. Some platforms, like Chromaway, record proof of execution of the steps to a real estate transaction on the blockchain. These platforms may create parallel records systems, but will not supplant title searches because of the lack of history. Others, like Ragnar Lifthrasir of IBREA have suggested that specialized tokens representing ownership of assets maintained on blockchain-like structures may be traded between parties and that the trades will both symbolize and effectuate conveyance of ownership.

### Blockchains Will Permit Parties to Trade Property by Exchanging a Token

This is the purported Holy Grail of digital land records—to transfer legal title to a property by trading a token on a system, without paperwork, witnesses, notaries or manual recordation. Conceivably, a blockchain-type system could permit parties to transfer bearer tokens that would permit the holder of the token to exercise the power of the title owner. (This proposed oversimplified system ignores variation in ownership type like leaseholds, easements and liens.) These transactions, however, would require modification to the applicable regulatory and legal infrastructure prior to being recognized when they matter (during a legal dispute regarding property access or ownership).

### Integration of Legacy Records Is a Problem

Any blockchain-based system must be populated with the prior data held

## ALTA Responds to Blockchain Articles

There have been several articles that make some inaccurate and sweeping generalizations about the process title professionals take to search the public record and issue a title insurance policy to protect property rights. Below is an excerpt of how ALTA has responded to these articles:

Our public recording system is an example of a public blockchain in real life; albeit a non digital and non self-executing process. First, documents that have been recorded in the public record—either electronically or by paper—are not erased. In fact, it's the opposite. Over time, the chain of title gets longer and requires additional analysis to determine if any issues exist that could limit use of the property.

Second, land titles are complicated. It's not simply a question of "who owns the title," like a Monopoly deed and there's much more to the process than making sure there's no fraud involved. There are covenants, easements, mortgages, leases, legal descriptions, on and on and on, that impact the title of a property.

Title insurance also covers non-record defects—which are also found in online records. Because of this, title insurance will remain extremely beneficial to consumers and lenders even as more information becomes digitized.

in the chain of title for all affected property, if the system is to generate a comprehensive title search. Someone thus must pay for the imaging and import of centuries of data into the new system, which necessarily means that the new system will inherit any errors from the old system. Thus, there will likely be no gains in the reduction of legacy fraud.

### Use of Cryptographic Signatures May Prevent New Fraud

Properly implemented systems that require users to sign transactions with cryptographic keys may curtail fraud in newly submitted transactions, which would be a substantial achievement. Robust cryptography is (currently) nearly impossible to break and thus, would likely make it nearly impossible to submit fraudulent records to any land records system. However, the blockchain or any blockchain-like systems is not necessary to implement the use of cryptographic signatures. Further, many in the blockchain space misunderstand the role of title searches. They are not to ferret out fraud, but to identify recorded documents affecting title. Whether a document is fraudulent or not is external to the title search, and identifying a recorded document as fraudulent or remedying any fraud would still be a human-based, external task even if records are shifted to a blockchain system.

### Once Blockchain-based Systems Are Shown to Work, They Will Replace Existing Systems

Although blockchain-based systems that incorporate the various functions of public records may be developed,

they will still lack the key functionality of legacy data—trust and acceptance. Thus, for a given period of time, the legacy system will be run in parallel with the new system while the results are compared and vetted, and the software operating the blockchain is debugged. Once a trustworthy system is enacted, then regulatory compliance must be included. Then, and only then, may a platform of this type be provided to regulators for review, approval and potential adoption. Until regulators approve blockchain storage of data that is currently stored by county recorders of deeds, any tokenization of records on blockchain technology will not be dispositive of any transfer of rights.

### Conclusion

Industries as diverse as banking, agriculture, fashion and gemology have all looked to blockchain technology as a disruptor with the capability to create new efficiencies. Although distributed ledger technologies may provide greater security and may evolve to provide the same reliability and fidelity as currently exists in paper record repositories, the technology to disrupt title searches simply does not yet exist. Continuing research and innovation may ultimately create new opportunities, but for now, title searches are not yet ripe for disruption by blockchains. ■



**Andrew M. Hinkes**, of counsel for the law firm Berger Singerman, represents companies and entrepreneurs in commercial litigation matters,

including the application of Bitcoin, blockchain and smart contract innovation. He can be reached at [ahinkes@bergersingerman.com](mailto:ahinkes@bergersingerman.com).





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# Despite TRID Clarification, Check With Lender Before Sharing Closing Disclosure

CFPB's Proposed Amendments Address Various Topics Including NPI, Tolerances, WLPs, Co-ops and Black Holes

**T**he Consumer Financial Protection Bureau (CFPB) on July 29 issued proposed amendments intended to formalize guidance, provide clarifications and make technical corrections.

As the CFPB signaled, it did not revisit major policy decisions in this rulemaking that “implicate fundamental policy choices, such as the disclosure of simultaneous issuance title insurance premiums, made in the TILA-RESPA Final Rule.” This is problematic, from the perspective of the title and settlement industry.

“Unfortunately, after nearly a year of TRID implementation, consumers around the country continue to receive unclear information about their

title insurance costs at the closing table,” said Michelle Korsmo, ALTA’s chief executive officer. “ALTA has encouraged the bureau to show actual figures for title insurance costs to the consumer on the Closing Disclosure, to prevent lenders from shifting liability for disclosure mistakes and to use the rulemaking period to provide more formal guidance about how to comply with the rule.”

In addition, the CFPB did not address the rule’s cure provisions. Investors remain concerned that errors could prompt private right of action lawsuits under TILA. Such violations, even if corrected in good faith, may carry assignee liability. This could cause potential liquidity problems if some lenders get stuck with loans because investors refuse to buy them.

ALTA had hoped the bureau would address the fact that lenders are shifting liability to settlement agents for mistakes made on the Closing Disclosure. ALTA also wanted the CFPB to make it clear that creditors cannot unilaterally shift their liability to third parties, and that liability under the regulation rests with the party that made the mistake.

In the preamble of the proposed rule, the CFPB said it expects to issue the final rule on or before April 1, 2017. The bureau also proposed a four-month implementation period after that. This would give the final rule an effective date around Aug. 1, 2017.

## Sharing the CD

One issue addressed by the bureau involved privacy and sharing of the Closing Disclosure. According to the CFPB, the rule requires creditors to provide certain mortgage disclosures to the consumer. The bureau reported it has received many questions about sharing the disclosures provided to consumers with third parties to the transaction, including the seller and real estate brokers. The bureau said it understands that it is usual, accepted, and appropriate for creditors and settlement agents to provide a Closing Disclosure to consumers, sellers, and their real estate brokers or other agents. The bureau is proposing additional commentary to clarify how a creditor may provide separate disclosure forms to the consumer and the seller.

While the discussion is helpful, Richard Horn of Richard Horn Legal said that the bureau does not specifically state which party may share information with another party.

“For example, the language does not expressly state that sharing of the consumer’s or seller’s separate CD with another party’s real estate agent is permissible,” Horn said.

The sharing of NPI and the Closing Disclosure with third parties including real estate agents has been an ongoing issue. Although TRID did not change any of the privacy provisions of the Gramm-Leach-Bliley Act (GLBA), there was concern that sharing the new closing documents might constitute an impermissible disclosure of consumers’ personal information.

According to the proposed changes, the CFPB pointed to sections 502(e)(1) and 509(7)(A) of GLBA, which provides exceptions to sharing non-public personal information “if a financial institution’s sharing of its customers’ nonpublic personal information is required, or is a usual, appropriate, or acceptable method, to provide the customer or the customer’s agent or broker with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product.”

Despite the proposed rulemaking addressing this topic, ALTA encourages members to continue to review lenders’ closing instructions carefully. While TRID does not bar sharing the Closing Disclosure with third parties, many lenders prohibit their settlement agents from such activity. This provision serves as an important reminder that TRID does not govern all aspects of the closing

## What You Can Do

The CFPB will accept comments to the proposed amendments until Oct. 18, 2016. Send comments by:

- **Email:** [FederalRegisterComments@cfpb.gov](mailto:FederalRegisterComments@cfpb.gov). Include Docket No. CFPB-2016-0038 or RIN 3170-AA61 in the subject line of the email.
- **Mail:** Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street, NW, Washington, DC 20552.
- **Title Action Network:** Visit [www.titleactionnetwork.com](http://www.titleactionnetwork.com) and click “take action” to comment to the CFPB directly using our pre-drafted information or customize your own message. Not a member? To join, go to [www.titleactionnetwork.com](http://www.titleactionnetwork.com).

transaction and there may be other contractual provisions that will impose additional requirements on you as a title insurance or settlement agent.

## Black Holes

Under the current rule, strict timing requirements appear to limit the lenders ability to pass on the cost of a rate-lock extension or certain other charges that arise after the Closing Disclosure has been provided—even if those charges are requested by the borrower. Because of this, the period between issuance of the Closing Disclosure and closing has been called “the Black Hole.” According to the law firm Buckley Sandler, the CFPB’s proposal seeks to address concerns that this aspect of the rule could result in cancelled transactions by making amendments to the official interpretations.

## Written List of Providers

Also causing confusion has been the written list of settlement service providers (WLP) that must accompany the initial Loan Estimate. The proposal would clarify that the WLP must specifically identify a service if the particular charge for that service is payable by the consumer. This is not the case if the creditor knows that the service is provided as part of a package or combination of settlement services offered by a single service provider and the consumer is permitted to shop for all services in the package. The proposal also seeks to change the applicable tolerances when the WLP is not provided. Specifically, the proposed rule would narrow from 10 percent to zero the applicable tolerance limitation when the creditor permits the consumer to shop for a service but fails to provide a WLP. Currently, the rule states that the 10 percent tolerance applies in such circumstances. However, the bureau is proposing to apply the zero tolerance instead because “[t]he Bureau believes that a creditor did not permit a consumer to shop if the creditor failed to provide a written list of providers.”

## Cooperatives

The bureau is proposing to extend the rule’s coverage to include all cooperative units. With a cooperative, a buyer becomes a shareholder in a corporation that owns the property. The buyer is then entitled to exclusive use of a housing unit in the property. Currently, the rule only covers transactions secured by real property, as defined under state law. Cooperatives are sometimes treated as personal property under state law and sometimes as real property.

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# FinCEN Expands Reach of Anti-Money-Laundering Order

All Title Insurers, Including Their Subsidiaries and Agents, Must Identify High-end Cash Buyers in Several Major Areas

**T**he Financial Crimes Enforcement Network (FinCEN) on July 27 announced a new Geographic Targeting Order temporarily requiring all U.S. title insurance companies to identify the individuals behind companies used to conduct high-end, all-cash real estate transactions in several jurisdictions.

In January, FinCEN issued two GTOs requiring some underwriters to identify and report the true “beneficial owner” behind a legal entity involved in certain high-end deals in Manhattan and Miami-Dade County.

“As an independent party at the closing table for millions of real estate transactions each year, ALTA members take their responsibility seriously,” said Michelle Korsmo, ALTA’s chief executive officer. “Once again, we are ensuring our members have the tools and information they need to properly comply with FinCEN’s reporting requirements.

We appreciate FinCEN’s efforts to prevent money laundering schemes and the illegal purchase of real estate.”

FinCEN said title insurance companies play a central role in real estate transactions and can provide the regulator with valuable information. The GTOs do not imply any derogatory finding by FinCEN with respect to the covered companies.

“To the contrary, FinCEN appreciates the continued assistance and cooperation of the title insurance companies and the American Land Title Association in protecting the real estate markets from abuse by illicit actors,” FinCEN said.

The new GTO is effective until Feb. 23, 2017 and applies to underwriters’ subsidiaries and agents. FinCEN may indefinitely renew the orders for another six months and for additional areas. In addition to now requiring all insurers to participate and expanding the covered

## Basics of the Geographic Targeting Order

**Who must report these transactions?** The specific title insurance company (covered business) that received the order must report covered transactions to FinCEN. Covered businesses also include any subsidiaries or agents of the title insurance company.

**When must a covered transaction be reported to FinCEN?** Within 30 days after the settlement or closing.

**What time period is the GTO in effect?** All covered transactions that settle between March 1 and Aug. 27 must be reported.

**How long must records for covered transactions be retained?** Five years from Feb. 23, 2017, or the end date if the order is renewed.

**Will the GTO stop transactions from closing?** The order is not meant to prevent closings from happening. It is meant to allow the Treasury to collect information about these transactions.

**Questions?** Contact FinCEN at 800-767-2825, 8 a.m.- 6 p.m. EST, Monday through Friday.

jurisdictions, payments made using personal or business checks are also covered and must be reported.

A currency transaction report must be filed with FinCEN if these things occur:

- Location (deal occurs in one of the areas included in the GTO)
- All-cash deal, including payment by person or business checks (no financing)
- Purchase price exceeds threshold determined for each jurisdiction
- There's a corporate buyer
- Purchase price paid via monetary instrument

The report must include:

- Information about the identity of the individual primarily responsible for representing the buyer. The title company must obtain a record of the individual's driver's license, passport or other similar identification
- Date of closing of the covered transaction
- Total amount transferred in the form of a monetary instrument
- Total purchase price of the covered transaction
- Address of real property involved

If the purchaser involved in the covered transaction is a limited liability company, the underwriter must provide the name, address and taxpayer identification number of all its members. Additionally, title companies must retain all records relating to compliance with the order for five years, store the records so they are accessible within a reasonable period of time and make the data available to FinCEN or other law enforcement or regulatory agencies, upon request.

According to FinCEN, the initial GTOs are helping law enforcement

## TitleNews Digital Extra FinCEN Geographic Targeting Order

identify possible illicit activity and informing future regulatory approaches. In particular, a significant portion of covered transactions have indicated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers.

FinCEN said this corroborates concerns that the transactions covered by the GTOs (i.e., all-cash luxury purchases of residential property by a legal entity) are highly vulnerable to abuse for money laundering. Federal and state law enforcement agencies have also informed FinCEN that information generated by the GTOs has provided greater insight on potential assets held by persons of investigative interest and, in some cases, has helped generate leads and identify previously unknown subjects.

"The information we have obtained from our initial GTOs suggests that we are on the right track," said

FinCEN Acting Director Jamal El-Hindi. "By expanding the GTOs to other major cities, we will learn even more about the money laundering risks in the national real estate markets, helping us determine our future regulatory course."

### ALTA Resources

ALTA has created several documents to help title professionals comply with FinCEN's order.

- **ALTA FAQ for GTO**
- **Determination Form:** This form will help determine if a transaction is a "Covered Transaction" under the GTO.
- **Information Collection Form:** This document will aid in the collection of information for "Covered Transactions."
- **Handout to educate real estate agents:** To download, go to [www.alta.org/fincen](http://www.alta.org/fincen).

An iceberg floating in the ocean. The tip of the iceberg is visible above the water line, while the much larger, jagged base is submerged below. The sky is blue with some clouds, and the water is a deep blue. The overall image serves as a metaphor for hidden risks.

# See.

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# Underwriters Report Q2 Earnings Results

## Several Companies Look to Make Agency Acquisitions

**T**he combination of low mortgage rates and a strong job market has fueled a robust housing market through the first half of 2016. Overall origination volume for 2016 is expected to be \$1.74 trillion compared to \$1.63 trillion in 2015. Here's a recap of the four publically traded underwriters financial earnings during the latest quarter.

### Fidelity

Fidelity National Financial reported that its title insurance segment posted pre-tax income of \$281 million during the second quarter of 2016. This is up from pre-tax income of \$261 million during the same period a year ago.

"This quarter clearly highlights the earnings power of our title insurance business," said Chairman William P. Foley, II. "We experienced continued mid-single digit growth in the purchase market, a slight decline in commercial revenue and lower refinance closings, yet we still were able to generate a 16.5 percent adjusted pre-tax title margin. With the decline in interest rates in late

June, we have already begun to see a meaningful increase in refinance openings in the last three weeks, which bodes well for improved third-quarter refinance closings. As we enter the second half of 2016, we will continue to strive to maximize earnings from our operations and remain the most profitable title insurance company in the country."

During the latest quarter, Fidelity's direct operations opened 577,000 orders while closing 401,000. This compares to 560,000 opened orders during Q2 2015 while closing 408,000. During the second-quarter earnings call, Fidelity President Mike Nolan said the company has focused on growing the agency channel the past couple of years. Fidelity has signed nearly 500 new agents over the past 18 months, including 100 each during the past two quarters of 2016.

"So, that combined with the pretty good real estate activity in the East, Midwest and Southeast, where we have very strong agency market share, is really paying a lot of dividends for us," he added.

During the second quarter, Fidelity reported that it acquired seven smaller title companies for \$37 million. Randy Quirk, Fidelity's chief executive officer, said acquisitions were made to expand in key markets, noting purchases in the Mid-Atlantic, South Florida and Oregon.

Fidelity paid \$73 million in claims during second-quarter 2016. This is up slightly from \$70 million in claims paid during Q2 2015.

### First American

First American Financial Corp. reported that its title insurance and services segment posted its highest pre-tax margin (13.7 percent) in the company's history.

"We benefited from our continued focus on operating efficiency and from a solid spring selling season that lifted purchase market revenues by 5 percent compared with last year," said Dennis Gilmore, the company's chief executive officer. "Lower interest rates drove residential refinance open orders up 20 percent. This trend accelerated into July, contributing to a strong pipeline for the second half of 2016."

Overall, the title segment reported pre-tax income of \$172.4 million during the second quarter of 2016. This compares to \$154.7 in pre-tax income during the same period a year ago. First American reported that the increase in the pre-tax margin was primarily driven by the improvement in the loss-provision rate and higher net realized investment gains.



The provision for policy losses and other claims was \$57.1 million in the second quarter, or 5.5 percent of title premiums and escrow fees, compared with a 6.6 percent loss provision rate in the second quarter of 2015. First American paid \$54.3 million in claims during second-quarter 2016. This is down from \$66.2 million in claims paid during Q2 2015.

During the latest quarter, First American's direct operations opened 347,800 orders while closing 244,200. This compares to 335,200 opened orders during Q2 2015 while closing 246,500.

During the company's earnings call, Gilmore said First American shifted from direct to agency-focused operations in states such as Kansas, Oregon and Washington.

"We did that because of lot of these offices were really in rural areas and the economics were just better," Gilmore said, adding that the economics were better for the agency model rather than direct model.

Going forward, Gilmore indicated that First American is considering several deals to acquire agency operations in the top five premium-generating states (Texas, California, New York, Florida and Pennsylvania).

## Old Republic

Old Republic International reported that its title insurance segment posted pre-tax income of \$44.6 million during the second quarter of 2016. This is down from pre-tax income of \$47.7 million during the same period a year ago.

The company reported that the continued favorable mortgage rate environment and improving housing and commercial property markets led to higher revenues from title

## Industry Data

Industry market share data is available on ALTA's website at [www.alta.org](http://www.alta.org).

premiums and fees in this year's second quarter. The improvements were achieved in spite of adverse effects that recently implemented mortgage disclosure rules are having on transactions.

During the latest quarter, Old Republic paid \$26.8 million in claims. This is up slightly from \$25.1 million in claims paid during the second quarter of 2015.

Al Zucaro, chairman and CEO of Old Republic International, said that the combination of a strong order pipeline at the end of June, the prospect of an extended period of low mortgage rates and steady employment numbers bodes well for the company's title segment for the remainder of 2016.

## Stewart

Stewart Information Services reported that its title operations posted pre-tax income of \$51.7 million during the second quarter of 2016. This compares to second-quarter 2015 pre-tax income of \$48.5 million.

Matthew Morris, Stewart's chief executive officer, said the results "reflected continued bottom line improvement in the company's core title operations as a result of our cost control measures and an improving title policy loss experience."

"We continue to benefit from our cost management program, with total employee costs declining at a much higher rate (10.9 percent) than the decline in operating revenues

(8.2 percent)," Morris added. "Also, our ongoing risk-mitigation efforts resulted in favorable title policy loss experience which not only yielded a net policy loss reserve reduction, but, importantly, also allowed us to reduce our loss provisioning rate beginning in the second quarter."

As a percentage of title revenues, title losses were 3.7 percent in the second quarter 2016. This compares to 5.6 percent in the first quarter 2015. The company paid \$17.1 million in claims during the latest quarter, down from \$19.6 million in claims paid during the same period a year ago.

During the quarter, total title revenues declined 6.1 percent due primarily to lower revenues from independent agencies, while ancillary services revenues declined 38 percent due to Stewart's exit of a portion of its ancillary services business.

"The decline in title revenues was driven primarily by lower revenues from refinance transactions and less independent agency revenues," Morris said. "We will maintain our focus on disciplined and accountable sales growth and cost management to further improve margins and reduce risks."

During the latest quarter, Stewart's direct operations opened 124,229 orders while closing 92,837. This compares to 134,200 opened orders during Q2 2015 while closing 101,579.

Stewart reported that it has increased its overall independent agency count since January and continues to seek quality agency relationships. ■

# market share data

## First Quarter 2016 Market Share: Company Summary

	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
<b>FIDELITY FAMILY</b>					
Chicago Title Ins. Co.	50,611,189	215,754,776	162,043,744	428,409,709	14.32%
Fidelity National Title Ins. Co.	39,614,918	202,595,137	124,559,785	366,769,840	12.26%
Commonwealth Land Title Ins. Co.	17,760,751	70,553,772	39,735,816	128,050,339	4.28%
National Title Ins. of NY.	38,900	130,172	17,887,697	18,056,769	0.60%
Alamo Title Ins. Co.	-	4,229,247	11,908,886	16,138,133	0.54%
<b>TOTAL - FIDELITY FAMILY</b>	<b>108,025,758</b>	<b>493,263,104</b>	<b>356,135,928</b>	<b>957,424,790</b>	<b>32.00%</b>
<b>FIRST AMERICAN FAMILY</b>					
First American Title Ins. Co.	126,177,937	471,757,772	155,499,475	753,435,184	25.18%
First Canadian Title Ins. Co.	22,405,828	-	-	22,405,828	0.75%
First American Title Guaranty Co.	-	3,361,688	15,826,769	19,188,457	0.64%
First American Title Ins. Co. of LA	-	11,444,280	-	11,444,280	0.38%
<b>TOTAL - FIRST AMERICAN FAMILY</b>	<b>154,010,454</b>	<b>493,083,743</b>	<b>171,326,244</b>	<b>818,420,441</b>	<b>27.36%</b>
<b>OLD REPUBLIC FAMILY</b>					
Old Republic National Title Ins. Co.	20,606,722	384,522,616	41,777,571	446,906,909	14.94%
American Guaranty Title Ins. Co.	-	-	-	-	-
<b>TOTAL - OLD REPUBLIC FAMILY</b>	<b>21,702,413</b>	<b>390,019,437</b>	<b>42,438,177</b>	<b>454,160,027</b>	<b>15.18%</b>
<b>STEWART FAMILY</b>					
Stewart Title Guaranty Co.	37,722,921	165,257,088	84,131,111	287,111,120	9.60%
Stewart Title Ins. Co. of NY	8,869,273	44,412,005	119,197	53,400,475	1.78%
<b>TOTAL - STEWART FAMILY</b>	<b>51,214,507</b>	<b>209,669,093</b>	<b>84,250,308</b>	<b>345,133,908</b>	<b>11.54%</b>
<b>FAMILY TOTALS</b>	<b>334,953,132</b>	<b>1,586,035,377</b>	<b>654,150,657</b>	<b>2,575,139,166</b>	<b>86.08%</b>
<b>TOP INDEPENDENT COMPANIES</b>					
Westcor Land Title Ins. Co.	146,750	103,239,154	11,362,564	114,748,468	3.84%
WFG National Title Ins. Co.	6,881,432	49,282,984	10,570,475	66,734,891	2.23%
Title Resources Guaranty Co.	722,972	27,361,017	37,187,212	65,271,201	2.18%
North American Title Ins. Co.	-	24,285,702	20,153,200	44,438,902	1.49%
Alliant National Title Ins. Co.	-	23,139,304	-	23,139,304	0.77%
Investors Title Ins. Co.	5,616,538	11,472,035	277,437	17,366,010	0.58%
Connecticut Attorneys Title Ins. Co.	-	15,900,273	-	15,900,273	0.53%
First National Title Ins. Co.	-	5,427,415	10,021,625	15,449,040	0.52%
Attorneys' Title Guaranty Fund of IL	101,158	13,267,596	-	13,368,754	0.45%
Security Title Guarantee Corp. of Balt.	-	8,391,098	-	8,391,098	0.28%
Land Title Ins. Corp. of CO	-	43,377	7,746,314	7,789,691	0.26%
<b>TOTAL - INDEPENDENT COMPANIES</b>	<b>16,742,406</b>	<b>297,718,525</b>	<b>102,086,585</b>	<b>416,547,516</b>	<b>13.92%</b>
<b>TOTAL - ALL COMPANIES</b>	<b>351,695,538</b>	<b>1,883,753,902</b>	<b>756,237,242</b>	<b>1,107,932,780</b>	<b>100.00%</b>

Note: Individual numbers do not equal totals as not all underwriters are listed Source: [www.alta.org/industry/financial.cfm](http://www.alta.org/industry/financial.cfm)



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# FHA to Insure Mortgages on Certain Properties With PACE Assessments

The Federal Housing Administration (FHA) announced guidance that outlines circumstances under which it will insure mortgages on properties that include Property Assessed Clean Energy (PACE) assessments. The FHA will now approve purchase and refinance mortgage applications in states that treat PACE obligations as special assessments similar to property taxes.

The FHA's new guidance addresses programs where the PACE obligation is treated like a property tax and does not allow the full obligation to have priority or "prime" status over the FHA mortgage lien. By law, the FHA cannot accept a first lien PACE structure (except for past due amounts as is the case for all tax assessments). In accordance with existing guidance, lenders will be responsible for escrowing PACE payments as they would property taxes. In addition, purchasers of homes with existing PACE obligations will be responsible for any unpaid balance of the obligation.

The guidance protects the FHA from risk in a variety of ways. Lenders must escrow payments for PACE assessment so FHA should never be at risk of losing collateral in a tax sale. FHA is also protected as its appraisal policy requires that appraisals take into account the PACE assessment and the value of the improvements.

The Department of Energy is updating its Best Practices Guidelines for Residential PACE Financing, which may be used by states and counties to align with the DOE's consumer protection goals. To qualify for FHA insurance on mortgages for properties that include PACE assessments, lenders must determine that the following requirements have been met under the laws in the state where the property is located:

- The PACE obligation must be collected (escrowed) and secured by the creditor in the same manner as a special assessment against the property.
- The PACE obligation cannot accelerate—namely, the entire amount of the obligation cannot become due in the event of

delinquency after endorsement of the FHA-insured mortgage. The property may be subject to an enforceable claim or lien that is superior to the FHA-insured mortgage but only for the delinquent portion of the PACE obligation.

- There are no terms or conditions that limit the transfer of the property to a new homeowner.
- The existence of a PACE obligation on a property is readily apparent to mortgagees, appraisers, borrowers and other parties to an FHA-insured mortgage transaction, and information on PACE obligations must be readily available for review in the public records where the property is located.
- In the event of the sale, including a foreclosure sale, of the property with outstanding PACE financing, the PACE assessment remains with the property. In cases of foreclosure, priority collection of delinquent payments for the PACE assessment may be waived or relinquished. Unless a payoff is negotiated, the buyer will assume the obligation and will be responsible for the payments on the outstanding PACE amount.

Previously, ALTA expressed concerns about PACE lending. This change does not impact Fannie and Freddie, which will not purchase a mortgage subject to a PACE loan.

## Agents National Title Enters Illinois Market

Agents National Title Insurance Company (ANTIC) announced it has become licensed to issue title insurance in Illinois. According to a press release, Agents National Title looks forward to partnering with local title insurance agents to provide the highest level of service and support to the consumers of Illinois.

"Illinois is a top 10 state for premiums, and is a large market with quality agents throughout the state," said David Townsend NTP, chief executive officer of ANTIC. "We are looking forward to working with title agents and growing our market share close to home. There

is a market in the state for an agent-only underwriter that supports local agents."

To become licensed in Illinois, an underwriter must have at least \$1 million on deposit in a bank in Illinois and pass the state's screening process. An underwriter also must have statutory capital and a surplus of \$2 million.

In addition to Illinois, ANTIC is licensed in 13 other states, including Alabama, Arkansas, Indiana, Kansas, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee and Wyoming. Missouri-based ANTIC recently celebrated its 10-year anniversary.

## NYSLTA Launches Online Title Insurance Guide

The New York State Land Title Association (NYSLTA) launched a new online guide to title insurance in the Empire State.

The NY Title Insurance Guide provides a directory for title insurance providers in New York, including title insurance underwriters, title agencies, abstractors and search companies. It also covers related professions, such as surveyors and technology providers. Listings are searchable by county.

"We are excited to provide this new benefit to home buyers, attorneys and lenders," said Robert Treuber, NYSLTA's executive director. "The guide is especially helpful for people outside of New York, who may not have an existing business relationship. Now anyone looking for title insurance will be able to see all of the agents and underwriters available in their area, and that is a benefit to both the consumer and the provider."

## RamQuest Integrates With Data Trace, NextDeal

RamQuest Inc. announced that its Closing Market digital network recently integrated with Data Trace and NextDeal.

The Closing Market integration with Data Trace enables RamQuest customers to order tax certificates for all 254 Texas counties without having to leave their RamQuest title production solution. Once the tax certificate is created, the integration with

Data Trace also delivers the tax certificate directly back to the customer's title production system, ready for closing.

Meanwhile, NextDeal's preDOCS technology is an application that securely sends opening packages to buyers and sellers and guides them through completion of the documents. It also provides the use of e-signatures.

## ALTA Member Company Marks 20-year Anniversary

Pennsylvania-based White Rose Settlement Services Inc. recently celebrated its 20-year anniversary.

President Shonna Cardello NTP opened her title company on July 17, 1996. At the time, she was the sole employee. Today, White Rose Settlement Services operates in three states and has 11 full-time and two part-time employees. The title company and Cardello have earned more than 20 industry awards.

"I'm honored to have the privilege of serving more than 35,000 families and over 700 industry clients," said Cardello, who is the only title professional in south central Pennsylvania

who has earned ALTA's National Title Professional Designation.

Cardello also has been named a Certified Land Title Professional by the Pennsylvania Land Title Association and a Certified Graduate Associate by the National Association of Home Builders.

"Being involved in the industry, from leading committees to serving on boards, is essential to providing the expertise our clients deserve," Cardello said. "It not only allows White Rose to contribute to our industry in a meaningful way, but it also ensures we are at the forefront of new developments and changes."

## CFPB Amends GLBA Rules to Permit Exemption from Annual Notice Requirement

The Consumer Financial Protection Bureau (CFPB) on July 1 proposed a rule to implement legislation that exempts some financial institutions from sending annual privacy notices to customers.

Congress amended Regulation P under the Gramm-Leach-Bliley Act (GLBA) to implement the statutory changes made by the Fixing America's Surface Transportation Act, allowing the exemption for some institutions.

The GLBA mandates that certain financial institutions provide their customers with initial and annual notices regarding their privacy practices. The notices must describe whether and how the financial institution shares consumers' non-public personal information. If the institution shares non-public personal information with an unaffiliated third party, it typically must notify consumers of their right to opt out of the sharing of such information.

When the GLBA was passed, ALTA was successful in getting a provision that exempted title companies or other real estate companies from the annual notice requirement if there was not an ongoing relationship with the

customer. This proposed change, however, will affect ALTA member companies that are affiliated with lenders.

The proposal also would establish timing requirements to begin re-delivering the annual privacy notices if a financial institution no longer qualifies for the exception.

The proposed rules would provide that a financial institution is not required to deliver a GLBA annual privacy notice if the financial institution:

- Provides non-public personal information to non-affiliated third parties only under one of the GLBA exceptions to the notice and opt-out requirements (§ 1016.13, § 1016.14, or § 1016.15); and has not changed its policies and practices with regard to disclosing non-public personal information from the policies and practices that were disclosed in the most recent privacy notice provided to the customer.

The proposed rule would not affect the collection or use of consumers' non-public personal information by financial institutions. Also, the new exception does not affect the requirement to deliver an

initial privacy notice, so all consumers will continue to receive such initial notices describing the privacy policies of any financial institutions with which they do business. Furthermore, financial institutions that choose to take advantage

of the annual notice exception must still provide any opt-out disclosures required under the Fair Credit Reporting Act, which can generally be provided in the initial notice.

## Snapdocs Automates Closing Services for Title and Settlement Companies

Snapdocs Inc., a technology platform that simplifies mortgage loan closings, announced a new suite of tools to help reduce redundant back-office administrative tasks for title and settlement services companies.

According to the company, Snapdocs Enterprise was developed to meet the demands of dozens of large-scale national title and settlement companies and provide a layer of control and compliance during the closing process.

Snapdocs' signing agent verification feature gives mortgage lenders and title companies confidence in the third-party vendors with whom they choose to work. An emblem will appear next to a notary's name in the Snapdocs database if he or she provides his or her identity verification via a driver's license, notary commission,

background check report and Errors & Omissions (E&O) insurance policy.

Kim Dusseault, chief operating officer of Equity National Title, said the improvement helps her company's commitment to connecting borrowers with high-quality signing professionals.

"Snapdocs' enterprise technology platform is the central point of truth for us, as we push to meet SLAs and drive a premium borrower experience without tapping additional resources," she said.

According to Snapdocs, this software also gives companies oversight of closing operations across multiple offices. By driving identical workflows across a shared database of notaries, companies closing a high volume of loans have a centralized system for pulling audit reports.

## CFPB Updates TRID Webinar Question Index

The Consumer Financial Protection Bureau (CFPB) currently provides an index of questions addressed in the bureau's webinars on the TILA-RESPA Integrated Disclosures (TRID) rule. In order to facilitate access to specific areas of interest, the index is organized by topic and includes related webinar links.

This index has been updated to include the questions that were addressed during the March 1 and April 12 webinars hosted by the Federal Reserve.

Specific to title fees, the index addresses these two

questions:

- If the owner's title policy disclosed on the Closing Disclosure is not the same amount of the premium quoted by the title underwriter, how does a creditor show that a seller has agreed to pay for the owner's title policy?
- The calculation of the owner's title policy premium in accordance with the rule might result in a negative number. Does the creditor disclose this negative number for the owner's title policy on the Loan Estimate and the Closing Disclosure?

## First American Expands Ellie Mae Integration to Streamline Fee Collaboration, Ordering

Ellie Mae, a provider of software solutions and services for the residential mortgage industry, enhanced its integration with First American Title Insurance Company to enable rate and fee quoting, title and settlement ordering, and collaboration on Closing Disclosures.

With this integration with

First American, users of Ellie Mae's Encompass now have a more streamlined workflow, giving the user the ability to import rates and revised title-related fees directly into the Closing Disclosure. Additionally, customers can exchange data through a secure portal.

## CFPB Looks to Add Consumer Survey to Complaint Process

The Consumer Financial Protection Bureau (CFPB) published a notice in the Federal Register for a new information collection aimed at improving the complaint process for consumers and companies.

According to the notice, a Company Response Survey will replace the dispute option and allow consumers to offer both positive and negative feedback on their complaint experience. Narratives that are consented to and scrubbed of personal information will be eligible to be published on the consumer complaint database.

"We intend to give consumers the option to provide feedback on the company's response to and handling of their complaints," the bureau said. "The consumer would have the ability to rate the company's handling of his or her complaint on a one-to-five scale and provide a narrative description in support of the rating. Consumer feedback will be shared with the company that responded to the complaint to inform its complaint handling and used to inform our work to supervise companies and monitor the market

for consumer financial products and services."

The survey builds on a public inquiry the CFPB issued last year seeking public input on ways to highlight consumers' positive experiences with financial service providers.

The CFPB said that positive feedback about the company's handling of the consumer's complaint would be reflected by both high satisfaction scores and by the narrative in support of the score. Negative feedback about the company's handling of the consumer's complaint would offer new context and be more useful to companies.

The bureau is accepting comments on the proposal until Sept. 30. Comments may be submitted:

- **Electronic:** [www.regulations.gov](http://www.regulations.gov). Follow the instructions for submitting comments.
- **Mail:** Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW., Washington, DC 20552.
- **Hand Delivery/Courier:** Consumer Financial Protection Bureau (Attention: PRA Office), 1275 First Street NE., Washington, DC 20002.

## News to Share?

If you have information you'd like us to consider for *TitleNews*, send company announcements to [communications@alta.org](mailto:communications@alta.org).



# NEED MORE CASE LAW? Title Insurance Law Publications

The American Land Title Association offers several legal publications that are the favored research material for title professionals and counsel from around the country. These publications contain practical analysis that is valuable to claims administrators, coverage counsel, underwriters, agency managers, examiners and escrow officers.

- **Title Insurance Law Newsletter**  
*Since 1992, the Title Insurance Law Newsletter has been the leading source of information about current law affecting the land title industry from around the country. Each month, the Newsletter provides reports and commentary on all of the important decisions about title insurance coverage, escrow duties, underwriter-agent issues, conveyancing law and RESPA.*
- **Title & Escrow Claims Guide**  
*Published since 1996, the claims guide is the preferred research tool for land title claim administrators and retained counsel.*
- **Title & Escrow Claims Guide Annual Supplement**  
*This update to the Title & Escrow Claims Guide has over 1,100 pages of new or revised information. It incorporates the holdings of roughly 200 newly decided cases, many of them with important rulings on policy coverage and escrow duties.*
- **Title Law Quarterly**  
*Title Law Quarterly, published once every quarter, provides information on key lawsuits affecting the land title insurance, current developments in real property law and changes to ALTA policy forms.*

\*\*Please note a subscription to the Title Law Quarterly is automatically included with the purchase of an ALTA Real Estate Attorney (REA) Membership.

[www.alta.org/publications/titlelaw](http://www.alta.org/publications/titlelaw)



## Orange Coast Title Aims to Bolster Commercial Division With New Hire

California-based Orange Coast Title Company announced that it named Tim Pearson NTP, a professional who has held positions with First American Title and Stewart Information Services Corp., as first vice president and national sales and operations manager of its builder services commercial division. Pearson, who has more than 35-years

experience in the industry, will be responsible for procuring national business and managing the processing and closings in states where the Orange Coast Title Family of Companies operates. Prior to joining Orange Coast Title, he ran operations for First Dakota Title Company in North and South Dakota, and Minnesota.

## WFG Names Chief Marketing Officer

Williston Financial Group has promoted Justin Tucker to chief marketing officer to spearhead its aggressive growth strategy. The Williston Financial Group family includes WFG National Title Insurance

Company and WFG Lender Services. In his new role, Tucker will lead WFG's growth strategy through its marketing communications, development and sales platforms.

## ATGF Appoints VP of Title Operations

Colorado-based Attorneys Title Guaranty Fund Inc. (ATGF) named Jennifer Williams as vice president of title operations. In her new role, Williams will lead the company's

agent underwriting and support teams, as well as playing critical leadership roles in agent training, risk management, claims processing and technology development.

## ClosingCorp Hires Chief Innovation Officer

ClosingCorp recently promoted Pat Carney to chief innovation officer. In this new position, he will be charged with exploring and driving innovative solutions that impact the business and industry segments

to deliver new growth opportunities and cultivate and commercialize market breakthroughs. Prior to joining ClosingCorp, Carney was chief operations officer and chief strategy officer at reQuire.

## AmTrust Hires Industry Veterans to Expand Marketshare

New York-based AmTrust Title Insurance Company recently added to industry veterans with the goal of growing marketshare.

AmTrust Title named James Dufficy as director of corporate strategy, agency vice president, while bringing on Marianne Mathieu NTP as vice president and New York State agency manager. Both have more than 20 years of experience in the title industry.

Dufficy will assist in expanding the company's authority to write title insurance across the country and to broaden its agency operations nationwide with a regional

focus on the western United States. Prior to joining AmTrust Title, Dufficy was managing member of Retitle Holding Company.

Mathieu will broadly focus on new business development and improving and maintaining existing customer relations, among a host of other responsibilities. Immediately prior to joining AmTrust, Mathieu served as vice president for the New York State agency unit of Fidelity National Title Group, and earlier worked for Chicago Title Insurance Company. Mathieu is the current president of the New York State Land Title Association.

## NATIC Names New Strategic Agency Manager

Michael Holden has been named to the new position of vice president, strategic agency manager for North American Title Insurance Co. (NATIC). Holden, who transitioned to this role from

managing field operations for NATIC for the past year, will continue to serve as state agency manager for NATIC's Great Lakes region. Holden has served the title industry since 1989.

## Alliant National Title Names Associate Underwriting Counsel for Florida

Alliant National Title Insurance Co. recently named Lindsay Hall Harrison as associate Florida underwriting counsel. A licensed attorney and member of the Florida Bar, Harrison held the

position of litigation attorney for one of Florida's legacy law firms specializing in residential mortgage foreclosure for the lending and servicing industry before starting her own law firm.

## New Members

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### ALABAMA

Cartron & Jacobs, LLC  
**Clement Cartron**  
*Huntsville*

Charles W. Edmondson, PC  
**Charles W. Edmondson**  
*Montgomery*

Escrow Title & Closing, LLC  
**Melinda Gilley**  
*Cullman*

Martin Closing Services, LLC  
**James G. Martin Jr**  
*Montgomery*

Valley Title Agency, LLC  
**Ryan Hicks**  
*Scottsboro*

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### ARKANSAS

Standard Abstract & Title Company, Inc.  
**Travis Bailey**  
*Little Rock*

Sharp County Title, Inc.  
**Christina Donahoe**  
*Ash Flat*

South Arkansas Title, LLC  
**David Harrod**  
*Hamburg*

Baxter County Abstract & Title Insurance Co., Inc.  
**Janna Ryan**  
*Mountain Home*

Shaver & Smith, PA  
**J. Harmon Smith**  
*Wynne*

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### COLORADO

Hinsdale Title Company, LLC  
**Alena Haskell**  
*Lake City*

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### CONNECTICUT

The Colucci Law Firm  
**Edna Colucci**  
*Trumbull*

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### FLORIDA

Divine & Estes, P.A.  
**Russell Divine**  
*Orlando*

First Integrity Title, Inc.  
**Lillian Elizondo**  
*Naples*

South Tampa Title Co.  
**Susan Fernandez**  
*Tampa*

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### FLORIDA CONT.

1st Trust Title, Inc.  
**Kimberly Fohr**  
*Davie*

Distinctive Title Services, Inc.  
**Mary Gretel**  
*Wellington*

Gullett Title, Inc.  
**J.J. Gullett**  
*Palatka*

Merit Title, Inc.  
**Denise Jenkins**  
*Stuart*

Lawrence, F. Parker, P.A.  
**F. P. Lawrence**  
*Gainesville*

Holland & Knight, LLP  
**Nicholas G. Milano**  
*Fort Lauderdale*

Assured Title & Trust, Inc.  
**Lory Mitchell**  
*Miami*

TLC Title Company of Florida, Inc.  
**Carol Saxton**  
*Davie*

Vintage Title & Escrow, Inc.  
**Stephanie R. Schroeder**  
*Destin*

Siegel, Siegel & Wright  
**Dara S. Siegel**  
*Boca Raton*

SmithLaw  
**Christopher D. Smith**  
*Lakewood Ranch*

MV Title, Inc.  
**Marisol Vallejo**  
*Doral*

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Island Acquisitions Title Co.  
dba Florida Title of the Keys  
**Debi Wachendorfer**  
*Islamorada*

American Latin Title  
**Fatima De Assuncao**  
*Orlando*

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### GEORGIA

Mozley, Finlayson & Loggins, LLP  
**Jim Coyle**  
*Atlanta*

Precision Title & Escrow, LLC  
**Carter Stout**  
*Atlanta*

Continental Title Agency  
**David Strauss**  
*Duluth*

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### ILLINOIS

Edwards County Land Title Services, LLC  
**Rian P. Waterbury**  
*Mount Carmel*

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### INDIANA

Bonham Title Company  
**James S. Forcum**  
*Hartford City*

Wells County Land Title Co., Inc.  
**Lori L. Brubaker**  
*Bluffton*

Independence Title & Escrow Co., LLC  
**Colena L. Frame**  
*Connersville*

Freedom Title Company, Inc.  
**Debra A. Lawson**  
*Richmond*

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### KANSAS

Junction City Abstract & Title Co.  
**Todd W. Fawcett**  
*Junction City*

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### KENTUCKY

Bornstein & Oppenheimer, PLLC  
**Bill Bornstein**  
*Louisville*

Grace Title Group, Inc  
**Lee W. Grace**  
*Louisville*

Trimble, Lindsay & Shea  
**Patrick Shea**  
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Integrity Title Services, Inc.  
**Randall S. Strause**  
*Louisville*

Long & Long, PLLC  
**Eric G. Long**  
*Benton*

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### LOUISIANA

Grand Title Company, Inc.  
**Trenton Grand**  
*Baton Rouge*

Bhaa Abstract & Title,  
Llc/La/Breaux Bridge  
**Bart Herbert**  
*Breaux Bridge*

Tangi Title, LLC  
**Debra McKinney**  
*Hammond*

Tri-Parish Title Company, Inc.  
**Donald Miers**  
*Denham Springs*

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**Andrew Pelletier**  
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**Jodee Micheletti**  
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**Clyde E. Ellis**  
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**Avery Gurnsey**  
*Bassett*

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**Susan Haase**  
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Thayer County Title, LLC  
**Kristin Timmerman**  
*Hebron*

**NEW JERSEY**

Dominion Title Services/Bridgeton, Inc.  
**Carolyn King**  
*Bridgeton*

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Northstar Settlement Services, LLC  
 Mark Muenzenberger  
*Marlton*

Countryside Title Agency, Inc.  
**Kathleen Parker**  
*Newton*

Mutual Title Agency  
**Kathleen F. Ringler**  
*Wildwood*

Victorian Abstract Agency  
**Linda Koch**  
*Cape May*

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*New York*

Old Heritage Realty Services, LLC  
**James Provost**  
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 Land Title Company  
**Charles Brigham III**  
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Louisville Title Agency for NW Ohio, Inc.  
**Marrienne Cappiello**  
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ValuAmerica, Inc.  
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Sovereign Search & Abstract Company, Inc.  
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## Growing Pains

It's September. Next month, the Know Before You Owe Rule, or TRID, will be one year old. Over these last 11 months, our members have worked tirelessly with lenders to get the rule implemented. And, I must say, we should all be proud of our industry. For all of the lingering problems—and there are many—ALTA members have done a pretty darn good job.

There is much ahead of us, however. CFPB recently proposed amendments to the TRID rule. ALTA staff and members are carefully poring over every detail in the nearly 300-page proposal, and will soon make comments as is custom during the rulemaking process. Early indications are that the proposed changes are mostly beneficial, although the title industries biggest bugaboo—the disclosure of title insurance premiums—will not be addressed.

It seems to me that two areas need significant focus: processes and workflow between lenders and settlement agents, and technology integrations.

Although days between contract and closing times are back to pre-TRID levels, we frequently hear from escrow officers and closers that too much confusion and dysfunction exists in the process, especially in western escrow states. It takes extra time to close TRID transactions. Our people on the front lines are frustrated, as are the consumers. Somehow, lenders and settlement agents need to collaborate and develop solutions. The exchange of accurate fees must occur early in the transaction. Lenders need to do a better job getting an accurate Closing Disclosure to their borrower three days in advance of closing.

Lenders and settlement agents have made progress on exchanging data electronically, but we need to double down on these efforts. System integrations and data exchange will not only make the process smoother, but will be practically required in the future if lenders are to meet their future obligations to deliver loan-level transaction data to Fannie Mae and Freddie Mac.

To sum it up, we should be proud of what we've accomplished during the first year of TRID. It's been a tremendous effort, and we've done a good job. On the other hand, we need to work through some growing pains and keep pressing forward to make the process more efficient for settlement agents and lenders and reduce frustration on the part of consumers.



— John Hollenbeck NTP, ALTA president

# Answers



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## **ALTA Unveils New Conference**

Looking around at the businesses of today and the changes they're making to succeed tomorrow, we know this is our opportunity to invest in lasting improvements. Telephones, taxis and hotels have turned into Skype, Uber and AirBnB. It's time to approach the industry in a bold and innovative way.

*"Springboard is our vision for all that we can do together—as your association, as a company, as a community of experts and as the protectors of property rights."*

- Michelle Korsmo,  
ALTA's chief executive officer