

December 2016

Official Publication of the
American Land Title Association

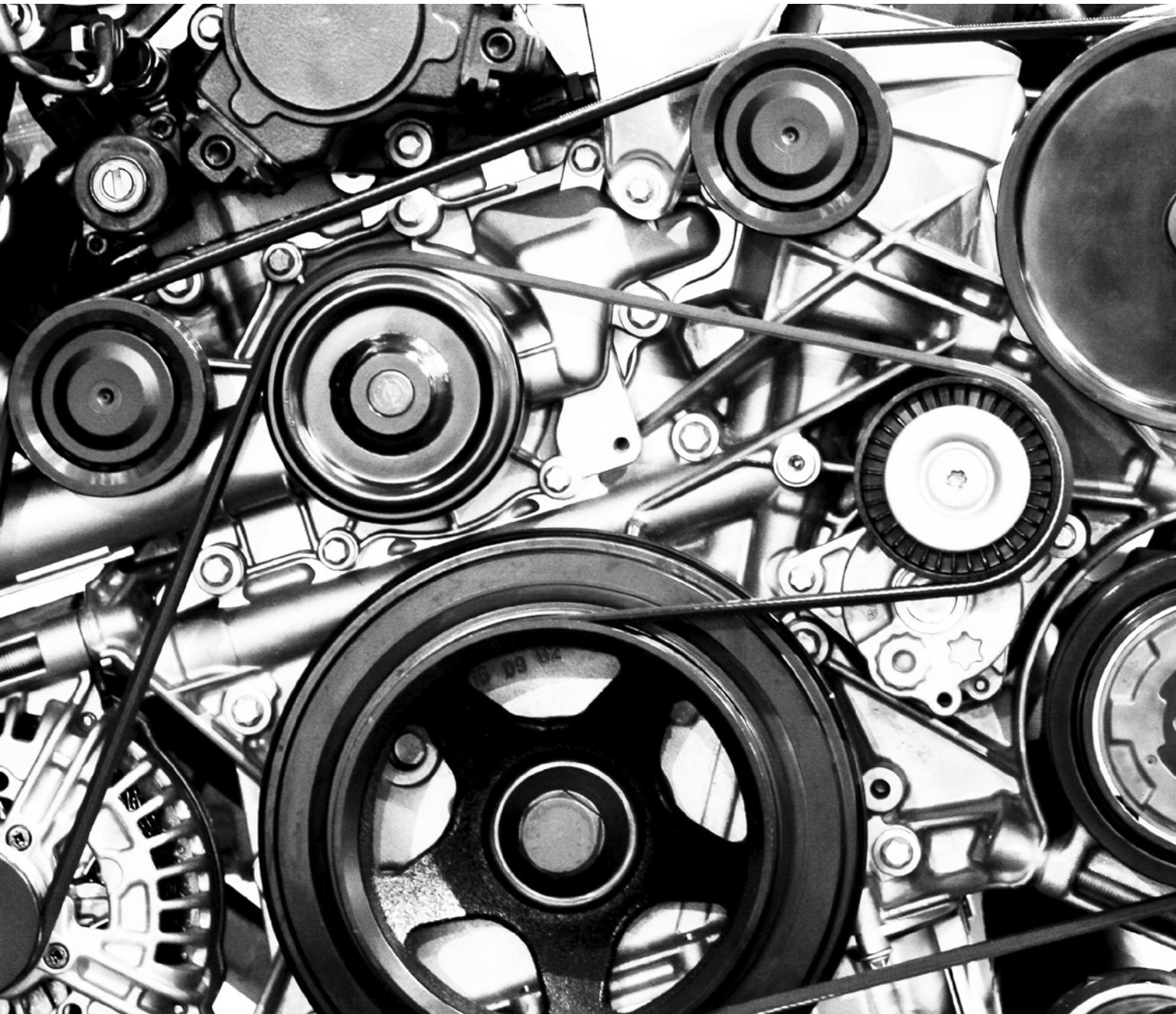
TitleNews

Federal Judge Puts DOL's Overtime Rules on Ice

While Fate of Regulation Remains
in Doubt, Employers Should Still
Review Pay Scales, Job Descriptions



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2017 ALTA CONFERENCES

February 21-22	Innovation Boot Camp Denver, CO
March 8-10	ALTA SPRINGBOARD Fort Worth, TX
May 8-10	ALTA Advocacy Summit Washington, DC
June 20-21	Innovation Boot Camp Nashville, TN
August 23-24	Innovation Boot Camp Baltimore, MD
October 10-13	ALTA ONE Miami, FL

STATE CONFERENCES

April 6-7	Tennessee Nashville, TN
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Look at What You're Missing
in this month's Digital Issue



Highlights from 2016 ALTA ONE

The digital edition includes a
slideshow of additional photos
from ALTA ONE, which was held
in Scottsdale, Ariz. Additionally,
you can view recordings of several
segments of the Omni Sessions.

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TitleNews is published monthly by the
American Land Title Association. United
States and Canadian subscription rates
are \$100 a year for members and \$300
a year for nonmembers. For subscription
information, call 800-787-ALTA.

Send address changes to *TitleNews*,
American Land Title Association,
1800 M Street, Suite 300 S, Washington, D.C.
20036-5828.

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Members Continue to Drive ALTA's Success

Another year is nearly in the books. While thoughts are quickly turning to 2017 and what impact President-elect Donald Trump will have on the mortgage and real estate industry, I'd like to pause and reflect on the many successes we enjoyed over the past year. Here are just a few:

- **Record Membership:** We marked our seventh consecutive year of all-time record membership. With more than 6,200 member companies, ALTA surpassed its 2015 record by more than 150. ALTA's growth is related to the success of our members. From one-person shops to publically traded companies, your ALTA prides itself in offering resources to help our members succeed in an evolving marketplace.
- **Record Attendance:** A record number of nearly 1,200 title and settlement professionals were on hand for ALTA ONE, which was held in Scottsdale, Ariz. ALTA ONE is the new live event experience that replaces the Annual Convention. For 109 years, ALTA's Annual Convention has been the place where title and settlement services professionals have reunited with friends, reflected on the past year and rejuvenated their minds with fresh ideas. We believe ALTA ONE will deliver another century of success.
- **New Website:** In November, ALTA launched a completely redesigned and organized website that incorporates the pride of being an ALTA member and working in this great industry. ALTA serves as the beacon of the title industry, so our website must serve the needs of existing members and raise awareness and educate prospective members about the value of ALTA. In addition, the website provides an optimal viewing experience across a wide range of devices.
- **TIPAC Donations:** Support for ALTA's Title Industry Political Action Committee continues to reach new milestones. In 2016, TIPAC raised more than \$530,000 and is nearing the \$1-million mark raised during the election cycle. For more information about TIPAC, send an email to Jessica McEwen, ALTA's director of political affairs.
- **CFPB:** For more than four years, ALTA had met with the CFPB and submitted letters asking for more guidance on the approach lenders should take when developing a compliance management program for service providers. In November, the CFPB finally responded (Read more about this on page 18).

We're excited to deliver even more for our members in 2017. Among the items you can expect to see are continued enhancements to our conferences, a core industry values program, rollout of the ALTA Title & Settlement Agent Registry, new tools in the Homebuyer Outreach Program and an unveiling of a redesigned TitleNews! We look forward to 2017 and another year of serving our members.



— Michelle Korsmo, ALTA chief executive officer



FHA to Lower Requirements for Certain Condo Developments

The U.S. Department of Housing and Urban Development released a mortgagee letter on Oct. 26 setting out requirements for when a buyer of a condominium unit can get FHA-insured financing in a development that has an owner-occupancy ratio as low as 35 percent. The 35 percent ratio was enacted into law this summer in legislation called “The Housing Opportunity Through Modernization Act,” H.R. 3700.

ALTA supported this legislation as it helps homebuyers by removing lengthy and costly FHA condo requirements and increases the number of condos available in the real estate market. Members of the Title Action Network (TAN) took action to encourage Congress to pass the legislation.

In addition to lowering the owner-occupancy ratio, the legislation requires a streamlined condominium certification process, provides more flexibility for mixed-use developments to receive HUD approval and requires the FHA

to mirror the GSE’s rule on private transfer fee covenants.

The new requirements go into effect immediately. For existing condominium developments greater than 12 months old, FHA will lower the owner-occupancy requirement to as low as 35 percent under the following conditions:

- *Applications must be submitted for processing and review under the HUD Review and Approval Process (HRAP) option*
- *Financial documents must provide for funding of replacement reserves for capital expenditures and deferred maintenance in an account representing at least 20 percent of the condo development’s budget*
- *No more than 10 percent of the total units can be in arrears (more than 60 days past due) on their condominium association fee payments*
- *Three years of acceptable financial documents must be provided*



ALTA Members Recognized for Creative HOP Use

During ALTA ONE in October, two member companies were recognized for their creative use of the Homebuyer Outreach Program (HOP). HOP was developed to help ALTA members easily communicate the benefits of owner’s title insurance with homebuyers, real estate agents and others.

Receiving a complimentary registration to ALTA ONE was Boone Central Title Company in Columbia, Mo.

Inspired by the force-field flyer in the HOP material and the animated movie “The Incredibles,” Boone Title developed a “Protectables” theme and created a flyer telling

homebuyers that the company is the protective shield for Missouri’s property rights. The company also held an open house where employees put on three separate skits that represented their processes of research, closing and policy using the “Protectable” theme. Because of their efforts using the HOP material, the company was recognized as a finalist for Small Business of the Year in the city of Columbia.

Also recognized and receiving a free registration to one of ALTA’s 2017 Innovation Boot Camps was Olympic Peninsula Title in Port Angeles, Wash.

How ALTA Members Can Defend Against Ransomware

Ransomware has emerged as one of the most serious online threats facing businesses, according to the Federal Trade Commission (FTC).

Ransomware is a form of malicious software that infiltrates computer systems or networks and uses tools like encryption to deny access or hold data “hostage” until the victim pays a ransom. Cyber criminals frequently require their ransom payments to be made in Bitcoin. In a typical case, the criminals demand between \$500 to \$1,000, but some have demanded as much as \$30,000, according to the FTC. Some hackers go as far as deleting the victim’s files if payment isn’t made within a specified period of time, and many newer variants use highly advanced methods of encryption.

Risks

Any business that holds consumers’ sensitive information should be concerned about the threat of ransomware. It can impose serious economic costs on businesses because it can disrupt operations or even shut down a business entirely. In addition, a business’s failure to harden its networks from

ransomware can cause significant harm to the consumers (and employees) whose personal data is hacked. According to the FTC, a company’s failure to update its systems and patch vulnerabilities known to be exploited by ransomware could violate Section 5 of the FTC Act. This principle is illustrated in several recent FTC actions that highlight the importance of defending against malware, such as the case against Wyndham Hotels & Resorts LLC. That decision gives the FTC broader data security power.

How is ransomware delivered?

Criminals deliver ransomware in a variety of ways. The FTC reports that 91 percent of all ransomware arrives through email phishing campaigns. These typically require the user to take some kind of action such as clicking on a link or downloading a malicious attachment. Other attacks use drive-by downloads, where a user visits a malicious website or a site that has been compromised, and the act of loading the site causes the ransomware to automatically download onto the user’s computer.

How to defend against ransomware

- **Training and education:** *Implement education and awareness programs to train employees to exercise caution online and avoid phishing attacks.*
- **Cyber hygiene:** *Practice good security by implementing basic cyber hygiene principles.*
 - *Assess the computers and devices connected to networks to proactively identify the scope of potential exposure to malware.*
 - *Identify technical measures that can mitigate risk, including endpoint security products, email authentication, intrusion prevention software and web browser protection.*
 - *Implement procedures to keep security current. Update and patch third-party software to eliminate known vulnerabilities.*
- **Backups:** *Back up your data early and often.*
 - *Identify business-critical data in advance and establish regular and routine backups.*
 - *Keep backups disconnected from your network so that you can rely on them in the event of an attack.*

- **Plan:** *Prepare for an attack. Develop and test incident response and business continuity plans.*

How to respond if you’re a victim

If ransomware strikes, the FTC says to consider these steps:

- **Implement your continuity plan:** *To be ready if an attack occurs, have a tested incident response and business continuity plan in place. Well-prepared organizations with reliable backups may be able to restore systems from those backups with minimal data loss or business interruption.*
- **Contact law enforcement:** *Contact the local FBI field office if you discover an attack.*
- **Contain the attack:** *Keep ransomware from spreading to networked drives by quickly disconnecting any infected computer from the network.*

The third pillar of ALTA’s Best Practices encourages companies to adopt and maintain a written privacy and information security program to protect Non-public Personal Information (NPI) as required by local, state and federal law.

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12 Days of Title Begins December 12

For 12 days each December, ALTA posts some of the top reasons our industry is one of the best in real estate. As we reflect on another year gone by, we use #12DaysOfTitle to celebrate accomplishments, remember the past and plan for the future. Be sure to check out our Facebook page ([facebook.com/altaonline](https://www.facebook.com/altaonline)) and Twitter account (@ALTAonline) to participate. If you have an accomplishment or memory that you would like us to include for #12DaysOfTitle, please email social@alta.org.

Social Media Pro-Tip: Reach Homebuyers with Social Media

If you're looking to connect with consumers and educate them about the benefits of title insurance, make sure to utilize content already developed by ALTA. Social media content for various platforms is available exclusively to ALTA members. According to a PEW research study, 77% of adults in the United States use some sort of social media platform. Make sure that you're taking advantage of every possible opportunity to increase your market share by communicating directly with homebuyers today.



ALTA's new Homebuyer Outreach Program has all the tools you need to effectively communicate the benefits of title insurance to consumers on multiple social media platforms. To view the content, go to www.alta.org/homebuyer and look under the Digital Marketing Resources section.



Save the Date: Denver Innovation Boot Camp

Save the date to attend ALTA's Innovation Boot Camp in Denver on Feb. 21-22. Our Innovation Boot Camp offers an identical day-and-a-half schedule focused on tools for small businesses to better reach real estate agents, consumers and lenders. Register today at <http://meetings.alta.org/bootcamp>.

Looking for a New Profile Picture?

Check out all of the photos from ALTA meetings by visiting our Flickr page at www.flickr.com/altaonline. Browse from photos old and new to reminisce with your friends and colleagues.

Become a HOP Leader in 2017

HOP Leader trainings are designed to help ALTA members like you build relationships with homebuyers and connect with them earlier in the transaction. As a HOP Leader, you can use these new strategies and tools to help grow your business and also advance our industry by sharing your knowledge with other ALTA members. Learn more at <http://meetings.alta.org/hop>.



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Federal Judge Puts DOL's Overtime Rules on Ice

While Fate of Regulation Remains
in Doubt, Employers Should
Still Review Pay Scales, Job
Descriptions

A federal judge appointed by President Barack Obama issued a nationwide injunction to stop the implementation of the U.S. Department of Labor (DOL) Fair Labor Standards Act (FLSA) overtime rules that would have taken effect on Dec. 1. In 2014, President Obama directed the Secretary of Labor to “simplify and modernize” the overtime regulations for executive, administrative and professional employees. The rule would have doubled the annual salary level threshold from \$23,600 to \$47,476. An estimated 4.6 million U.S. workers would have qualified for nonexempt status and become eligible for overtime pay. The DOL estimated that average annualized direct employer costs would have totaled between \$239.6 and \$255.3 million per year. The salary threshold also would have increased every three years beginning in January 2020. Now, the proposed overtime rule is on ice and could potentially evaporate all together. >>

By Jeremy Yohe



In September, 21 states filed a lawsuit against the DOL and its Wage and Hour Division in Texas challenging these new overtime regulations. The plaintiffs argued that the DOL exceeded its authority by significantly raising the salary threshold and providing for automatic adjustments to the threshold every three years. A few weeks later, the same states filed an emergency motion seeking an injunction to halt or delay the implementation of the new overtime regulations. Meanwhile, on Oct. 19, another lawsuit—this one brought by numerous chambers of commerce and business groups—was consolidated with the states' case before the same federal judge in Texas.

In an opinion and order issued Nov. 22, Judge Amos L. Mazzant II of the U.S. District Court for the Eastern District of Texas applied the injunction nationwide after determining the DOL “exceed[ed] its delegated authority” and had “ignore[d] Congress’s intent by raising the minimum salary threshold such that it supplants the duties test.”

What’s Next

While temporary, the injunction buys the court more time to come to a final decision on the overtime rule. The opinion signals the likelihood that Judge Mazzant will rule in favor of the plaintiffs. In a statement, the DOL stated that it “strongly disagreed” with the decision and was “considering all of our legal options.”

It is anticipated the DOL will appeal the ruling to the Fifth Circuit Court of Appeals, which probably won’t issue an opinion until 2017. According to Ashlee Grant of the law firm BakerHostetler, it’s very likely that this case will end up in

the United States Supreme Court—regardless of the final decisions from Judge Mazzant or the Fifth Circuit.

Congress could also weigh in. Republicans have said they plan to offer measures to dull the impact of the rule. Rep. Phil Roe (R-Tenn.), chairman of the Education and the Workforce subcommittee, said the current threshold is “too low, but doubling that is way too much.” Other Republicans hinted there could be actions such as an executive order once President-elect Donald Trump takes office Jan. 20.

Federal Judge Amos L. Mazzant said the Department of Labor “exceed[ed] its delegated authority” and had “ignored Congress’s intent by raising the minimum salary threshold such that it supplants the duties test.”

Moving Forward

Many companies have already taken steps to comply with the rule. For most employers, this meant a combination of raising salaries, converting salaried employees to hourly, limiting overtime opportunities, and layoffs. While it is not probable that the case will get heard until after the inauguration of President-elect Trump, companies should understand their FLSA obligations no matter what the salary threshold may be.

First, a company must determine if it and/or its employees are covered by the FLSA. The rule is called

Enterprise Coverage and applies if a company has at least two employees and an annual volume of sales or gross business activity of \$500,000. If a business is a hospital, nursing home, school or government agency, Enterprise Coverage applies regardless of sales and employee headcount.

“Most private companies, except for very small businesses, are typically going to be covered under the Enterprise Coverage,” according to Shannon Farmer of the law firm Ballard Spahr.

Even if not covered under an enterprise, individual employees may still be covered. Individual coverage includes employees of non-covered businesses who regularly engage in interstate commerce—especially if they:

- Produce goods sent out of state (e.g., making a product or preparing a letter)
- Make phone calls to people in other states
- Process transactions involving people in other states (e.g., credit card sales)

Exemptions

If the proposed DOL rule change survives current and future court challenges, employers of all types may decide to continue paying an hourly wage with overtime or increase salary pay to meet the threshold. The rule would mandate that an employee making at least \$913 per week (up from the current level of \$45 per week) can be exempt from overtime pay. Additionally, these employees must be classified as executive, administrative, professional, computer or outside sales. According to the DOL, the executive, or managerial, exemption requires that the employee meet all three of the following criteria:

- manage two or more other full-time employees or their equivalent
- be primarily involved in managing the business
- have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight

"It's important to remember that not all managerial and supervisory employees are exempt," Farmer said. "Just because someone is a manager doesn't mean you can make them exempt. That's not enough. You must go through all the steps to determine how much authority they have."

In addition to the salary requirement to qualify for the administrative exemption, employees must have as their primary duty the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers. Covered

workers also must exercise discretion and independent judgment with respect to matters of significance. The DOL provides a list of questions to help determine whether the administrative exemption would be appropriate:

- Is the employee involved in business or strategic planning?
- Does the employee make decisions that impact business operations or revenue?
- Does the employee plan or manage a budget?
- Does the employee direct the work of other employees or manage major projects?
- What decisions can the employee make without further review?
- How often are the employee's decisions overruled?
- How often are the employee's recommendations followed?
- Is the employee free to choose among a number of possible actions or are decisions constrained by the factual situation?

Answering these questions will help business owners decide whether settlement agents and escrow agents are exempt employees.

"Both of these positions, if they are exempt, will be under the administrative exemption," Farmer said. "You'll need to look at this test and determine how much independent authority and discretion these employees have."

Farmer added that the DOL also looks at whether an employee is producing a product for the organization. In the agency's view, these production employees can't fall under this exemption.

"This is a challenging area, especially in the financial services sector," Farmer said. "The DOL has

been pretty aggressive and in their view, most people are non-exempt and need to be paid overtime."

Additionally, a licensed title producer likely will not fall under the professional exemption. Just having a license is not enough, Farmer said. Rather, a person must have some specialized intellectual instruction, such as a four-year degree.

Employees whose primary duty is to obtain orders/contracts fall under the outside sales exemption. These employees are regularly engaged away from the employer's place of business.

"If you're working from home, your home is the employer's place of business," Farmer said. "Phone and Internet sales do not count for this. You have to actually be pounding the pavement."

Another category of exemption is that of the Highly Compensated Employee (HCE). Highly compensated employees doing office or non-manual work are exempt if they regularly perform at least one of the duties of an exempt executive (managerial), administrative or professional employee as mentioned above. Currently, anyone earning \$100,000 or more could qualify as an HCE. Under the DOL's proposal, a worker will have to earn at least \$134,000 to qualify.

Also under the proposed DOL rule, employers could have used nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the standard salary level.

Tracking Hours and Organizing Staff

The FLSA requires that records be kept of the work hours of employees. There's no particular format that must be used. Companies can use

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timesheets, allow employees to track their own time, use phone apps or online programs. Also, companies don't need to track the hours of exempt employees, but Farmer warned that if it turns out the employee was classified incorrectly, "you'll have to figure how much back pay they are owed."

"Any time there's a lack of record, the Department of Labor will look to the employee's estimate of the hours they worked," she added.

According to the Department of Labor, "an employer must establish a workweek (seven consecutive 24-hour periods) and must pay overtime when hours worked exceed 40 in the workweek. The practice of paying overtime only after 80 hours in a bi-weekly pay period is illegal since each workweek must stand alone." So if an employee works 38 hours one week and 42 hours the next, he or she are eligible for two hours of overtime, even though $38+42=80$. Some states (such as California, Nevada, Colorado and Alaska) have daily overtime rules that require additional compensation for hours worked in a single day—regardless of how many hours are in an employee's workweek.

Companies also must remember there are additional state laws that can impose additional obligations. Collective bargaining and individual employment agreements can also affect responsibilities.

"There can be state laws that have higher minimum wage requirements and different rules on who is exempt," Farmer said. "You always want to know what the law is in your state. Even though you may comply with the federal law, you still could be subject to an enforcement action under state law."

Companies also may consider hiring new employees—even if they're part-time—to help ease the overtime hours worked. It's also important to manage overtime hours and keep accurate records of hours worked. Paying overtime may seem like a simple answer. While the rule is not in effect, it's still good business practices to monitor hours. Employers are encouraged to:

- Track clocking in and out down to the minute in order to properly pay overtime when it is earned.
- Track other employees' hours so they aren't going over budget on overtime.
- Implement a payroll system to track and deliver overtime payments.

To organize employees, companies should evaluate their business models and incorporate practices in the most efficient way. To prepare for the possibility that the new DOL rule could go into effect, management should ask the following questions:

- Do you have employees whose overtime exemption would be in question if the rule is cleared for implementation?
- Do you or your employees rely on overtime hours to get the job done? How productive/valuable are these hours?

Pay Overtime vs. Make Exempt

In considering the options, one of the concerns that many employers have is the lack of cost certainty associated with moving employees to non-exempt status. In order to get a better cost estimate, employers can have exempt employees track all their actual work time (if they don't already) to gauge typical hours. Farmer suggested avoiding unusual periods like heavy vacation time.

If moving people to non-exempt, companies will want to consider adopting policies requiring employees to get approval for overtime in advance and enforcing them.

"Employees must be paid for all hours worked that employers know or should have known about, even if unauthorized," Farmer said. "You need to enforce your policies, send employees home and don't let them work through lunch if overtime isn't authorized."

Brent Scheer, chief financial officer at Agents National Title Insurance Co., encouraged companies to develop overtime policies, including travel time. They should also adopt policies regarding when it's appropriate to use a company-issued cell phone or laptop.

"These items could trigger overtime payment," said Scheer.

Self Audits

Process-wise, companies can perform internal wage and hour audits to assess whether they are in compliance with applicable laws and regulations. Farmer said audits afford employers an opportunity to proactively ensure compliance and to brainstorm strategies to remedy potential issues.

"If there is litigation, audits may be used as evidence to defend allegations that misclassifications were willful," she added.

Wage and hour audits happen in three phases:

- Review job duties and salaries to ensure that employees are properly classified as exempt and non-exempt from the minimum wage and overtime provisions.
- For exempt employees, ensure they are being paid in a way that meets all the requirements of the

“salary basis” test.

- Ensure non-exempt employees are being paid for all their “working time” and that their pay is correctly computed.

“If your payroll system is complicated and you have premiums, bonuses and incentive compensation, it’s even more important to make sure all of that is tracked correctly because there are rules on how it is counted into overtime,” Farmer said.

Scheer said title companies may need to consider looking outside of their operations to get help completing a wage and hour audit. Payroll companies, CPA firms or law firms specializing in HR could be resources. It’s worth pointing out that discussions with lawyers are protected by attorney-client privilege and may provide a good-faith defense against certain penalties if you rely on the advice of counsel.

Violations

Regardless of which version of the regulations is currently in force, employers that do not comply face substantial penalties. The DOL uses a variety of remedies to enforce compliance with the FLSA. Employers who willfully or repeatedly violate the overtime pay requirements are subject to civil monetary penalties of up to \$1,100 per violation. The DOL or aggrieved employees may also bring suit for back pay and an equal amount in liquidated damages. Employees who successfully sue employers are also entitled to recover their attorneys’ fees, making these cases particularly attractive for plaintiffs’ attorneys.

Communicate With Employees

Despite having the injunction, companies should develop a



communication plan for when an employee’s status could change from exempt to non-exempt. Long-time employees who are reclassified as non-exempt may be offended by the adjustment, associating the change as a loss of professional respect. Companies should consider ways to address morale issues and help minimize the impact on people who feel like they have a potential lawsuit, according to Farmer. In addition, employees should be educated about why they need to report all their time worked and supervisors will need to limit contact with non-exempt employees after hours.

“This rule could still bring a significant change for all companies, small operations in particular,” Scheer said. “It is very broad in terms of how people work and would have had a huge impact on email and phone usage between exempt and non-exempt employees. Employees may be concerned about how the rule may influence their pay and hours, or what happens when salaried employees become hourly. Explaining potential changes and training your staff to comply with them will help ease any transition.”

Employers that have not yet announced and made changes to

their employees’ compensation or classifications should consider postponing the effective date of those changes, according to Grant.

However, she added, there were many employers that had not come into compliance prior to the injunction but already communicated the changes to their employees.

“In these instances, the employer might carefully consider whether to postpone the changes, but at the very least should provide a communication to its employees explaining that the new rules for overtime pay exemptions will not be going into effect as expected due to a court-ordered injunction,” Grand said. “Employers that have already implemented changes to their employee compensation and classification plans, need to proceed with caution before rescinding those changes moving back to their original compensation and classification schemes, as such an abrupt change could cause employees to seek legal counsel.” ■



Jeremy Yohe is vice president of communications for ALTA. He can be reached at jyohe@alta.org.

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CFPB Promotes 'Flexibility' for Service Provider Oversight

ALTA has Pressed Bureau to Provide More Guidance

Responding to a letter ALTA sent in May, the Consumer Financial Protection Bureau (CFPB) published a bulletin in the Federal Register explaining that a lender's risk-management program for service providers may be scalable depending upon several factors.

The bureau said it issued the amendment to clarify that lenders have flexibility in deciding the appropriate course of action for managing risk.

"The bureau expects that the depth and formality of the entity's risk management program for service providers may vary depending upon the service being performed—its size, scope, complexity, importance and potential for consumer harm," the CFPB said in the bulletin. "While due diligence does not provide a shield against liability for actions by the service provider, it could help reduce the risk that the service provider will commit violations for which the supervised bank or nonbank may be liable."

ALTA has met with the CFPB on several occasions over the past four years and submitted letters asking the bureau to provide more guidance on the approach lenders should take when developing a compliance management program for service providers. This is the first time the CFPB has addressed the issue of scalability in a formal bulletin.

"Encouraging lenders to be flexible when developing a risk-management program for their service providers is a great step toward balancing the need for lenders to oversee third-party vendors and retain consumer choice in selecting service providers," said Michelle Korsmo, ALTA's chief executive officer.

To limit potential violations and related consumer harm, the CFPB said supervised banks and nonbanks should take steps to ensure that their business arrangements with service providers do not present unwarranted risks to consumers.

These steps should include, but are not limited to:

- Conducting thorough due diligence to verify that the service

provider understands and is capable of complying with federal consumer financial law

- Requesting and reviewing the service provider's policies, procedures, internal controls and training materials to ensure that the service provider conducts appropriate training and oversight of employees or agents who have consumer contact or compliance responsibilities
 - Including in the contract with the service provider clear expectations about compliance, as well as appropriate and enforceable consequences for violating any compliance-related responsibilities, including engaging in unfair, deceptive or abusive acts or practices
 - Establishing internal controls and on-going monitoring to determine whether the service provider is complying with federal consumer financial law
 - Taking prompt action to address fully any problems identified through the monitoring process, including terminating the relationship where appropriate
- The CFPB said it will apply these expectations consistently, regardless of whether the entity that has the relationship with the service provider is a supervised bank or nonbank. ALTA's "Title Insurance and Settlement Company Best Practices" provide a blueprint to help lenders satisfy their responsibilities to manage third-party service providers. ■

'Give More, Engage More, Be More'

New ALTA President Urges Industry to Be More Innovative

When Daniel D. Mennenoh ITP, NTP attended his first ALTA convention 20 years ago, becoming ALTA president never crossed his mind. It was around that time that he and ALTA past president Greg Kosin purchased his parent's title company. Over the course of the next two decades, Mennenoh became an active leader within the association.

During ALTA ONE in Scottsdale, Mennenoh reached the pinnacle of ALTA leadership as he was named the 2016-17 president. Taking the stage to address the record number of attendees, Mennenoh honored his family by wearing a red bow tie that belonged to his father. Both of his parents had been active with ALTA and the Illinois Land Title Association for years and inspired him to do the same.

"My parents always led by example, with the business, with industry participation, with life," said Mennenoh, who is president of Galena, Ill.-based H.B. Wilkinson Title Company. "My dad is no longer with us, and his wisdom, experience and good humor are sorely missed.

But I'm very proud to have my mom, Ann, here today. Though she's not able to stretch a double into a triple anymore, she's as sharp as a tack and still has her great sense of humor."

After introducing members of his family who were in attendance to provide support, Mennenoh acknowledged the privilege it is to serve as ALTA's president. He noted that he was looking forward to accomplishing great things over the course of the next year. He then outlined ALTA's 2017 strategic priorities, which include Best Practices, communicating with

homebuyers, core industry values, information security, talent focus, business basics and TRID.

"As we begin a new year within ALTA, I'm happy to say that we've taken a fresh look at our strategic priorities and updated them to ensure we are focused on the issues that impact the title industry the most," Mennenoh said. "We want to innovate and find solutions to ensure all ALTA members, small or large, have the tools they need to thrive in this rapidly changing market."

Quoting Thomas Edison, Mennenoh said "There's a way to do it better—find it." He encouraged the industry to be more innovative and explore better ways to serve customers and explain the industry.

"My challenge to us this year is to give more. Engage more. Be more," Mennenoh said to the crowd. "I encourage you all to give more and ensure your staff is aware of all the ALTA tools available to your company



as part of your membership. Engage more and soak up all of the education and networking that you can this year. And let's be more as an industry. Let's promote our core values and explain our benefits to absolutely everyone."

Being involved with ALTA and the state associations helps members become better informed and prepared to speak with policymakers and help them understand the importance of what the industry does for communities. He told the audience about a recent meeting at one of his company's offices with U.S. Rep. Cheri Bustos (D-IL). The meeting provided a great opportunity to show the congresswoman how the industry provides peace of mind by protecting property rights.

"It was also a great opportunity to have my Moline staff involved in the process of advocacy," Mennenoh said. "We can't take our entire company to Springfield, Ill., or Washington, D.C., but this meeting was a great experience for them."

Highlighting how ALTA involvement has helped his company, Mennenoh mentioned how he decided to get one of his employees, Terrie Miller, involved in ALTA a decade ago. Now an active member, Miller has earned a National Title Professional (NTP) designation and developed many contacts around the country that benefits their company. Mennenoh also shared how his daughter and her husband, Devon and Brian Irby, have become involved with ALTA, especially through advocacy efforts.

"The professional growth that is gained from that experience is immense, resulting in positive benefits to them and to the business," said Mennenoh, who takes pride in the fact that three generations of his

ALTA ONE Attendees Raise Nearly \$2K for Food Bank

During the unveiling of ALTA ONE—the association's new live-event experience—attendees received \$1 bills. Pointing to the words "E Pluribus Unum" on the dollar bill, ALTA CEO Michelle Korsmo said that the industry is stronger when it works as a group. When individual members band together as one united association, she added, "We stand tall and resilient, and most importantly, we succeed when and because we work together."

She continued by saying that others can benefit as well by the title industry coming together as ONE. "Many of you have favorite charities where you spend your time and your money. Giving to food banks is one way to make a big difference in a person's life," Korsmo said.

With more than 1,100 attendees (which sets an all-time record for ALTA meetings), a total of \$1,902 was donated. The donation will help St. Mary's Food Bank Alliance provide 13,314 meals for individuals and families struggling with hunger during the holidays and beyond.

family have worked in the industry. "It's also a lot of fun for me to work with my daughter."

While mentioning how ALTA's Best Practices has helped his company become better partners with its customers, Mennenoh also said they've helped his staff realize all of the vital processes they provide to customers and the knowledge they have about the real estate transaction. He also touched on how the ever-increasing threats of cyberfraud keep him up at night. Mennenoh said that ALTA created a new Information Security Committee, which is chaired by past president John Hollenbeck NTP and comprised of industry chief information security officers, to discuss solutions to these challenges.

With the industry getting older, Mennenoh said it's important for companies to engage younger professionals. When contemplating new hires and retirements, he encouraged the industry to consider hiring young professionals who can bring much-needed energy and a new perspective. Members can find these

potential employees by volunteering as a career counselor, or lecturing at a local college or university.

"Recruiting the next generation of title professionals can only happen by engaging now with these individuals and letting them know a career in title insurance can be extremely fulfilling and a lifelong endeavor," Mennenoh said.

Concluding his speech, Mennenoh reminded people that doing more and engaging more doesn't necessarily mean spending more money. Members can engage staff with the tools available in the Homebuyer Outreach Program, attend ALTA's free education Title Topics webinars or join a committee.

"We must come together as one to give more to our state organizations," Mennenoh said. "We must engage all of the tools available in our ALTA membership. We must engage at ALTA meetings and on webinars. We must engage our staff. I'm excited to do more with each of you this year. I couldn't be more proud to represent this great industry." ■

Take a Drag of Your Crayola and Relax

Graffiti Artist Challenges Industry to Reignite Curiosity, Take Risks to Meet Consumer Demand

Kicking off the first-ever ALTA ONE on Oct. 5, internationally recognized graffiti artist and best-selling author Erik Wahl encouraged attendees to unlock their inner creativity to awaken their imaginations as they look for opportunities to improve their business.

During the opening Omni Session, Wahl started working on a painting of Abraham Lincoln. Highlighting the political strife in today's world, he reminded attendees that it's during the most divisive times when leaders such as Lincoln emerge. "Our greatest growth comes during chaos," he said.

After putting the final touches on his first painting, Wahl turned to the crowd and asked if they knew the age when creativity starts to dry up.

"Every child is an artist," Wahl said. "The challenge is how to remain an artist when you grow up."

In the business world, the challenge is to continue finding ways to uniquely differentiate from the competition. Wahl asked the audience if they remembered the iconic box of 64 Crayola crayons. He shared a study at Yale that showed Crayola is among

the top 20 most recognizable smells. Research has shown that the smell of Crayola crayons can reduce blood pressure in adults by up to 10 points, he said.

"Feeling anxious? Have any personal frustration with the regulatory environment? Pull out your Crayola crayons, take a drag and relax," Wahl said. The point of his message? Creativity is in all of us. To transcend commoditization, we need to go on the creative offensive.

During the next part of his presentation, Wahl selected Nicole Plath, CEO of Fortune Title Agency in New Jersey, to participate in a game. Giving her an envelope labeled "Fear Factor," Wahl told Plath she must decide whether to keep the envelope and participate or give it away without knowing the instructions.

Plath took the challenge, opened the envelope and learned that she got to keep the Abraham Lincoln painting.

"Sometimes it pays to take ownership and take a risk," Wahl said, adding that people become paralyzed by fear of the unknown.

After painting a silhouette of a soldier while the song "I'm Coming



Home" played, Wahl explained that most adults resist going into uncharted areas and miss opportunities.

"We were taught to narrow our thinking to come up with one proper solution," he said. "On top of that, we were taught to be risk-averse. We've put a lot of reliance on analytics. This is still necessary, but I would also suggest analytics are no longer sufficient to engage in this complicated changing global environment. You need new ideas that your competitors didn't think possible and that your consumers didn't think they needed."

Wahl then completed his third portrait, this time of Albert Einstein who once said "Imagination is more important than knowledge." His point was that to find success, pull out a set of crayons, open up to authenticity and get inspired.

"The question for this year's first ALTA ONE experience going forward isn't if you can paint. It's how," Wahl said. "How will you awaken and reignite your own curiosity and fascination to figure out changing consumer behavior and new ways to shape your brand?" ■

The One Thing to Drive Business Growth

Sales Guru Ryan Estis Inspires ALTA ONE Attendees to Innovate

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 at ALTA ONE, Ryan Estis revealed how to avoid the frustration of stagnant creativity and become an innovative title insurance industry "rock star."

Estis, a sales professional with more than 20 years of experience, inspired a packed room of more than 800 exploring how to initiate change, inspire innovation and drive business growth. To achieve success, businesses must learn how to provide value.

"Customers do not buy on price," he said. "They default to price in the absence of value and a quality experience."

The challenge is that market disruptions happen in real time and title professionals must adapt to an ever-evolving market. Pointing to a screen of company logos representing businesses that were leaders at one time, he said they all eventually closed because they didn't adjust to change.

"You could argue that they were at the pinnacle of success until they got

disrupted," Estis said. "The pace of change navigating the next few years will happen at a remarkably different pace."

To highlight his point, Estis showed a video of Amazon CEO Jeff Bezos who said Amazon didn't change the book industry. It was the Internet.

"Amazon will be disrupted one day; companies come and go," Estis said. "Hopefully, that happens after I die."

With the market expected to change more by 2020 than it has in the past 50 years, Estis said title professionals should consider the following to keep pace:

- Focus on the customer
- Initiate continuous reinvention
- Brand the customer experience
- Prepare to win

Estis shared that great companies execute and disrupt at the same time, often disrupting themselves.

"To win in the era of the customer, you've got to initiate continuous reinvention," he added. "You can't get stuck in status quo or comfort zone."

"There's a reason why people resist change," Estis continued. "The biggest reason is fear of the unknown. But fear of what? Fear of failure. You need to



reframe your relationship with failure. If you're not taking some missteps you're not taking large enough steps outside your comfort zone. The antidote to fear is to take action."

To help with the sales process, companies should rethink how to conduct an audit. The length of the sales cycle is getting longer.

"Thinking about how to review an audit will prepare you to win," Estis said. "If you look at the length of the sales cycle it's getting longer. It takes an average of seven touches to convert a suspect into a prospect and up to 11 touches to get a sale."

To compete in the new business world, Estis said, it's vital to have a digital presence. Waiting too long to get into the digital game could be fatal, but is an equalizer for Main Street companies looking to compete against Wall Street.

"As a small business owner, you can compete with anyone on the strength of ideas and connections online," Estis said. "What happens when these Millennials become a customer and they don't prefer to communicate by phone? That's the shift. Remember who you are and the value you provide." ■

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ALTA Awards Honorary Memberships to Abbinante, Pellegrini

Both Past ALTA Presidents Spearheaded the Development of Best Practices

Long-time friends and founding fathers of ALTA's Best Practices, Chris Abbinante and Frank Pellegrini received ALTA Honorary Memberships during ALTA ONE, held Oct. 7-10 in Scottsdale.

The two past ALTA presidents joined 60 other title professionals to receive the honor, which is bestowed by ALTA's Board of Governors for performance of distinguished and meritorious service to the association or to the land title industry.

In 2011, the two were driving forces behind the development of ALTA's Best Practices Framework, which help members highlight policies and procedures that protect lenders and consumers.

A veteran of more than 40 years in the title industry, Abbinante served as ALTA's 2011-12 president. Under his leadership, ALTA conceived the Best Practices.

"Throughout his year as president, Chris encouraged more transparency and professionalism, while urging the industry to explain its value in a way

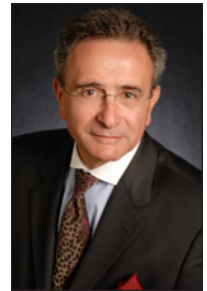
that 'grandma can understand,' said Steve Day, executive vice president for Fidelity National Title Group and ALTA's president-elect. "He said that too often industry jargon prevented consumers and regulators from understanding the value of our industry. Since then, the Best Practices have become a standard of professional excellence for the title industry."

Abbinante began participating on ALTA's Underwriter Section Executive Committee in 1999 and joined the Board in 2003. In 2012, Abbinante testified before the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity during a hearing titled "Mortgage Disclosures: How Do We Cut Red Tape for Consumers and Small Businesses?"

While ALTA developed the concept of Best Practices under Abbinante's watch, it was during Pellegrini's year as president that the policies and procedures were rolled out and took root with title professionals and lenders.



▲ Abbinante



▲ Pellegrini

Pellegrini has practiced law and been involved in the title insurance industry since 1976. He joined Chicago Title Insurance Co. in 1978 as an examiner before launching his own law firm, Pellegrini & Cristiano, in 1980. Three years later, he opened Prairie Title with his wife, Mary, in Oak Park, Ill., in response to a recognized need in a niche market area. In 2009, he testified before a House Financial Services Subcommittee on "Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs." He told members of Congress that as the independent third-party to the transaction, title agents enjoy a unique vantage point to identify and thwart fraud.

"Frank is passionate about the title industry and understands what it takes to achieve success," said Michelle Korsmo, ALTA's chief executive officer. "He helped guide the industry during implementation of the Best Practices and continues to offer his leadership and expertise to ensure ALTA remains the one voice for title and settlement professionals."

What's Your One Thing?

ALTA ONE Attendees Share Thoughts About Their New Live-event Experience

ALTA ONE, the association's new live-event experience, is the place where strong, forward-looking, smart professionals connect to make their companies and the industry better. Following the event, we asked attendees "What's the ONE Thing you've experienced, learned or enjoyed during ALTA ONE?" Below are several of the responses.

For me, it is simply the fact that ALTA ONE attracts the best of the best in our industry and there is no other forum where I have the opportunity to interact with so many friends and partners. The event is first class and the break-out sessions were well done and presented by highly knowledgeable people.

Randall E. Bradley
Mother Lode Holding Company

My one thing is focusing on "radical customer service" so that ultimately the consumer experience will be a celebratory time not a disappointment!

Herschel Beard
Marshall County Abstract

I love the motivational speakers at ALTA. They are always top-notch and have everyone leaving the room ready to conquer the world (or at least the title industry). I wish we were able to somehow provide the presentations to our staff, although seeing the speakers in person has even more impact. I think ALTA has the best motivational speakers of all the conferences I attend.

Maura A. Shabes CES, CLTP
Corporate Settlement Solutions

After ALTA ONE, it seems clearer than ever before that we must formulate some strategies for Best Practices in our industry around the customer experience. It seems our industry is in a pivotal position as the third leg on the three-legged stool of real estate agent, lender and settlement services provider. The stool can only be solid if all the legs are strong and all the struts that connect the legs are also strong! It is a daunting task to elevate our status in this process but we also represent the most critical stage and yet we are still the least known and understood.

John Obzud
Fidelity National Title Group

My one thing started last fall when my mom was diagnosed with cancer. I made the decision to go through that journey with my mom and put my title agency on the back burner. Mom is gone, and now I have to restart my business. My competition has done damage to my business, saying "Where is Shonna? Not at the office, she is gone with her mom." I am proud that I chose to hold my mom's hand. Thank you for providing me with motivational speakers to get me focused for what is ahead. So, my one thing is the title insurance life.

Shonna Dunning
Bitter Creek Title Services

My ONE thing were the interactive, short educational experiences.

Margaret Sklenar
Metropolitan Title of Indiana LLC

Following ALTA ONE, we had our best company-wide meeting yet, and all of the ideas and themes were courtesy of ALTA ONE. Being able to motivate our staff and bring them together to "unthink" is worth more than we will ever pay in ALTA membership dues or conference fees. ALTA membership and involvement in the organization will continue to be an investment that as a title company owners we MUST make! Thank you to everyone at ALTA for a wonderful conference.

Yvonne Dearthoff
Lakeside Title Company

ALTA ONE recap



ALTA ONE Experience

To view photos, go to: www.flickr.com/photos/altaonline







ALTA ONE recap

ALTA ONE - October 5, 2016 - Omni Morning Session

ALTA ONE - October 6, 2016 - Omni Afternoon Session

ALTA ONE - October 7, 2016 - Omni Closing Session

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Underwriters Post Strong Earnings During Third Quarter

Companies Report Acquisitions, Improved Claims Experience, New Technologies

Fidelity

Fidelity National Financial reported that its title segment generated pre-tax income of \$263 million during the third quarter of 2016. This compared to \$239 million in pre-tax income during the same period a year ago.

“This was another strong quarter in our title insurance business,” said William Foley II, Fidelity’s chairman. “We benefited from the continued mid-single-digit growth in the residential purchase market and the strength of the residential refinance market. However, we did experience a slowdown in commercial revenue in the third quarter, primarily driven by a decrease in the fee per file.”

The company’s direct operations opened 616,000 orders during the third quarter and closed 433,000 orders. During the third quarter of 2015, Fidelity opened 514,000 direct orders and closed 378,000.

During the third quarter, Fidelity’s title group paid \$57 million in claims, which is down \$14 million from the same period in 2015. The company

expects total claims paid in 2016 to be approximately \$250 million, which would be a 12 percent decline from 2015 total claims paid of \$285 million.

Fidelity acquired six title agencies during the third quarter, which resulted in the addition of 361 positions. According to Randy Quirk, Fidelity’s chief executive officer, the acquisitions included one large operation with about 170 employees. Fidelity also acquired a couple of small escrow companies out West. The acquisitions, Quirk said, will “give us, as we see it now, an additional \$4 million a month of revenue and give us about 150 open orders per day.”

Foley added that Fidelity put emphasis on expanding its agency network, but “expanded it intelligently” because the company didn’t want to “get in the mess we were in back in the mid-2000s when we had a lot of agent claims and defalcations.”

First American

First American Financial Corp. reported that its title insurance and services division generated \$189

million in pre-tax income during the third quarter of 2015. This compares to \$137 million in pre-tax income during the same period a year ago.

The company attributed the increase in the pre-tax margin to improvement in the loss provision rate, the improvement in the personnel and other operating expense ratio, and higher net realized investment gains.

“The results were driven by our continued focus on operating efficiency combined with a strong refinance market,” said Dennis Gilmore, chief executive officer at First American Financial.

First American’s direct operations opened 364,000 orders while closing 268,400 during the third quarter. This compared to 310,800 orders opened during the third quarter in 2015 while closing 224,000.

The company paid \$48.2 million in claims during Q3 2016. This is down from \$50.3 million during the same period a year ago. The provision for policy losses and other claims during the latest was 5.5 percent of title premiums and escrow fees. This compared to a 6.6 percent loss provision rate in the third quarter of 2015.

During the quarter, First American acquired RedVision, which provides real estate data and title plant coverage, as well as TD Service Financial, which provides post-closing services.

“We’re excited to welcome both of these firms to First American and look forward to working together

to provide additional products and services to our customers,” Gilmore said. “Regarding the fourth-quarter outlook, we are optimistic given our strong refinance pipeline, and we anticipate a normal seasonal peak in our commercial business.”

Old Republic

Old Republic International reported that its title insurance group posted pre-tax earnings of \$58.5 million during the third quarter of 2016. This is up from \$55 million during the third quarter of 2015.

The successful quarter passes the company’s previous benchmark for profitability in the title insurance group, which was previously set during the third quarter of 2015.

According to Old Republic, the continuation of a favorable mortgage rate environment and improving housing and commercial property markets have led to higher revenues from title premiums and fees in 2016. The improvements were achieved despite the adverse effects of the TILA-RESPA Integrated Disclosures (TRID) rule.

“The title performance that we’ve inked in the first nine months of this year sets the stage, we think, for achieving record results for 2016,” Rande Yeager, chairman and chief executive officer of Old Republic Title Companies, said during the company’s earnings call.

The claims ratio decreased to 5.2 percent during the latest quarter from 5.6 percent during the third quarter of 2015. During the third quarter of 2016, the title group paid \$30.5 million in claims. This is down from \$31.9 million in claims paid during the same period a year ago.

“2016 underwriting margins remained at healthy levels for the

periods reported upon,” the company said in a release. “Both claim and expense ratios were aligned with management expectations set early in the year.”

Stewart

Stewart Information Services Corp. reported that its title segment generated pre-tax income of \$50.3 million during the third quarter of 2016. This is up from pre-tax income of \$48.8 million during the same period in 2015.

Matthew W. Morris, Stewart’s chief executive officer, said that as the industry enters the last quarter of 2016, the company remains focused on strengthening its title operations by improving the effectiveness of the closing process, enhancing the customer experience and taking advantage of geographic opportunities.

“We are encouraged by the work that has been done to prepare us for a strong 2017 as we take advantage of further cost savings as well as programs to improve our customer experience and drive revenue growth in targeted markets,” Morris said.

“While we remain positive on our prospects going forward from both our operations and the macroeconomic environment, it is important to underscore that the marketplace has been increasingly competitive in all channels and product lines.”

During the latest quarter, Stewart’s direct operations opened 121,255 orders during third-quarter 2016, while closing 93,533 orders. During the third quarter of 2015, the company opened 121,524 orders and closed 95,223.

As a percentage of title revenues, title losses were 5 percent during the third quarters of 2016 and 2015. The

Industry Title Premiums and Claims Paid

Five-year Title Premium Volume

2015:	\$12.8 billion
2014:	\$11.4 billion
2013:	\$12.5 billion
2012:	\$11.2 billion
2011:	\$9.4 billion

Five-year Claims Paid

2015:	\$693 million
2014:	\$680 million
2013:	\$828 million
2012:	\$908 million
2011:	\$1.02 billion

company paid \$26.4 million in claims during the third quarter of 2016. This was up slightly from \$25.9 million in claims paid during the same period in 2015.

Stewart Chief Financial Officer Allen Berryman said that while the company is cautious of an inevitable slowdown, it is working to expand its customer base as more regional lenders are capturing this market.

During the company’s earnings call, Berryman also briefly mentioned Stewart’s initiative to lower the cost to produce a title policy. He said plans to improve margins include “additional outsourcing, additional automation and manual processes, and continued consolidation of our various systems and production operations.”

He said the company plans to roll-out a new title production technology into larger markets with higher volume after piloting the program in lower-volume markets. ■

Survey: Title Agent Closing Cost Expense Increases \$210 Per Loan

Title agents report that their cost to close a loan increased an average of \$210 per transaction in the third quarter of 2016, according to First American's Real Estate Sentiment Index (RESI).

The RESI is based on a quarterly survey of title agents and measures their sentiment on a variety of key market metrics and industry issues. Title agents noted the increase is not necessarily due to the TILA-RESPA Integrated Disclosures (TRID), but is the result of varied approaches to rule implementation taken by

lenders.

"These variances, they say, are forcing title agents to create different closing procedures for each lender with which they work, contributing to increased costs for title agents," said Mark Fleming, chief economist at First American.

The increased cost per transaction varied dramatically by geography. In the third quarter, title agents in New York indicated the highest increase, at \$539, while title agents in Oklahoma indicated the lowest increase at \$25.

Stewart to Give Away 200 Bicycles During Holiday Season

Two hundred Houston-area children will receive new bikes as holiday gifts, thanks to the support of Stewart Title. The company will donate 200 bikes built by Stewart associates as part of the company's Community of Sharing annual charity program.

These children, served by Child Advocates, are among the nearly 4,000 Houston-area children who have

experienced life-threatening abuse or neglect and are in foster care.

"Stewart has a rich history of contributing to the local communities where we serve," said CEO Matt Morris. "Giving back to the children in our community is among the most important causes to our organization. We are thrilled to partner with Child Advocates."

Mortgage Contracting Services Acquires Lenders Title Solutions

Mortgage Contracting Services LLC (MCS) recently acquired Clearwater, Fla.-based Lenders Title Solutions.

MCS, which currently employs 102, will retain the Lenders Title Solutions name and operate as a division of MCS Solutions, MCS' valuation, title services and steel security product line.

"Lenders Title Solutions provides an unsurpassed level of customer experience and superior products and services for its clients," said Chad Mosley, chief operating officer

of MCS Solutions. "The company will make a great addition to our business, and I believe we both will grow stronger as a result of the combination."

In 2014, MCS expanded its suite of services with the addition of certain CoreLogic business units, including products that cover valuation in both the loan origination and default service sectors. Earlier this year, MCS added Austin, Texas-based EPIC Real Estate Solutions, another provider of title insurance, escrow and closing services.

NextDeal Unveils Technology to Automate Delivery, Security of Documents

NextDeal announced its preDOCS technology is now available to title and settlement service agencies. The latest NextDeal technology securely sends opening packages to buyers and sellers and guides them through completion of the documents, even providing the ability for an e-signature as necessary.

preDOCS automates the electronic delivery of

opening packages for review, completion and e-signature by both buyers and sellers. In a press release, NextDeal said the technology increases accuracy by eliminating duplicate data entry since documents and data are returned to the escrow file. A full audit trail is available so users can track when the documents are received and opened with time-stamped information.

Arkansas Title to Launch Offices With Fresh Approach

Arkansas Title, a newly formed subsidiary of JH Title Group, will open offices in Maumelle and Bentonville, Ark., with plans to expand further in the future. The company intends to advise and educate beginners as well as tech-savvy real estate clientele with a digital communication array that includes secure video and texting platforms.

Arkansas Title intends to counter the stigma that most traditional title businesses are out of touch with digital advancements. Mike Pryor, chief executive officer of JH Title Group and founder of Arkansas Title, said the title company will alter this perception by utilizing new and advanced technologies as rapidly as the mortgage industry adopts them.

Snapdocs Rolls Out Signing Agent Verification Feature to Satisfy New Best Practices Guidance

On the heels of ALTA's changes to its Title Insurance and Settlement Company Best Practices, Snapdocs Inc. announced a new signing agent verification feature to give mortgage lenders and title companies confidence in the third-party vendors with whom they choose to work.

Pillar four of ALTA's revised Best Practices establishes standards for managing and engaging

third-party signing professionals, including the requirement of keeping critical documentation on file for an organization's entire signing agent vendor database.

The online search portal identifies notaries who have gone through Snapdocs verification and can prove they have a current state license as well as Errors and Omissions insurance.

Passport Title Delivers Closing Documents to Consumers Online

Passport Title Services LLC has added a new online document sharing and storage tool to its operating platform to support title agents and their clients whenever and wherever it is convenient

for them. The company reported that its new tool helps title agents securely share files and gives homebuyers and sellers anytime access to real estate documents after settlement.

zipLogix, ShortTrack Integrate Platforms to Simplify Title Ordering Process

Brokers and real estate professionals who utilize ShortTrack soon will be able to place secure title orders with just one click, thanks to a new partnership between real estate technology companies zipLogix and ShortTrack. According to a release, connecting

ShortTrack's title solution with zipLogix's transaction management platform zipTMS will enable zipForm users to simply and securely send data and documents to their preferred title agency, ultimately saving time on the title ordering and closing processes.

WFG National Title Acquires Columbia Title

WFG National Title Company of Clark County WA LLC, dba WFG National Title, has acquired all of the assets of Vancouver, Wash.-based Columbia Title Agency. As part of the purchase, WFG announced it retained all employees from Columbia Title at the time of the acquisition.

Columbia Title's team and business come into the WFG family with two existing office locations in

Vancouver. According to WFG Chairman and CEO Patrick Stone, the move "is a natural progression of WFG's growth in the Northwestern states. We have seen tremendous success in this market, especially with our local direct operations."

Dennis Gish, who oversaw Columbia Title's operations in Clark County, will manage the two Vancouver offices.

SoftPro Integrates With CATIC

SoftPro announced it has integrated its business exchange platform with CATIC.

The integration with SoftPro 360 allows agents of CATIC to generate CATIC policy jackets and closing protection letters through their SoftPro software. Data is automatically transferred into the CATIC forms,

eliminating the need to rekey information while increasing productivity.

The business exchange platform allows SoftPro users to order services from third-party vendors without leaving their SoftPro workspace and eliminates their need for paper order forms, dual entry, faxes, emails and phone calls.



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

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Preparing for Transition

Realizing the importance of supporting a smooth transfer of power, Congress passed the Pre-election Presidential Transition Act of 2010 to provide major party candidates with office space, computers and services immediately following the nominating conventions. Previously, support was only provided after the election. With only 72 days between Election Night and Inauguration Day, the presidential transition is an important part of any election. Not only must government positions be filled, but it's also important to watch how the new president works with congressional leadership to implement the first 100-day agenda.

Shortly after Donald Trump was elected the 45th president of the United States, ALTA formed a Transition Workgroup to help advance the industry during this shift in federal government leadership. As chair of the group, we plan to share information about what is happening during the transition, strengthen relationships with the transition staff and new administration, and discuss the policy changes being promoted and their effects on our industry.

Monitoring this transition will help identify the policy changes and campaign promises that are most likely to be implemented. Just weeks after being elected, Trump's transition website listed three main goals that he will focus on as he takes office. They are:

- Making America Secure Again
- Getting America Back to Work Again
- Government for the People Again

The transition website lists several subcategories under the Getting America Back To Work Again section, including Financial Services Reform, which includes this statement:

The Dodd-Frank economy does not work for working people. Bureaucratic red tape and Washington mandates are not the answer. The Financial Services Policy Implementation team will be working to dismantle the Dodd-Frank Act and replace it with new policies to encourage economic growth and job creation.

This will be an important policy discussion for the workgroup and ALTA leadership. We are focused on developing a proactive strategy to ensure Trump's administration understands the importance of the American system of property rights and the value our industry provides to the economy. As we do this, it will be important to remember that no president can act alone. Building coalitions—and making deals—will be a crucial part of governing. We have an opportunity to make lasting changes and improve our industry. I encourage you to participate in the Title Action Network and support our Congressional Liaison Program.

— Daniel D. Mennenoh ITP, NTP, ALTA president





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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