

June 2017

Official Publication of the  
American Land Title Association

# TitleNews

# DOUBLE

# JEOPARDY!

**Future of Bureau and Its Director Remain  
Unclear, While ALTA-commissioned Poll  
Finds Majority of Voters Wants Five-  
person Panel to Run the Agency**



### Meet Jackie.

Golf enthusiast. Special Olympics volunteer. 30-year veteran of the title insurance industry. Vice President of Old Republic National Title Insurance Company, Central Region Business Process Analyst.

Through hard work and years of involvement in the community, Jackie has helped Old Republic Title grow in her home state of New Mexico. Her job is about bringing employees and resources together to find the best way to do business. She ensures that title teams have the software and support they need to serve customers efficiently.

As a leader and mentor, Jackie is known for her warm smile, “can-do” attitude and personal touch. She believes it’s important to pay it forward and help others succeed...

that’s doing business the right way.

**For more than a century, Old Republic Title has been doing business with integrity.**

We make it easy for our title agents to succeed. Accessibility, underwriting prowess, unsurpassed financial strength, convenient resources and support. Visit [oldrepublictitle.com/rightway](http://oldrepublictitle.com/rightway) to learn more!

Title Insurance | Real Estate and Mortgage Loan Settlement Services | National Commercial Title Services  
Mortgage Servicing Solutions | Default Management Services | Real Estate Information Services  
Real Estate Valuation Services | Flood Reports | Section 1031 Exchanges | Notary Services  
Nationwide Commercial Due Diligence Services | Nationwide Commercial Survey Services  
Relocation Services | Timeshare/Fractional Interest Services | Residential Information Services

**oldrepublictitle.com**

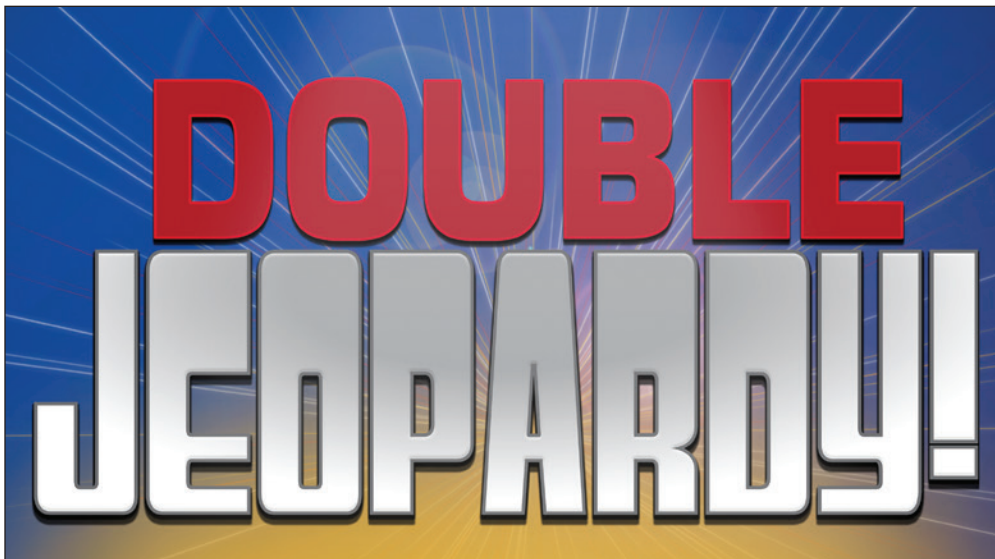
2017 | © Old Republic Title | Old Republic Title's underwriters are Old Republic National Title Insurance Company and American Guaranty Title Insurance Company



OLD REPUBLIC INSURANCE GROUP

# > contents

TitleNews • Volume 96, Number 6



**10**  
COVER STORY  
**Double Jeopardy  
for Cordray, CFPB?**  
By Jeremy Yohe  
Future of Bureau and Its  
Director Remain Unclear  
While Poll Finds Majority  
of Voters Wants Five-  
person Panel to Run the  
Agency

## Features

**17**  
HOUSING  
**Trump's Proposed Tax Plan  
Could Affect Homebuying**  
25 Million Americans Could Find  
Mortgage Interest Deduction Useless  
Under Proposal

**20**  
HOUSING  
**CoreLogic: U.S. Residential  
Foreclosure Crisis Decade in  
Review**  
Trulia: National Completed Foreclosures  
Peaked in 2010

**22**  
LEGISLATION  
**New Ohio Title Law  
Spearheaded by ALTA Member**  
Michael J. Sikora III started process in  
2010

**24**  
ADVOCACY SUMMIT  
**HUD Secretary Carson:  
Property Rights Foundational to  
Country's Success**  
Nearly 250 Title Professionals Attend  
ALTA's Advocacy Summit in Washington,  
D.C.

**29**  
NTP PROFILE  
**Designation Beneficial for All  
Title Professionals**

**31**  
INDUSTRY NEWS  
**Indiana, Idaho Join States With  
Predictable Recording Fees**

## Departments

**5**  
From the Publisher's Desk

**6**  
ALTA News

**26**  
Advocacy Summit  
Highlights

**32**  
Industry News

**36**  
Movers & Shakers

# calendar

## 2017 ALTA CONFERENCES

August 23-24	Innovation Boot Camp Baltimore, MD
October 10-13	ALTA ONE Miami, FL

## STATE CONFERENCES

June 12-14	Texas New Orleans, LA
June 15-18	New England Bretton Woods, NH
July 12-14	Illinois Delevan, WI
July 16-18	Michigan Traverse City, MI
July 30-Aug. 2	Utah Sun Valley ID
Aug. 2-5	Kansas Wichita, KS



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



## Best Practices

The digital edition of TitleNews includes a webinar recording that explains the latest changes to ALTA's Best Practices, as well as tools to aid implementation including the Maturity Model.

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

# TitleNews

PUBLISHER  
**Michelle L. Korsmo**

EDITOR IN CHIEF  
**Jeremy Yohe**

DIRECTOR OF DIGITAL  
AND PRINT MEDIA  
**Shawn Sullivan**

## ASSOCIATION OFFICERS

PRESIDENT  
**Daniel D. Mennenoh ITP, NTP**  
H.B. Wilkinson Title Co.  
Galena, IL

PRESIDENT-ELECT  
**Steven G. Day**  
Fidelity National Title Group  
Jacksonville, FL

TREASURER  
**Daniel M. Wold**  
Old Republic National Title Insurance  
Company  
Minneapolis, MN

CHAIR, FINANCE COMMITTEE  
**Jack Rattikin III**  
Rattikin Title Company  
Fort Worth, TX

CHAIR, TITLE INSURANCE  
UNDERWRITERS SECTION  
**Mary O'Donnell**  
Westcoast Land Title Insurance Company  
Winter Park, FL

BOARD REPRESENTATIVES, TITLE  
INSURANCE UNDERWRITERS SECTION  
**Patrick H. Beall**  
Stewart Title Guaranty Company  
Houston, TX

**Don Kennedy**  
First American Title Insurance Company  
Santa Ana, CA

CHAIR, ABSTRACTERS AND TITLE  
INSURANCE AGENTS SECTION  
**Cynthia D. Blair NTP**  
Blair Cato Pickren Casterline, LLC  
Columbia, SC

BOARD REPRESENTATIVES,  
ABSTRACTERS AND TITLE AGENTS  
SECTION  
**William Burding Jr.**  
Orange Coast Title Family of Companies  
Santa Ana, CA

**Richard H. Welshons**  
DCA Title  
Hastings, MN

IMMEDIATE PAST PRESIDENT  
**John M. Hollenbeck NTP**  
First American Title Insurance Co.  
Santa Ana, CA

## ASSOCIATION EXECUTIVE STAFF

CHIEF EXECUTIVE OFFICER  
**Michelle L. Korsmo**

VICE PRESIDENT OF  
**Government Affairs**  
Justin Ailes

CHIEF OPERATING OFFICER  
**Cornelia Horner, CMP**

VICE PRESIDENT  
**Kelly Romeo, CAE**

VICE PRESIDENT OF COMMUNICATIONS  
**Jeremy Yohe**

*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.

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

Reprints: Apply to the editor for permission to reprint any part of the magazine. Articles reprinted with permission must carry the following credit line: "Reprinted from *TitleNews*, the monthly magazine of the American Land Title Association."

©2017 American Land Title Association

AMERICAN  
LAND TITLE  
ASSOCIATION



Members Call Toll Free: 800-787-ALTA • Members Fax Toll Free: 888-FAX-ALTA  
Visit ALTA Home Page: [www.alta.org](http://www.alta.org) • Email Feedback to: [service@alta.org](mailto:service@alta.org)

## Half a Loaf, Better Than No Loaf

**W**ith three children in my household, negotiation is a way of life. In our family, it's a daily challenge to find the middle ground to settle the disputes and meet the needs of three girls—all under the age of 10. It's also needed to help ensure a fragment of fairness, a pinch of peace and a smidge of sanity for the parents. For the most part, my girls get it. And hopefully, the art of compromise is a trait they'll carry into adulthood.

Understanding that half a loaf is better than no loaf is a concept often overlooked by many in Congress these days. America is not an extremist country. We're not dominated by those on the far left or right. We're moderate. This is a fact that Ronald Reagan knew well.

I recall how Reagan handled himself shortly into his first term as he tried to follow through on his economic agenda and tax reform. When questioned by a reporter about whether he was abandoning his principles and campaign promises, Reagan replied,

"There are some people who would have you stand on principle that if you don't get all that you've asked for from the legislature, you jump off the cliff with the flag flying. I have always figured that half a loaf is better than none and I know that in the democratic process, you're not always going to get what you want."

Sage advice for our polarized political playground. In 1981, Reagan faced a divided government where the GOP could not enact legislation without significant Democratic support. Reaching out and working with Democratic House Speaker Tip O'Neill, Reagan choreographed two landmark tax reform bills, comprehensive immigration reform and Social Security reform.

Today's leadership faces similar issues where compromise is needed. As you'll read in this edition, among the items on the agenda are regulatory relief and tax reform. Both sides must learn that making concessions shows strong leadership, not compromised beliefs. You are not going to get all you want. Get what you can reasonably negotiate. Move on. That shows strong leadership, not compromised beliefs. Half a loaf is always better than none.



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

## Deadline to Join ALTA Committees is July 21

ALTA is only as strong as the participation of its membership. Once again, we have a fabulous opportunity to continue cultivating support for our valued committees.

ALTA is now accepting volunteers for its committees. Deadline to submit your name is Friday, July 21. If you are interested in volunteering, fill out a volunteer form at [www.alta.org/about/leadership-committees.cfm](http://www.alta.org/about/leadership-committees.cfm).

If you have a special area of expertise (real

property records, claims, international development or industry technology, for example), or if you have a specific area of interest (such as membership, government affairs, public relations, research or employee and professional education, there is a committee on which you can volunteer to serve.

The ALTA president-elect makes all committee appointments in the late summer for a term beginning after ALTA ONE in October.

## FTC to Review Data Security Investigations to Provide 'Improved Guidance and Transparency'

The Federal Trade Commission (FTC) announced a new initiative to review its completed data security investigations in order to glean out some key lessons for industry. The effort is part of its review of existing regulations required under President Trump's executive order.

In addition to the data security guidance, the FTC announced plans to streamline demands for information during an

investigation, to review its enforcement docket and close older investigations and to better integrate economics into its investigations.

In addition, the president was expected to sign an executive order last month on cybersecurity. The order will likely require federal agencies to review their digital defenses and adopt specific cyber standards.

## Hensarling Unveils Update to the Financial Choice Act

In May, House Financial Services Chairman Jeb Hensarling, (R-Texas), released a revamped proposal to reform the Dodd-Frank Act. Coming in at 593 pages, the proposal does essentially four things:

- 1. Provides a choice for banks.** *Hensarling proposes to give banks the option of either complying with complex capital requirements and stress testing or holding a high percentage of capital.*
- 2. Streamlines the CFPB into the Consumer Law Enforcement Agency.** *This would be a smaller agency focused on enforcement, funded through the federal budget. Many of its authorities would be removed, including its ability to monitor markets and regulate auto financing, vehicle title and payday lending, and arbitration. The PHH ruling would be codified into law and the director would be removable at will.*
- 3. Lowers the cost of capital for small companies.** *A host of changes to securities laws would streamline the disclosure requirements for small companies looking to raise funds from investors.*
- 4. Puts Congress in charge of new financial regulation.** *Along with stronger cost-benefit analyses, Congress would have to approve all new financial regulations costing more than \$100 million.*

The bill contains ALTA-supported legislation to create an advisory opinion process at the CFPB's successor agency. It also includes the Mortgage Choice Act, which amends the Ability-to-Repay/Qualified Mortgage provision (Section 1412) in Dodd-Frank to exclude title and certain escrow charges paid to an affiliate of the originator under the law's calculation for the 3-percent cap for points and fees. Title fees paid to a non-affiliated title company are already exempt.



**Title Industry Assurance Company  
Risk Retention Group**

[www.tiacrrg.com](http://www.tiacrrg.com)

## **Best in Class Title Agents/Abstracters E&O Coverage!**

Title Industry Assurance Company (TIAC) has been providing **great coverage at great rates** for over **27 years!** Before you renew your coverage, be sure to consider the benefits and coverages only **TIAC** provides – E&O coverage created specifically for title professionals including:

- *Client Funds Protection Coverage*
- *Privacy Breach Mitigation Expense Coverage*
- *Attorneys' Fee Reimbursement for Regulatory Proceedings Before the CFPB*
- *First Dollar Defense and Claims Expenses Outside the Limits Options*
- *Limits Up to \$5 Million*
- *Deductibles Starting at \$1,000 Each Claim/\$3,000 Annual Aggregate*
- *50% Deductible Reduction for Claims Arising From Work Performed for Endorsing Title Underwriters*

Protecting your business in this rapidly changing risk environment requires extensive experience, unparalleled commitment, and the industry specific expertise that only TIAC can provide. Visit [www.tiacrrg.com](http://www.tiacrrg.com) to get a premium estimate today!



**TITLE INDUSTRY ASSURANCE COMPANY RRG**

7501 Wisconsin Avenue  
Suite 1500E  
Bethesda, MD 20814-6522

800-628-5136  
[info@tiacrrg.com](mailto:info@tiacrrg.com)  
[www.tiacrrg.com](http://www.tiacrrg.com)

## Get More Business During This Booming Purchase Market

The purchase origination market continues to sizzle in 2017, but is your company getting all the title orders it could be? Now's the time to reinvigorate your marketing efforts and snag market share. Register for ALTA's final Innovation Boot Camp of 2017 and learn from some of the smartest marketing, communications and sales experts in the industry. The Boot Camp will be held Aug. 23-24 at the Royal Sonesta Harbor Court in Baltimore.

Here's a list of some of the key sessions:

- *Paid vs. Free Tools: Making the Most of Your Budget*
- *Emerging Tech & Safe Social Practices*
- *Telling Your Story (Better)*
- *More Communication, More Problems*
- *Reimagining Your Sales*
- *Updating Your Organization's Curb Appeal*
- *Be Creative With Marketing Not the Law*
- *Title Insurance & Cucumbers Don't Mix*
- *The Times (And Consumers Are A-Changin')*
- *More Referrals With Video*

For more information, go to [meetings.alta.org/bootcamp/](http://meetings.alta.org/bootcamp/).



## Digital TitleNews Extra: TitleTopics Webinar: The Evolution of ALTA Best Practices

## ALTA Supports Efforts to Require Consumer Disclosures for PACE Loans

ALTA recently joined over two dozen industry trade groups in sending letters to Sens. John Boozman (R-Ark.), Tom Cotton (R-Ark.) and Marco Rubio (R-Fla.) and Reps. Brad Sherman (D-Calif.) and Ed Royce (R-Calif.) supporting their legislation to require that consumers receive mortgage disclosures when taking out Property Assessed Clean Energy (PACE) loans.

The Protecting Americans from Credit Entanglements Act of 2017 (S. 838, and H.R.1958) requires the CFPB to develop Truth in Lending Act (TILA) protections and disclosures for PACE loans.

PACE loans are privately issued energy efficiency retrofit loans paid back via a homeowner's property tax assessment. Since they are paid as part of the owner's tax bill, they obtain governmental superpriority over the first mortgage. Despite this high level of security, these loans often have high fees and interest

rates (as high as 12 percent) with minimal underwriting.

"Although PACE loan obligations have all the attributes of a mortgage product, they are not subject to federal consumer protection requirements—as this alternative financing structure has been misclassified as a tax assessment rather than a loan," the letters note. "Consequently, a standardized, comprehensive disclosure framework does not exist for PACE loans."

Currently, Fannie Mae and Freddie Mac are prohibited from purchasing loans secured by a property encumbered by a PACE loan. Last year, ALTA expressed concerns about the Federal Housing Administration (FHA) and the Veterans Administration (VA) changing policy to allow these loans as long as they meet some consumer protections and are publicly recorded.

## Get Your ALTA Best Practices Questions Answered

To help ensure that industry receives consistent guidance about the Best Practices, ALTA is publishing answers to frequently asked questions on its FAQ Portal. Several

answers have been published for pillars 1, 2, 3, 4 and 7. To check out what's been answered so far or to submit a question, go to [www.alta.org/best-practices/faq.cfm](http://www.alta.org/best-practices/faq.cfm).



# 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

Skilled people, exceptional technology and streamlined processes working together to let you focus on *your* people business.



**First American Title™**

866.701.3361 • [www.firstam.com](http://www.firstam.com)

First American Title Insurance Company makes no express or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. First American, the eagle logo, First American Title, and firstam.com are registered trademarks or trademarks of First American Financial Corporation and/or its affiliates.

©2017 First American Financial Corporation and/or its affiliates. All rights reserved. NYSE:FAF

# Double Jeopardy for Cordray, CFPB?

Future of Bureau and Its Director Remain Unclear, While ALTA-commissioned Poll Finds Majority of Voters Wants Five-person Panel to Run the Agency

**T**hirty years ago, Richard Cordray just graduated from law school and was clerking for the U.S. Supreme Court when he became a five-time Jeopardy! champion in 1987. The Ohio native won \$45,000 and used the winnings to pay off law school debt and taxes, and to buy a used car. A year after being appointed as director of the Consumer Financial Protection Bureau (CFPB), Cordray finished second in 2014 in the “Battle of the Decades” tournament. >>

By Jeremy Yohe

**DOUBLE**

**JEOPARDY!**

“These are some of the very top players of all time, and ‘Jeopardy’ always asks tough questions, so it was a tremendous challenge that I greatly enjoyed,” Cordray said three years ago.

Now, Cordray faces tougher pressure as the future of the bureau is scrutinized, pushing his job as director into jeopardy.

Leading the charge for his ouster, U.S. Rep. Jeb Hensarling, chairman of the House Financial Services Committee, called on the president to dismiss Cordray “immediately.”

“I believe the president is clearly justified in dismissing you and I call upon the president—yet again—to do just that, and to do it immediately,” Hensarling told Cordray during a hearing on Capitol Hill in April.

Not only do Republicans want the former Ohio attorney general replaced, they have a list of steps to overhaul the agency, including restructuring it as a civil law enforcement agency, appointing a director who is removable by the president and giving control of its budget to Congress. However, Dodd-Frank states the president can’t fire the director without cause. Complicating matters is the pending PHH vs. CFPB lawsuit, which questions both the bureau’s constitutionality and the issue of when and how its director can be removed.

Laurence Platt, partner of the law firm Mayer Brown, said he doesn’t believe anything will happen over the next few months.

“There’s a reasonable level of support from moderate Republicans for a responsible role of the CFPB,” said Platt, who is a member of Mayer Brown’s Financial Services

Regulatory and Enforcement practice. “I don’t think they are in it to get rid of (the CFPB). My sense is that if they can’t get consensus on health care and tax reform, they won’t get agreement on the CFPB. Barring a change in the judicial decision, I don’t see anything happening quickly.”

To help answer the possible scenarios of what will happen to Cordray and the CFPB, you have to go back to 2010, to the passage of Dodd-Frank and the creation of the bureau.

■ “There’s a reasonable level of support from moderate Republicans for a responsible role of the CFPB. My sense is that if they can’t get consensus on health care and tax reform, they won’t get agreement on the CFPB.”

### How We Got Here

In July 2010, Congress passed and President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The act created the independent Consumer Financial Protection Bureau. In July 2011, President Barack Obama’s nomination of Cordray to lead the bureau was threatened by 44 Senate Republicans who had pledged to oppose any nominee because they wanted a decentralized structure to the organization. Threats of a Republican filibuster to block the

nomination in December 2011 led to further inaction. However, in January 2014, Obama stirred controversy by tapping Cordray for the position as a “recess appointment.” Cordray’s appointment was subsequently unanimously vacated by the U.S. Supreme Court on the grounds that the Senate wasn’t actually in recess when President Obama nominated him. It wasn’t until July 2013 when Cordray was renominated and the Senate confirmed him as director. Due to the delay, his five-year term doesn’t expire until 2018. With a

little over a year remaining, questions abound over what will happen to Cordray and the agency.

### ‘You’re Fired’

In addition to Hensarling, Sens. Ben Sasse (R-Neb.) and Mike Lee (R-Utah) have requested that President Donald Trump take action and fire Cordray. The president, however, can only remove the director “for cause,” which, according to Dodd-Frank, means “inefficiency, neglect of duty or malfeasance in office.” In October, a three-judge

panel of the U.S. Circuit Court of Appeals for the District of Columbia struck down that restriction as an infringement of the president's constitutional authority to "take care that the laws be faithfully executed." (More on this case later.)

If Trump were to dismiss the CFPB director, it's likely that Cordray would file a public lawsuit for wrongful termination, arguing that the president was pursuing a policy goal instead of following the for-cause language in the statute.

"It remains to be seen if Trump is foolish enough to pick this fight, especially given all the other fires he's lighting, but if so does, it's pretty clear that any removal would be pre-textual, and the public statements and actions by the Trump administration only seem to strengthen Cordray's hand in litigation," said Georgetown professor Adam Letvin, who specializes in financial regulation.

### Waiting Game

While not wanting to make Cordray a martyr, Trump may simply sit tight. Ryan McKenna, general counsel for Radius Financial, said the bureau serves a lot of the president's core constituency, especially in the Rust Belt. Because of this, Trump must balance his desire to reduce the regulatory burden on businesses versus taking away protections for consumers.

"The reality is that Cordray's term ends in 2018 and there's no pressing need to create a legal battle and have it challenged," McKenna said.

### Back to Ohio

Trump may not have to make a decision at all. Rumors continue to grow that Cordray will return to the Buckeye State and make a bid for



Photo By NCRG Conference

Ohio's governorship. Under Ohio law, though, Cordray can't run for governor if he is currently engaged in politics. An Ohio native, Cordray served as attorney general from November 2008 until November 2010, when he lost his re-election bid to Sen. Mike DeWine. Before that, Cordray was the state's treasurer.

Whether he leaves on his own or is fired, Cordray's window to enter the governor's race is closing. Academics and consultants say he must announce his candidacy by the end of the summer to have any chance of winning. According to reports, Trump's top economic advisor, Gary Cohn, gave Cordray an ultimatum over dinner in April, "Go the easy way or go the hard way."

### PHH v. CFPB

While Trump and Cordray play chicken, a decision looms large in the PHH v. CFPB case. Oral arguments in the two-year-old case were held May 24 before the U.S. Court of Appeals for the D.C. Circuit. The case began as a challenge to a \$109-million fine the CFPB levied in 2015 against mortgage

lender PHH, which was collected as part of what the CFPB deemed a "captive reinsurance arrangement." In fighting the penalty, PHH called into question the bureau's constitutionality. In October 2016, a panel of the D.C. Circuit concluded both that the CFPB misinterpreted RESPA, and also that its single-director structure violated the constitutional separation of powers. On Feb. 16, however, the D.C. Circuit granted the CFPB's petition for rehearing en banc of the October 2015 panel decision.

The U.S. Department of Justice weighed in against the CFPB during the hearing. In a filing, Justice stated that the CFPB's structure is a violation of the separation of powers and should be ruled unconstitutional. The DOJ's filing only focuses on the issue of whether the CFPB director is removable for cause or not.

"In sum, a removal restriction for the director of the CFPB is an unwarranted limitation on the president's executive power," the DOJ's filing said, adding that the director should be removable by the president.

The Justice Department’s role also raises the stakes for the D.C. Circuit appeal, because the Trump administration could block the CFPB from seeking further review before the Supreme Court. If the CFPB loses before the full D.C. Circuit, U.S. Attorney General Jeff Sessions (and not the CFPB) will decide whether a petition will be filed to seek U.S. Supreme Court review. The Dodd-Frank Act precludes the bureau from representing itself before the Supreme Court unless the attorney general allows it.

Platt expects a decision by the end of the year, but is interested to see if the court addresses the constitutional issue or just the question of whether RESPA was misinterpreted.

“If it goes against the CFPB, game over,” he said. “They can’t litigate in front of the Supreme Court.”

According to Platt, a clear ruling in favor of PHH may open the door for Trump to tell Cordray “You’re fired!”

“If the PHH case gives Trump the ability to remove Cordray, he’ll probably do it the next day,” Platt said.

### Another CHOICE

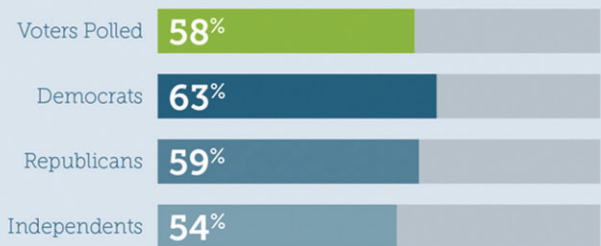
As the saga plays out in the court and in backrooms, a nearly 600-page bill proposed by Hensarling would reform the nation’s financial regulatory system and restructure the CFPB as a “civil enforcement agency focused totally on consumer protection.”

“It creates a true cop on the beat to protect consumers,” said Hensarling of his Financial CHOICE Act.

“We will have a consumer agency fully focused on enforcing consumer protection laws instead of losing valuable time and resources making up their own laws with no

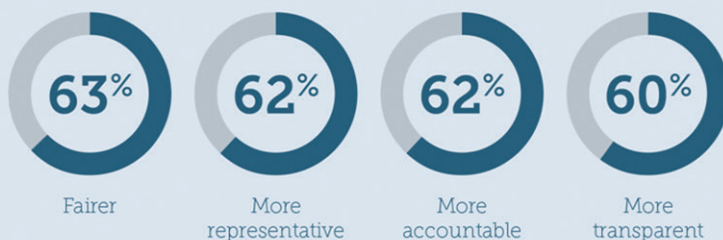
## Battleground Voters Want A Bipartisan Commission to Lead the CFPB

Percent of voters who support a bipartisan commission:



If the CFPB is run by a bipartisan commission, **more than half** of voters agree it would help **consumers** and **small businesses...**

...and voters say it will make the CFPB:



accountability, checks and balances or due process. The Financial CHOICE Act will ensure that the shadow regulators come out from the shadows and that government will be accountable to We, the People.

The Financial Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs

(CHOICE) Act would also change the CFPB’s name to the Consumer Law Enforcement Agency (CLEA). The CLEA would be led by a director and deputy director where both could be removed at will by the president. It would also require congressional oversight and funding through the appropriations process.

According to Steve Gottheim, ALTA's senior counsel, "While its market monitoring and supervisory powers would be altered, the mortgage regulations that the CFPB put in place over the last seven years would stay mostly intact." Gottheim added that, while the bill passed out of the House Financial Services Committee by a 34-26 vote along party lines, its prospects for passing the full House are less clear.

In January 2017, U.S. Senator Deb Fischer (R-Neb.) introduced Senate Bill 105, which would also change the CFPB's leadership structure by

unlikely that the CFPB changes will make it into a final spending bill, the commission provision could have better traction after the release of poll that showed three out of five voters in swing states support the idea.

### Consumers Want a Commission

A Morning Consult poll commissioned by ALTA, the Consumer Bankers Association (CBA) and the Independent Community Bankers of America (ICBA) found that 58 percent of registered voters in eight states believe the CFPB should be run by a

the long run. Additional poll findings include:

- Only 14 percent of respondents said they believe the CFPB should be left the way it is now
- By a 4-1 margin, voters agree the CFPB should be structured as a commission like the Federal Deposit Insurance Corp. (FDIC).
- More than three in five voters said a commission would lead to consumer protections that are fairer (63 percent), more accountable (62 percent), more representative (62 percent) and more transparent (60 percent).
- 57 percent said the CFPB's authority to supervise financial institutions, write rules and enforce penalties is too important to be controlled by a single director.

"CBA and its members have long championed what the poll results revealed: a bipartisan commission at the CFPB would increase accountability, fairness and transparency," CBA President and CEO Richard Hunt said. "With the 2018 elections coming up, members of Congress in key battleground states may find these results useful, as voters, regardless of party affiliation, believe the best way forward for consumers and small businesses is through a commission made up of a diverse and bipartisan group of experts similar to that of the FDIC. Now's the time for lawmakers to act."

## ■ "It's hard to find any policy position in Washington that a majority of Americans agree on."

replacing the single director with a five-member board. Sen. Fischer was joined by Republican Senators Ron Johnson (R-Wisc.) and John Barrasso (R-Wyo.) in introducing the bill—which has since added Senator Jeff Flake (R-Ariz.) as a co-sponsor. The original CHOICE Act replaced the director of the CFPB with a bipartisan independent commission serving staggered terms.

ALTA will continue to monitor the Financial CHOICE Act and any other proposals affecting the CFPB.

Meanwhile, President Trump's 2018 budget proposal includes legislation to subject the CFPB to congressional appropriations. It also includes a recommendation to alter leadership of the bureau from a single director to a five-member bipartisan commission. While it's

bipartisan commission.

The May 2017 poll of voters in Indiana, Maine, Michigan, Missouri, Montana, North Dakota, Ohio and West Virginia revealed voters prefer a bipartisan commission over a single director by a 3-1 margin.

"It's hard to find any policy position in Washington that a majority of Americans agree on," said Michelle Korsmo, ALTA's chief executive officer. "So when 58 percent of consumers said the CFPB's authority to supervise financial institutions, write rules and enforce penalties is too important to be controlled by a single director, Congress should listen to them."

Nearly 60 percent said a commission would better position the bureau to help consumers over



**Jeremy Yohe** is vice president of communications for ALTA. He can be reached at [jyohe@alta.org](mailto:jyohe@alta.org).

## Roadmap.

They all guide progress towards your goal, however, different goals require different roadmaps. Navigating the twists and turns of the business landscape can be tricky, but a good roadmap will help you focus on the details and the big picture simultaneously. Don't miss the forest for the trees.

Who can help you get where you want to go?

## Trust your instincts.



With you...for what's next

[fntg.com/next](http://fntg.com/next)



# Trump's Proposed Tax Plan Could Affect Home Buying

Trulia: 25 Million Americans Could Find Mortgage Interest Deduction Useless Under Proposal

**T**he tax plan released in April by the Trump administration puts the real estate industry at the center of the debate over how to make the country's tax code simpler, fairer and better at generating economic growth in the United States.

The one-page plan calls for reducing the number of tax brackets for individuals, lowering the rates on the remaining brackets, and doubling the standard deduction while eliminating all itemized deductions except those for mortgage interest (MID) and charitable contributions.

While raising the standard deduction may put more dollars into the pockets of homeowners, it's less clear how these changes could affect the financial advantages of buying a home.

Under the current tax structure, there are tax benefits for buying a home if the annual mortgage interest paid is greater than the current standard deduction of \$12,700.

Under Trump's proposed tax reform plan, this would increase to \$24,000. This means that about 25 million homeowners would no longer take advantage of the century-old break, Trulia reported in its analysis of the tax proposal.

■ “The tax plan does not preserve homeownership by preserving MID; it devastates homeownership.”

Nationally, 21.7 percent of homes listed for sale during the week the Trump Administration announced the proposal were priced between the affected range of \$358,000 and \$676,000. Trulia reported this suggests that homebuyers of over a fifth of homes currently for sale might not be able to take the MID if the tax proposal passes.

“While this means that many households will be able to write an extra \$11,300 off their income, raising the standard deduction will also lead to a scenario where some homebuyers would no longer take the mortgage-interest tax deduction because the standard deduction would be greater,” Trulia stated in its analysis.

Trulia reported that for these buyers, the financial advantage of making the switch from renting to homeownership would be reduced. As it turns out, buyers most likely to be affected are middle-income American households making between \$68,540 and \$129,422 who are looking to purchase a home between \$358,000 and \$676,000 and who take out a mortgage between \$322,200 and

\$608,400.

According to the National Association of Realtors, tax experts estimate that 95 percent of homeowners would find it makes more sense to take the standard deduction rather than itemize under the administration's plan.

“That should be an alarming statistic to real estate professionals, because it means millions of

homeowners would be paying more in taxes than they pay today,” NAR said. “The tax plan does not preserve homeownership by preserving MID; it devastates homeownership.”

NAR reported that the plan would harm homeownership in the following three ways:

1. Removes or largely reduces the tax incentive of owning a home instead of renting one for most people.
2. Discriminatorily raises taxes on homeowners more than on renters.
3. Causes a drop in the value of homes by more than 10 percent.

ALTA believes any tax policy changes should promote investment in real estate. During ALTA’s Advocacy Summit in May, attendees

Proposed Personal Income Tax Changes	
House GOP Blueprint	President Trump’s Plan
Reduce seven brackets to three (with rates of 12, 25 and 33 percent)	Reduce seven brackets to three (with rates of 12, 25 and 35 percent)
Almost double standard deductions	Double standard deductions
Eliminate most credits and deductions except: <ul style="list-style-type: none"> <li>• Child tax credit, which would be increased</li> <li>• Earned income tax credit</li> <li>• Provisions for higher education, mortgage interest, charitable giving</li> <li>• Incentives to save for retirement</li> </ul>	Eliminate most credits and deductions except for charitable giving, mortgage interest, and breaks for child and dependent care
Create a 50 percent deduction for capital gains, dividends and interest income	Unknown
Eliminate the 3.8 percent net investment income tax (funds Affordable Care Act)	Eliminate the 3.8 percent net investment income tax (funds Affordable Care Act)
Eliminate the alternative minimum tax	Eliminate the alternative minimum tax
Repeal the estate and generation-skipping transfer taxes	Repeal the estate and generation-skipping transfer taxes

Source: Bloomberg Government

# Get Some Marketing Mojo

## Register for an Innovation Boot Camp.

### Key takeaways:

- Draft a full marketing plan to build your business
- Learn how to respond to new ways of receiving business (i.e., Zillow, Xome, etc.)
- Find out how to easily create sales videos within budget
- Train staff on the newest ways to communicate with real estate agents, lenders and consumers



Nashville, TN | June 20-21  
 Baltimore, MD | Aug. 23-24

[meetings.alta.org/bootcamps](http://meetings.alta.org/bootcamps)

asked members of Congress to consider the impact of interest deductibility on real estate, ensure an orderly transition that avoids a significant drop in property values and set an appropriate schedule for the depreciation of real estate assets.

In June 2016, House Republicans released their own tax reform plan. The GOP’s proposal would reform the individual income tax code by lowering marginal tax rates on wage, investment and business income; broaden the tax base; and simplify the tax code.

The plan would also lower the corporate income tax rate to 20 percent and convert it into a destination-based cash-flow tax. Finally, the plan would eliminate federal estate and gift taxes.

### Proposed Corporate Income Tax Changes

House GOP Blueprint	President Trump’s Plan
20 percent rate	15 percent rate
Eliminate most credits and deductions	Eliminate tax breaks for “special interests”
End the net interest deduction but allow full and immediate expensing	Unknown
Eliminate the alternative minimum tax	Eliminate the alternative minimum tax
Switch from the tax on worldwide income to a border adjustment tax, which would effectively tax imports and exempt exports	Switch to a territorial system in which corporations’ foreign earnings aren’t taxed
Impose a one-time 8.75 percent deemed repatriation tax on corporate profits held offshore	Impose a one-time tax on corporate profits held offshore – rate unknown
Small businesses and pass-throughs would still pay via personal income tax, but with the top rate of 25 percent	Small business and pass-throughs would pay a corporate income tax of 15 percent

Source: Bloomberg Government

According to analysis from the nonpartisan Tax Foundation, the GOP tax plan would reduce federal tax revenue by \$2.4 trillion over the

next decade. The plan would reduce marginal tax rates on labor and substantially reduce marginal tax rates on investment. ■



## NEED MORE CASE LAW?

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.

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

### Title Insurance Law Newsletter

*This monthly report covers the latest news and decisions from around the country, teaching valuable lessons on title examination, closings and escrows, agent-underwriter disputes, RESPA violations and how the policy is interpreted.*

### 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.*

### Title and Escrow Claims Guide, 2017 Edition

*The Title and Escrow Claims Guide is the most complete and readable explanation of the policy’s terms, how claims are handled, duties of closers and escrow companies, and disputes between agents and underwriters. The content is also a great resource used by title companies for training of new employees in claims, underwriting and title examination.*

# CoreLogic: U.S. Residential Foreclosure Crisis Decade in Review

## National Completed Foreclosures Peaked in 2010

Foreclosure volume in the United States has finally normalized following the peak of the mortgage meltdown,

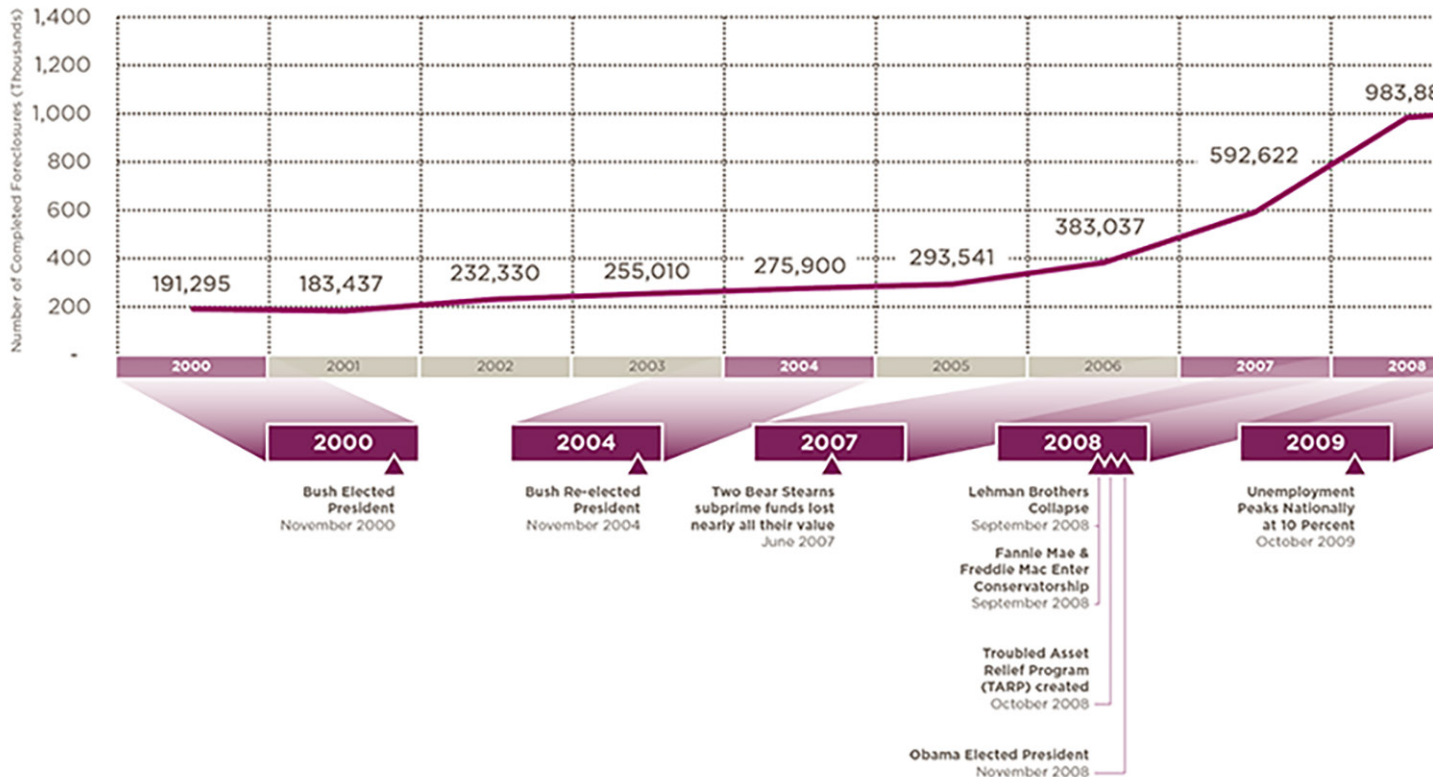
according to a 10-year retrospective report released by CoreLogic.

Titled “United States Residential Foreclosure Crisis: 10 Years Later,”

the report examines the path of the residential foreclosure crisis beginning with the relatively healthy years early in the 2000s, through the peak of the crisis, to present day. CoreLogic says there are now about 22,000 completed foreclosures a month. Completed foreclosures reflect the total number of homes lost to foreclosure.

The foreclosure crisis began in some parts of the country as early as 2007 and later peaked nationwide in September 2010, with approximately 120,000 completed

## Foreclosure Crisis Chronology



foreclosures occurring during that single month. Throughout the crisis years, CoreLogic monitored completed foreclosures, the foreclosure inventory and the serious delinquency rate. Many economists mark the beginning of the foreclosure crisis with the collapse of two Bear Stearns subprime funds in June 2007, with the crisis deepening as a result of the Lehman Brothers bankruptcy in September 2008. Since the beginning of 2007, there have been approximately 7.8 million completed foreclosures nationally. Beginning in Q2 2004 when homeownership rates peaked, there have been approximately 8.6 million homes lost to foreclosure.

At the end of 2016, the national foreclosure inventory, which reflects all homes in some

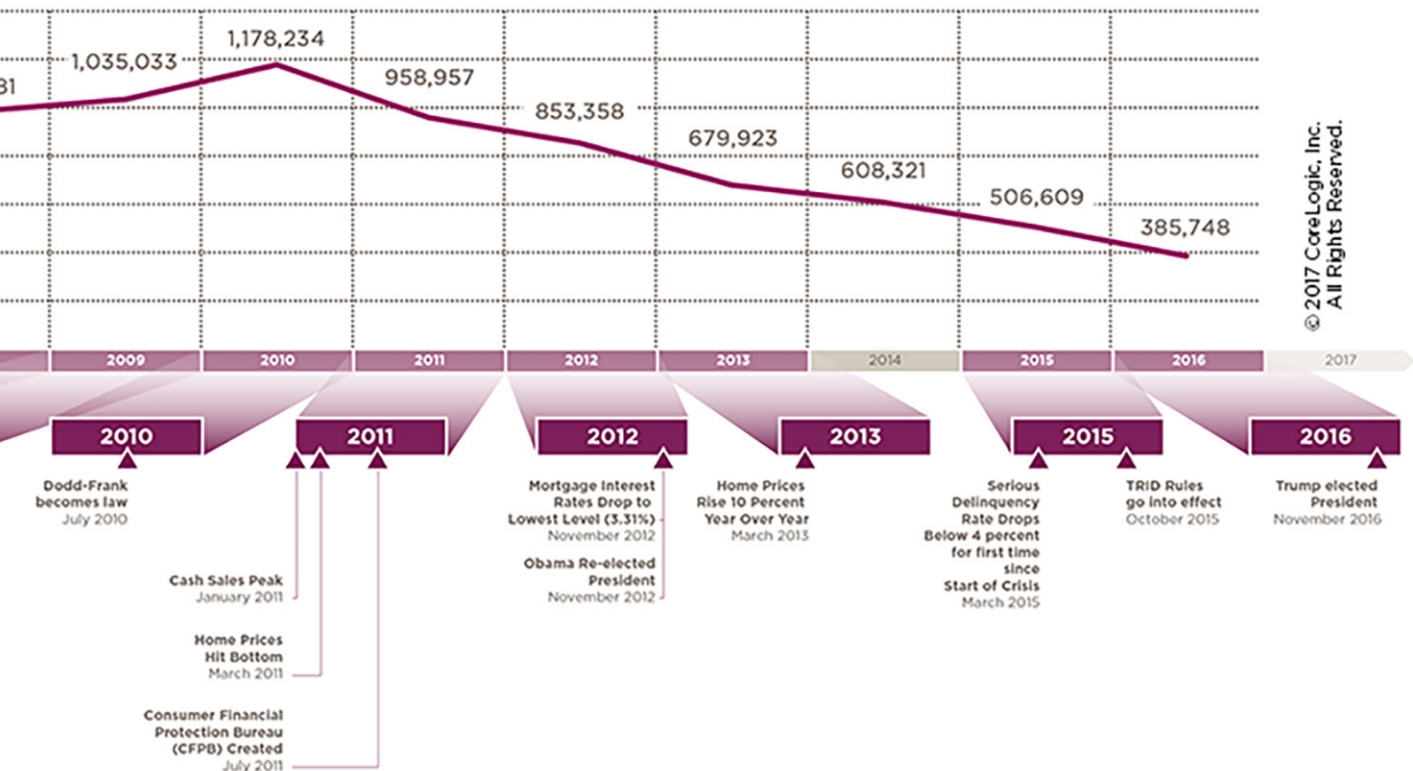
stage of the foreclosure process, included approximately 336,000, or 0.9 percent, of all homes with a mortgage compared with 1.4 million homes, or 3.3 percent, at the peak of the residential foreclosure crisis in September 2010.

“The country experienced a wild ride in the mortgage market between 2008 and 2012, with the foreclosure peak occurring in 2010,” said Frank Nothaft, chief economist for CoreLogic. “As we look back over 10 years of the foreclosure crisis, we cannot ignore the connection between jobs and homeownership. A healthy economy is driven by jobs coupled with consumer confidence that usually leads to homeownership.”

During the housing crisis, CoreLogic also reported the number

of mortgages in serious delinquency, defined as 90 days or more past due, including loans in foreclosure or REO. The delinquency rate (payments past due by 30, 60 or 90 days) continues to be a leading indicator of troubled markets.

At the end of 2016, 1 million mortgages, or 2.6 percent of homes with a mortgage, were in serious delinquency, compared to the serious delinquency peak of 3.7 million mortgages, or 8.6 percent of homes with a mortgage, in January 2010. In recent years, the decline in serious delinquencies has been geographically broad throughout the country with year-over-year decreases from December 2015 to December 2016 in 48 states and the District of Columbia. ■



# New Ohio Title Law Spearheaded by ALTA Member

Michael J. Sikora III Started Process in 2010

**A**fter more than 50 years of business as usual, Ohio Senate Bill 257 went into effect on April 6, 2017, completely revamping the state's title curative law. This change has been seven years in the making, and it marks the most significant change to Ohio title law in decades.

In 2010, Michael J. Sikora III spearheaded the change when he became president of the Ohio Land Title Association. As managing partner of Sikora Law LLC and president of Omni Title LLC, he heard multiple clients raise concerns that they faced title issues in Ohio that weren't problems in other states.

Working with the association's legislative committee to survey title cure statutes from all 50 states, Sikora discovered that Ohio's curative law was the weakest in the country by far.

At the time, Ohio's law allowed parties to contest defects for up to 21 years. The longest term in any other state was only 10 years. Because of the 21-year period, underwriters faced a long tail for potential claims.

Bankruptcy trustees would argue that a mortgage was invalid due to a title defect. Trustees were allowed to argue that they didn't take their interest subject to the mortgage. Lenders would then tender a claim against the lender's policy.

"There was major exposure for underwriters, and this change should kill most bankruptcy attacks on mortgages in Ohio," Sikora said.

Sikora's law firm represents underwriters in claims litigation. He led the charge to update Ohio's title curative law knowing that it would result in less business due to the limits on bankruptcy attacks.

"My view is that these were silly claims," Sikora said. "I'm an advocate to help the industry and promote what makes sense."

Sikora drafted the new statute by taking the best attributes of other states' curative laws. The revised law



gives Ohio a presumption of validity of recorded real property instruments (such as deeds, mortgages and leases), and it also reduces the cure period to only four years. After OLTA jumped on board in 2011, Sikora reached out to the Ohio State Bar Association's Real Property Law Section Council. Not long after the bar association took the lead advocating for the issue, the Ohio Association of Realtors also agreed to support the initiative.

Backed by this support, SB 257 was introduced to the General Assembly in 2015 by Ohio Sens. Michael Skindell and Bill Seitz. The bill passed at the end of last year and was signed by Gov. John Kasich on Jan. 4. It went into effect April 6.

Over the last seven years, Sikora spent hundreds of hours advancing the bill from inception to passage. He presented expert testimony on behalf of the Ohio State Bar Association before the Ohio Senate and the Ohio House Committees. This is the second Ohio real property statute that Sikora has drafted and advocated for as the bar association's expert.

"This new change in the law is going to enhance opportunities to get deals closed, especially if there are any title issues," he said. "Using this new statute wisely will minimize the risk of having problems in the future after the deal closes—whereas before, you could have been stuck in litigation or faced some impairment of a valuable real estate asset." ■

# EASY ACCESS TO UNDERWRITING EXPERTISE. ANYTIME, ANYWHERE.

Stewart gives you access to the best underwriters in the industry – experts who can help you through the most complex transactions. Like a good partner, they're easy to reach. As are the reference materials you need to successfully complete your transactions, thanks to Stewart's Virtual Underwriter® tool. That's what we mean by easy access to expertise. It's getting insight that can make the complex seem simple and being able to access it whenever you need.

*Real partners. Real possibilities.™*



Visit [stewart.com/alta1](http://stewart.com/alta1) for more info.  
Stewart Title Agency Services  
800.STEWART



# HUD Secretary Carson: Property Rights Foundational to Country's Success

Nearly 250 Title Professionals Attend ALTA's Advocacy Summit in Washington, D.C.

U.S. Housing and Urban Development (HUD) Secretary Ben Carson discussed the importance of homeownership and how it creates prosperous communities during ALTA's Advocacy Summit at the Watergate Hotel in Washington, D.C.

Talking to nearly 250 title professionals, Carson provided an inspirational keynote about the need to help create an environment where people have affordable, safe housing. He's been touring the country

listening to what Americans have to say about this country's housing.

"We can learn from observing what works and what doesn't work," Carson said. "How many times did Edison fail at inventing the light bulb? Do you know how the cleaner Formula 409 got its name?"

Carson encouraged attendees to continue striving to be better, emphasizing that success is built on failure.

As the baby boomer generation ages, Carson said that society has



an obligation to provide affordable housing for those planning to retire.

Carson said HUD wants to take a holistic approach to developing communities and work with various agencies to eliminate redundancies and also remove the tremendous regulatory burden.

"One of the things governors and city leaders have told me is that they all love HUD programs but say that the 'amount of regulatory garbage that we have to contend with is almost not worthwhile,'" Carson said.

Turning to property rights, Carson shared that the country's housing crisis stirred childhood memories of when his family lost their 750-square-foot home when his parents divorced.

"We spent the next six years hoping to get back to that place and were bouncing around experiencing housing insecurity," Carson said. "We eventually got back to that place and having housing stability, which I believe has led to my success today."

## Advocacy Summit By the Numbers

- Attendees: 233
- First Timers: 55
- Number of States Represented: 39
- Total Capitol Hill Meetings: 219



We the Protectors

May 1 - 3, 2017 | Washington, DC



Carson also acknowledged the importance of property rights and how clarifying ownership helps support the industry's economy.

"Governments that look out for property rights also tend to look out for other matters—freedom of religion and speech. It is absolutely foundational to our success," Carson said.

The HUD secretary shared an idea the department is considering to help promote homeownership. Every month, he said subsidies help apartment owners offer reduced rents to low-income tenants. Carson suggested putting a small amount of this money into a savings account that can be used for maintenance of the unit.

"If the door is scratched up or if the screen has holes, it comes out of that money," Carson said. "All of a sudden people will start taking care of things because they have access to that money."

Carson said that if they leave public housing within five or 10 years they would have that money for a down payment on a home.

"Think about how that would change the way they think about things," Carson said. "If you feel ownership of something, you take care of it a lot more. If you drive a car around and it's not your car, you're not going to wash that car. It changes the mindset."

### Think You Could Be a Member of Congress?

U.S. Reps. Denny Heck (D-Wash.) Dave Trott (R-Mich.) provided an insider's view of the environment in Washington, D.C. The two legislators—who are both members of the House Financial Services Committee—discussed how Congress

## ALTA Honors Top Donors, Advocates

During the 2017 ALTA Advocacy Summit, ALTA recognized the industry's top advocates and honored individuals and entities for their efforts in helping to raise donations to the Title Industry Political Action Committee (TIPAC).

In 2016, TIPAC raised more than \$530,000 from nearly 900 contributors.

ALTA recognized the following for their efforts:

- **Top Underwriter Award:** For the 11th year in a row, First American Title Insurance Co. raised the most money from its employees. Last year, the company raised \$94,019 from 176 contributors at their company. So far this year, First American has raised over \$71,223 from 111 contributors. John Hollenbeck accepted the award on behalf of First American.
- **Top Agent Award:** Peter Griffiths of Land Title Guarantee in Colorado received this award, which goes to the person who raised the most money from an agent in 2016. Last year, Griffiths raised \$28,690 from 50 contributors at his company and an additional \$6,450 from 31 other contributors in his state.
- **Outstanding State Award:** This award went to Ted Rogers with The Security Title Guarantee Corp. of Baltimore in Maryland. The distinction is presented to the person who increased their state's contribution totals the most in 2016. Rogers raised over \$7,280 from 20 contributors in 2015, and increased that amount to \$11,145 from 27 contributors in 2016.

ALTA recognized the following top industry advocates:

- **Outstanding Advocate:** This award went to TAN members Cynthia Blair NTP of Blair Cato Pickren Casterline in South Carolina and Justin Brashear of Ironclad Title in Louisiana for consistently promoting the industry's advocacy agenda by responding to TAN alerts.
- **Top Advocate of the Year Award:** John Holt of Old Republic National Title Insurance Co. in Idaho was recognized for taking action on six TAN alerts in 2016.
- **Advocacy Leadership Award:** The Illinois Land Title Association (ILTA) was recognized for a high level of participation and partnership with TAN. ILTA received the award for its efforts in getting the most people to share stories about wire fraud with the Consumer Financial Protection Bureau.

can come together on important issues such as regulatory and housing reform. Trott, a former title agency owner and employee of a national underwriter, shared what he's learned since taking office in 2015. He also offered advice on what title professionals can do to help their advocacy efforts.

### Can You Evolve and Thrive Like Amazon?

To wrap up the general session, ALTA CEO Michelle Korsmo moderated a panel of leaders from

other industries who shared how their member companies have evolved to meet ever-increasing regulatory and consumer demands. Panelists included Mark Birschbach of Second City Ventures/NAREach, Francis Creighton of Consumer Data Industry Association and Stacey Hutchinson of the Chamber Technology Engagement Center at the U.S. Chamber of Commerce. The speakers shared lessons learned and best practices about how to respond to new competitors and disruptors. ■

advocacy summit



# ALTA ADVOCACY SUMMIT

To view photos, go to: <https://meetings.alt.org/advocacy/photos>





# We're Rolling Out New County Access

Data Trace is premiering over 60 new counties within our nationwide network of over 545 title plants, giving you access to the real estate documents you need to complete your title search quickly and efficiently.

Data Trace and RedVision are united to provide you with a full service title solution, offering the most advanced database of real estate and recorded property data you can trust, along with innovative title search production and experience with all-in-one convenience.

Data Trace Coverage Includes New Counties In:

- Colorado
- Ohio
- Illinois
- Maryland
- North Carolina
- Pennsylvania
- South Carolina
- Texas

Access the Red Carpet of Title Processing Solutions  
[DataTraceTitle.com/Access](http://DataTraceTitle.com/Access) | 800.221.2056

**Data**  **Trace**<sup>®</sup>

RED | VISION |

# Designation Beneficial for All Title Professionals

## Why did you become an NTP?

I decided to earn my NTP partly to support the program, but also because it sets me apart from other title professionals by recognizing my knowledge and contributions to the industry.

## Why should others get their NTPs?

The more people who participate in the program, the more credibility and recognition the designation will have among other real estate industry professionals.

## How have you used the NTP designation to advance your career or promote your business?

I cite the designation in various places, including my professional profile, to set me apart from my competition.

## Who do you think should get their NTP? What types of professionals would benefit?

Attorneys, settlement officers, processors—anyone in the title industry with the experience and knowledge to qualify should consider applying for their NTP. It can be helpful in professional development and employment as something

that differentiates you from others in your field, as well as providing additional information about you to those you want to do business with.

## What is your best professional trait?

My best professional trait is my ability to work through problems in a transaction—whether it is a title problem or a contract problem or even a problem with financing. I can usually find a solution that will satisfy all parties, even if it does not get them exactly what they were looking for.

## Who has been your professional mentor and why?

My father was my professional mentor. He taught me to how to manage my business (both as an employee and as an employer), and how to work with co-workers, employers, employees, customers and clients. Most important, he taught me the value of maintaining my self-respect and professionalism, even when others may be challenging it.

## How have your ALTA connections benefited your career?

I can tap into a wealth of knowledge on a regular basis to assist me with compliance and title issues. I often reach out to my ALTA



Nancy L. Gusman

**Company:** Brick House Title Benefit Corp.

**Title:** President

**City/State:** Silver Spring, Md.

**Data of NTP Designation:** June 2016

**Industry Experience:** 31 years

## Earn Your NTP

The National Title Professional (NTP) designation recognizes land title professionals who demonstrate the knowledge, experience and dedication essential to the safe and efficient transfer of real property. Start earning your NTP designation at [www.alta.org/ntp](http://www.alta.org/ntp)

connections to assist clients who are in other states. I have developed a reputation as someone who can get transactions completed when other title companies cannot resolve an obstacle to closing. ■

# You Time

...brought to you by RamQuest

Work smarter not harder with RamQuest's paperless file management. This tool enables instant document retrieval, secure file sharing, paperless workflow and just makes doing what you do easier which leaves more time for...well, you!

**Visit [RamQuest.com/youtime](http://RamQuest.com/youtime) for paperless file management tips from our experts.**



# Indiana, Idaho Join States With Predictable Recording Fees

**I**ndiana and Idaho became the latest states to enact legislation that allows for predictable recording fees of real estate documents, which helps facilitate fee accuracy and compliance with the TILA-RESPA Integrated Disclosures rule.

Other jurisdictions that have adopted predictable recording fees include Arizona, Maryland, Massachusetts, Minnesota, New Mexico, North Carolina, South Dakota, Tennessee, Washington, D.C., Wisconsin and Wyoming.

In Idaho, Gov. C.L. “Butch” Otter signed House Bill 205, which was supported by the Idaho Land Title Association (ILTA). The legislation goes into effect July 1, 2017.

About a year ago, ILTA helped draft the bill to help simplify compliance with the Consumer Financial Protection Bureau’s (CFPB) integrated disclosures rule. Adoption of flat recording fees help settlement agents provide more accurate recording fees upfront and help reduce lender liability if fees change substantially on the Closing Disclosure. Recording fees fall into the bucket of fees that can’t change

more than 10 percent from the Loan Estimate to the Closing Disclosure.

To help get support for the bill, the ILTA worked primarily with the Idaho Association of Counties as well as the Idaho Bankers Association, Northwest Credit Union Association and Idaho Association of Realtors. ILTA legislative committee members and the ILTA lobbyist worked closely with the counties regarding document costs and page limits.

The ILTA met with the counties on a regular basis, including presenting at its annual clerk’s conference and before its legislative committee.

ILTA presented a strong case regarding compliance issues as well as the benefits the counties would receive from a more streamlined cost-effective system. The state association not only focused on the education and benefit side to all parties, but also provided statistics from members to develop the flat fee schedule.

Initially, there was reluctance to the legislation and a request to insert language to review the fee structure every four years. Due to political

issues with review language, the ILTA decided it would be best to keep the bill as originally drafted. ILTA’s efforts ultimately resulted in the counties formally supporting the legislation even without the additional language. The Idaho Bankers Association, Northwest Credit Union Association and the Idaho Central Credit Union also formally supported the legislation.

In Indiana, Gov. Eric Holcomb signed Senate Bill 505 on April 21. The legislation, which goes into effect July 1, sets a statutory fee for bulk form copies at 10 cents per copy of a recorded document and 10 cents per recorded document for a copy of the indices. It also allows a fee set by ordinance in an amount of up to 20 cents per copy and per recorded document if the county executive finds that the costs incurred by the county recorder exceed the amount of the statutory fee.

Additionally, SB 505 adopts the Uniform Real Property Electronic Recording Act (URPERA). The legislation requires implementation of URPERA standards before Jan. 1, 2018.

For the purposes of recording, effective Jan. 1, 2018, an electronic document will satisfy any legal requirement for an original paper document or other medium. In addition, an electronic signature will satisfy a legal requirement that a document must be signed, notarized, acknowledged or verified. ■

## Washington State Passes Bill Forming Rating and Advisory Organizations

A bill that would establish title insurance rating and advisory organizations in Washington awaits delivery to Gov. Jay Inslee. Once delivered, the governor has five days to act on HB 1450 or it becomes law without signature.

Specifically, the bill would:

- Authorize and establish a framework for title insurers to become members of and subscribe to the services of title insurance rating organizations for the purpose of making title insurance form and rate filings with the Office of the Insurance Commissioner (OIC).
- Give the OIC authority and direction to examine title insurance rating organizations and to issue written decisions directing a title insurance rating organization to take specific action, when appropriate.

- Authorize the sharing of aggregate information and experience data between title insurance rating organizations, title insurers and the OIC's designated statistical reporting agent, subject to restrictions.
- Modify the confidentiality of filed and approved title insurance rate filings to allow for public inspection of aggregate information that cannot be used to identify an individual insurer.

Currently, title insurers must file title insurance forms and rates with the Office of the Insurance Commissioner. Insurers' rate filings must include sufficient information to allow the OIC to determine whether the filed rates meet the standard.

The Washington Land Title Association supports the bill.

## TLTA Receives Governor's Award for Historic Preservation

For more than 10 years, the Texas Land Title Association (TLTA) has partnered with the Texas Historical Commission (THC) to help ensure the continued preservation of the state's county courthouses. In recognition of its important contributions to courthouse preservation, the TLTA received the 2015 Governor's Award for Historic Preservation.

"County courthouses are the cornerstones of

our communities, and the Texas Land Title Association is proud to be part of ensuring they are preserved and maintained so generations of Texans can use and enjoy them," said Leslie Midgley, TLTA executive vice president and CEO. "The Texas Historical Commission is a vital agency, and as we enter the eleventh year of our partnership with them, we are honored to receive this prestigious award."



▲ Texas Gov. Greg Abbot presents the Governor's Award for Historic Preservation to James Dudley, TLTA president, and Leslie Midgley, TLTA executive vice president and CEO.

## 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).



## Agents National Title Enters Texas, Kentucky

Agents National Title Insurance Company (ANTIC) announced it has become licensed to issue title insurance in Texas and Kentucky.

To become licensed in Texas, an underwriter must submit an NAIC application and pass a screening process, and have \$1 million in capital stock and \$1 million in surplus. In Kentucky, a

company must also submit an NAIC application and pass a screening process, and have \$1 million in capital stock and \$2 million in surplus.

Missouri-based ANTIC is also licensed in Alabama, Arkansas, Illinois, Indiana, Kansas, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee and Wyoming.

## Illinois-based Title Company Makes Acquisition

Champaign, Ill.-based Allied Capital Title LLC (ACT) recently acquired Bray Title Services.

“We are very excited to team with the outstanding group at Bray Title to continue to deliver outstanding title services in the Effingham area. The companies share a culture and dedication to excellence that is truly exciting,” said Thomas E. Harrington Jr., president of ACT.

Founded in July 1997, Bray Title Services was owned and operated by Bob and Vicky Bray and serviced Effingham and surrounding counties. In 2009, Bray Title acquired East Central Title and Effingham Title.

ACT’s history dates back to the 1930s and Champaign County Abstract Co.

## Arkansas Legislation Clarifies Agent Duty to Insured

Arkansas passed a bill clarifying that no cause of action exists for negligence by an insured against a title insurance agency or agency for lack of reasonable care in a title search awaits the governor’s signature.

HB 1828 passed the

states Senate by a vote of 26-3 and passed the House by a vote of 75-0.

According to the legislation, title agents conducting a search are acting only as agents of the title insurer and owe no duty to the insured.

## Orlans PC Expands, Becomes Second-largest Female-owned Law Firm in U.S.

Following the merger of three law firms, the mother-daughter team of Linda and Alison Orlans launched Orlans PC, the second-largest Women’s Business Enterprise National Council (WBENC) certified women-owned law firm in the United States.

Linda Orlans will serve as executive chair. Alison Orlans will assume the role of president and chief executive officer.

Orlans PC was created following the merger of Orlans Associates PC

(Troy, Mich.), Orlans Moran PLLC (Waltham, Mass.) and Atlantic Law Group LLC (Leesburg, Va.).

“The future goes to those prepared to change ahead of the times,” Linda Orlans said. “The legal world is changing and our mission is to be on the forefront and help affect that change for the better. This unified law firm represents a dramatic step forward in creating a more capable, more responsive and more efficient entity to serve a growing client base.”

## Mother Lode Launches New Texas Operation

Beginning in April, for the first time in its 16-year history in Texas, Mother Lode Holding Company is opening retail branches branded as Texas National Title in several markets.

David Tandy will lead the operations.

“We are proud to launch Texas National Title, our newest endeavor, and pleased to bring David Tandy into our MLHC family to continue to serve the great state of Texas,” said Marsha A. Emmett, Mother Lode Holding’s chairman of the board and CEO. “David is an excellent leader and embodies our intense focus on employees-first and foremost.”

In July 2016, MLHC named Tandy president and CEO of Texas National Title (TNT), a wholly owned subsidiary of MLHC. Tandy has served the real estate community for more than 35 years. He previously served as the CEO of Gracy Title, where he led the direct operations for the Austin and surrounding metro market title operations.

In 2000, MLHC opened its office in Sugarland under the National Closing Solutions (NCS) brand. For 16 years, this office has supported title production and closing functions for MLHC’s centralized national lender operations for refinance transactions.

## Closing Times Sink to Pre-TRID Days

The average time to close a loan is now shorter than it's been since 2015, according to the latest Origination Insight Report from Ellie Mae.

The survey found that the average closing time now sits at the lowest level in two years, coming in at 43 days in March, down from 46 days in February.

For refinances, the time to close dipped to 43 days from 47 days in February. The time to close a purchase dropped to 43 days, down from 45 days in February.

"The purchase market continued to heat up in March, representing 63 percent of total closed loans," said Jonathan Corr, president and CEO of Ellie Mae. "We also saw the time to close shrink to the shortest duration since February of 2015 at 43 days across all closed loans, purchases and

### Origination Overview for Closed Loans

	Mar	Feb	Jan
<b>TIME TO CLOSE ALL (DAYS)</b>			
ALL	43	46	51
REFI	43	47	53
PUR	43	45	48
<b>TIME TO CLOSE FHA (DAYS)</b>			
ALL	44	45	50
REFI	44	46	58
PUR	43	45	50
<b>TIME TO CLOSE CONV (DAYS)</b>			
ALL	43	46	51
REFI	43	47	53
PUR	42	44	47
<b>TIME TO CLOSE VA (DAYS)</b>			
ALL	46	48	53
REFI	46	50	58
PUR	45	47	50

Source: Ellie Mae

refinances, as Ellie Mae lenders automate more mortgage processes to improve efficiency, quality and compliance."

In addition, home loans for purchases increased to 63 percent in March, up from 57 percent the month prior.

## Texas Capital Bank Funds Its First E-note

Texas Capital Bank, a provider of warehouse credit, recently funded its first electronic note with a key lender client using DocMagic's e-mortgage technology suite.

According to a release, the e-note was delivered to Texas Capital Bank, registered with MERS

and securely stored in DocMagic's eVault. The transaction was completed and the e-note transferred to Fannie Mae in minutes, rather than days.



## NextDeal Helps Agents Securely Send Documents, Wire Instructions

NextDeal announced that its preDOCS technology is now available to title and settlement service agencies to securely send and receive opening packages to and from buyers and sellers. The system guides consumers through the completion of documents. Completed opening package documents and data are able to be securely uploaded to most software files.

"Until now the title industry has relied primarily upon email to send and receive wire instructions. Because of the overwhelming wire fraud occurring in the industry, we saw a need to protect this process by providing a very secure system for wire instructions and legitimate

subsequent changes to bank account and other information," said Robert Reich, CEO of NextDeal.

According to Reich, preDOCS automates the electronic delivery of opening packages for review, completion and e-signature by both buyers and sellers. An audit trail is available so users can track when the documents are received and opened with time-stamped information.

"Our customers are seeing initial results showing nearly 40 percent of consumers successfully transmitting their completed documents and data to their escrow agent within 48 hours of file opening," added Reich.

## Latest Technology Integrations

- **SoftPro** has integrated its business exchange platform with **American Property Guard (APG)**. Users of SoftPro 360 can order property tax certificates, county assessor data, tax maps and HOA contract information from APG directly from their SoftPro software.
- **RamQuest's** Closing Market digital network is now integrated with **CertSimple**, which delivers property tax certification in all 254 Texas counties as well as HOA information for the Dallas, Austin, San Antonio and Houston metro areas.
- **E-Closing** has integrated its services with **Westcor Land Title Insurance Co.** The integration allows Westcor agents to generate closing protection letters and policy jackets directly from the E-Closing production system.



## HOW DOES PREMIER SERVICE COMPARE?

	TRUSTLINK	COMPETITOR
Transaction Dollars	\$25 Trillion	\$1 Trillion
Transaction Files	44 Million	5 Million
True Daily 3-way Reconciliation	✓	
Assigned Reconciler	✓	
Electronic Management Approval	✓	
Electronic Exception Management	✓	
Complete Unclaimed Property Service	✓	
1099 and W-9 Service	✓	
Over 40 Years in Business	✓	
FULL SERVICE	✓	

**TrustLink™**



trustlink.support@firstam.com



800.767.7833

### Cybersecurity Expert Launches SAFE

In an effort to help title and settlement companies with their security programs, Matt Froning has launched Florida-based Security Assurance Facilitation Experts (SAFE), which offers cyber, network and physical security-related services.

“Cybersecurity is the number one concern for agents today,” Froning said. “Tens of thousands of dollars can be diverted to cyber thieves with the click of the mouse, but unfortunately many agents have not taken the necessary steps to protect the business they have worked so hard to build. Identifying attack vectors, tightening security gaps, and training employees combine to mitigate

agents’ risk and prevent security breaches. It is also vitally important that your security team understands your operations and work flow to ensure security assessments are thorough and your business is SAFE from attack.”

SAFE offers scalable services to single operations and national agency operations, including:

- *fractional CIO/CISO services for agents that want monthly valuations and consulting services*
- *vulnerability assessments*
- *penetration testing*
- *website application testing*
- *social engineering assessments*
- *risk assessments*

### AmTrust Expands Operations in Texas

AmTrust Title Insurance Company announced that Randy Elkins and E. D. Lester have joined the company to spearhead corporate growth in Texas.

As managing director and counsel of Texas operations, Elkins’ primary responsibilities are to establish offices in Houston, Dallas and Austin and to oversee AmTrust’s organic growth across the state. Prior to joining AmTrust, Elkins served as senior vice

president, counsel and division manager at Stewart Title Company and vice president at Stewart Title Guaranty Company.

As vice president of Texas operations, Lester’s focus is to establish AmTrust’s agency network and to support client relations and business development efforts for the company’s direct operations. Before joining AmTrust, Lester retired after a 34-year career with Stewart Title Company.

### Mortgage Connect Names Originations Division President

Mortgage Connect LP has named Bob Franco as president of its originations division. In this role, Franco will also oversee core refinance services, private wealth, Mortgage Connect

Escrow Inc. California and New York divisions, as well as the company’s new appraisal division. He is a founding member and former president of United Lender Services.

### Stewart Adds Experienced Senior Leadership in Phoenix

Stewart recently appointed Dylan King as division president of Phoenix. In this role, he will play an instrumental role leading the division and ensuring Stewart’s local customers have

an exceptional closing experience. King most recently served at Chicago Title as vice president and operations manager, overseeing the daily operations of the company.

### Investors Title Appoints SVP of National Markets

Investors Title Insurance Co. appointed Dan Hornfeck as senior vice president of national markets. Hornfeck will work closely with the national markets business development and operations team to

manage and expand existing and create new agent relationships. Prior to joining Investors Title, Hornfeck was executive vice president and chief credit officer for a large community bank.

### NATIC Names Illinois State Agency Manager

North American Title Insurance Co. (NATIC) has hired Shawn Neely as Illinois state agency manager. He will oversee agency operations in that state while securing and servicing title agents to promote new and increased

business activity. Neely grew up in the title industry, launching his career at the age of 16 at his family’s Illinois-based agency. Prior to joining NATIC, Neely was vice president of sales and marketing in the Midwest for RynohLive.



# INTRODUCING THE HOP BOX!

ALTA's new HOP Box is a tool for title agents, underwriters, state land title associations and others to highlight the great materials available in the ALTA Homebuyer Outreach Program.

Your HOP Box will contain:

- Rack Card
- Manifesto
- Business Cards
- ALTA Prints Ad
- Marketing Flyer
- House Magnet
- Table Top Easel

Of those items, you're able to customize the **Marketing Flyer** and the **Rack Cards** with your company logo and information before your HOP Box arrives.

Each HOP Box costs **\$120**. *(Multiple box discounts are available.)*

The HOP Boxes are great for use at staff trainings, underwriter seminars, general education events, first time homebuyer seminars, state land title conventions and much more.

## \$120 PER BOX!



American Land Title Association  
Protect your property rights



[WWW.ALTAPRINTS.COM](http://WWW.ALTAPRINTS.COM)

## Reminders to Remain Vigilant

The WannaCry ransomware worm outbreak isn't the only cybersecurity incident that users need to be concerned about. A breach at DocuSign also exposed users to vulnerabilities that unfortunately are all too common.

In May, more than 100,000 businesses in 150 countries were victimized by the global WannaCry ransomware attack. Ransomware is a type of malware that encrypts a computer's files, holding them hostage until the computer's owner pays out a ransom, typically in the range of \$300 to \$600 in Bitcoin. The attack targeted FedEx, train systems in Germany, a Spanish telecommunications company and British hospitals.

Following that attack, electronic signature technology provider DocuSign acknowledged a malicious third party gained access to customer emails. The hackers then sent phishing emails inviting the recipients to click a link to a Microsoft Word document containing malware.

The details of these attacks were topics of conversation during ALTA's Information Security Committee meeting last month in Washington, D.C. The committee is made up of the chief information security officers of various member companies. The purpose of the committee is to analyze high-level security threats affecting ALTA members and develop cyber awareness, prevention, detection and response methods to assist the industry.

A big item on the agenda for our security experts was the topic of wire fraud. The committee considered some best practices to make consumers and title companies aware of the risks and help prevent them from falling victim to this type of fraud. They also discussed guidance on security measures to implement with banks to provide checks and balances to help keep funds from being wired out to the wrong party.

Another major topic of conversation was the National Institute of Standards and Technology's (NIST) update of its proposed Framework for Improving Critical Infrastructure Cybersecurity. Similar to the ALTA Best Practices, the NIST framework is a set of voluntary guidelines for companies to adopt to help reduce their cybersecurity risks. The main change in the updated Framework is a new provision for assessing the risk posed by third-party vendors. There is also a new tool to help companies measure the cost-effectiveness of cybersecurity programs.

ALTA will continue to raise awareness and provide guidance on security measures. It's important to remain vigilant. Be wary of clicking on links in email. Use two-factor authentication. Don't reuse passwords. The next data breach is just around the corner. Make sure you're prepared.



— Daniel D. Mennenoh ITP, NTP, ALTA president

# Manage commercial closings more productively than ever!

Introducing commercial functionality in **SOFTPRO SELECT**

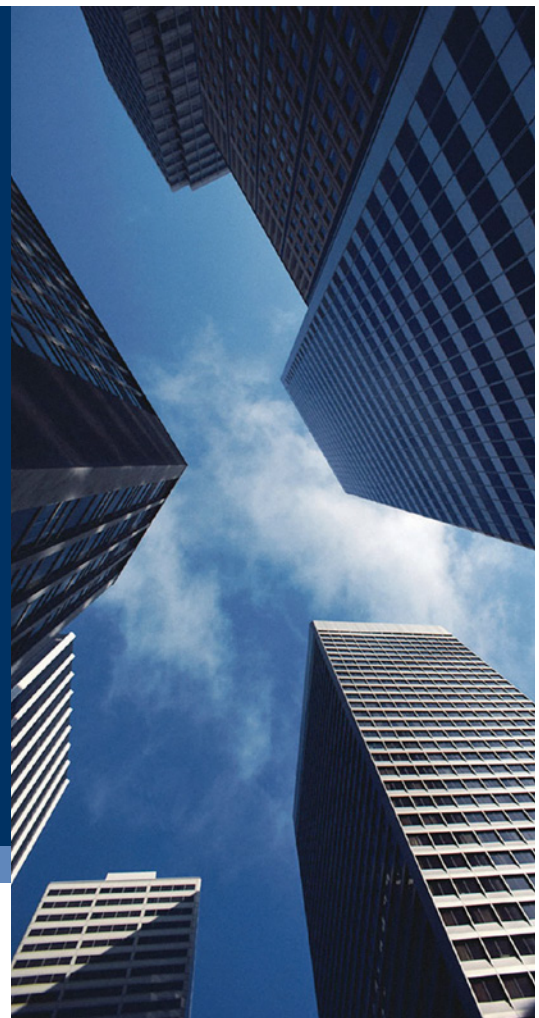
You can **double your productivity and minimize human errors** with the new commercial real estate functionality of SoftPro Select.

- Unlimited properties/parcels of land per order
- Unlimited charge lines, buyers, and sellers
- Associate sales price, buyers, and sellers to each property

---

## Now SoftPro Select allows you to:

- Choose “commercial” as the order type, no longer tied to regulated HUD or CDF forms
- Print a Master Settlement Statement for all buyers, sellers, and properties
- Print individual settlement statement types for buyers, sellers, and properties
- Customize the header, sections, signatures, and footer of each settlement statement – not just for each office, but for each order
- Specify who is responsible for each charge and associate one or more properties to a charge



Ready to  
try it out?

Call us at **800-848-0143**  
(option 1) or visit  
[softprocorp.com/selectdemo](http://softprocorp.com/selectdemo)  
to request your free demo.

**SOFTPRO**<sup>®</sup>

©2017 SoftPro. All Rights Reserved. SoftPro is a trademark and the property of SoftPro, its subsidiaries, and affiliated companies. All other trademarks are the property of their respective owners.



**Ready for What's Next**

October 10-13, 2017 | Miami, FL

[meetings.alta.org/one/tn](http://meetings.alta.org/one/tn)