FEBRUARY 2018

TITLE News

AMERICAN LAND TITLE ASSOCIATION

UP IN SMOKE?

Budding Legality of Pot Poses Challenges to Title and Escrow Industry

Companies Face Significant Risk When Handling Transactions Involving Marijuana Money

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iN This Issue

VOLUME 97 | NUMBER 2 | FEBRUARY 2018

COVER STORY

FEATURES

DEPARTMENTS

DON'T MISS THIS MONTH'S DIGITAL ISSUE OF TITLENews

The digital edition of **TITLENews** includes a short video that you can use to help raise awareness about the dangers of wire fraud. The video provides four tips on how consumers can protect their money.

Go to **www.alta.org** to get your copy of *Digital TitleNews Today*.

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TITLENews

OFFICIAL PUBLICATION OF THE **AMERICAN LAND TITLE ASSOCIATION**

PUBLISHER'S Desk

You Can Be the Innovator

YOU MIGHT RECALL AMAZON'S purchase of Whole Foods last year. But did you know that Amazon launched a program a few years ago that supplies capital to small businesses? Since 2011, Amazon has lent $3 billion to third-party businesses in short-term, micro loans—$1 billion of that total came in over the last year. The question is if Amazon will be content with this space or expand its in-house program and offer loans to a broader audience.

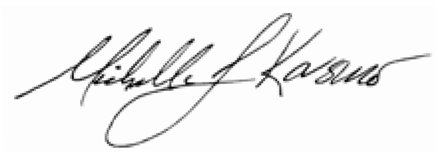
Think how the home-lending and closing space would change if Amazon applied its platform to our industry. The idea of Amazon getting into mortgages might seem far-fetched, but there are many businesses looking at how technology can be applied to "disrupt" and improve the mortgage transaction.

It may seem daunting to think about how to survive in the face of potential new market entrants, but no one knows more about your customers than you. You need to examine how you can deliver the products and services your customers want and need. With the challenge of disruption a possibility, you must be an innovator. Disruptors are innovators, but not all innovators are disruptors. Innovation is the process of implementing new ideas to create value for an organization. Disruption changes how we think and do business. Harvard Business School professor and disruption guru Clayton Christensen says that a disruption displaces an existing market and produces something more efficient. Christensen describes a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market, eventually displacing established competitors.

Uber is viewed as a disruptor by the taxi industry but an innovator by consumers. Uber didn't destroy the taxi industry--it improved it. Uber enhanced ground transportation, now it's focused on air transportation. It's reported that Uber is targeting 2020 for on-demand vertical take-off and landing demo flights in Dallas and Dubai. Basically, it's a plan to make flying taxis a reality and cut 30-minute commutes down to five.

Moving back to the title and settlement space, it's important to watch for potential disruptors. At the same time, remember that every fire doesn't need your attention. Spending all your time focused on what someone else deems "disruptive" will drain your resources. Focus on what truly threatens your business model. Knowing what your customers want before the disruptors can deliver it will keep you in the game. Maybe it's an updated website that makes it easy for customers to contact you, order services and know the cost. Maybe it's an improved claims process. Maybe it's attending ALTA conferences and getting involved in the discussion to learn how a variation of blockchain could be applied to our industry and drive efficiency. ALTA is working to keep our members in the know by doing things like starting a discussion with IBM to learn how you can get involved in their tech "sandbox." Let us know if you are interested.

You can lead the charge by fostering an innovative culture and acting on good ideas. You can deliver a transaction that is accurate, swift and secure. You can protect property rights for everyone involved.



Michelle L. Korsmo, *ALTA's chief executive officer*

ALTA News

AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

ALTA Joins Industry Groups Urging Congress to Enact National Data Breach Legislation

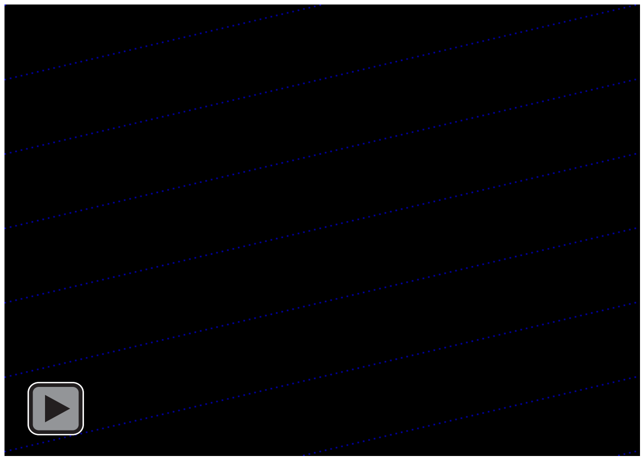
ALTA joined 21 other industry trade groups urging Congress to enact national data breach legislation to better protect consumers.

Following a series of recent data breaches, the groups sent a letter to the House Energy and Commerce Committee asking Congress to pass strong federal data protection and consumer breach notification legislation to help ensure consumers' important personal and payment information is not vulnerable to hackers.

"Data security impacts every sector of the economy," the organizations wrote in the letter. "We therefore look forward to working with you and your colleagues to ensure that all sectors employ sound data security and alert consumers when a breach may result in identity theft or other financial harm."

The multi-industry organizations called upon Congress to enact legislation encompassing the following elements:

- A flexible, scalable standard for data protection
- A notification regime requiring timely notice to impacted consumers, law enforcement and applicable regulators
- Consistent, exclusive enforcement of the new national standard by the Federal Trade Commission and state attorneys general, other than for entities subject to state insurance regulation or who must comply with the Gramm-Leach-Bliley Act or the Health Insurance Portability and Accountability Act/Health Information Technology for Economic and Clinical Health Act
- Clear preemption of the existing patchwork of conflicting and often contradictory state laws



Title Industry Generates $3.9 Billion in Premiums During Q3

The title insurance industry generated $3.9 billion in title insurance premiums during the third quarter of 2017, according to ALTA's 2017 Third-Quarter Market Share Analysis. The volume held steady to the $3.9 billion in title premiums generated during the third quarter of 2016.

The publicly traded underwriters captured 85.1 percent of the market share during the latest quarter, while independent underwriters garnered 14.9 percent of the market.

The top individual underwriters based on market share were:

- First American Title Insurance Co. (24.1%)
- Old Republic National Title Insurance Co. (14.3%)
- Chicago Title Insurance Co. (14.2%)
- Fidelity National Title Insurance Co. (12.9%)
- Stewart Title Guaranty Co. (9.1%)

The top five independent underwriters based on market share were:

- Westcor Land Title Insurance Co. (3.5%)
- Title Resources Guaranty Co. (2.4%)
- WFG National Title Insurance Co. (2.2%)
- North American Title Insurance Co. (1.7%)
- Alliant National Title Insurance Co. (.8%)

On a state-by-state basis, 28 states showed third-quarter 2017 written premiums increasing from third-quarter 2016.

Overall during the third quarter of 2017, the industry's operating expenses were up 4.3 percent, while loss and loss adjustment expenses were up 3.5 percent, resulting in a net operating gain decrease of 38.9 percent.

ALTA expects to release its fourth-quarter and full-year 2017 Market Share Analysis around March 20. See Page 14 for a full chart of company market share. Complete data can be found at **alta.org/industry-research**.

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- Applying specific templates to an order
- Ordering search transactions from integrated partners and accept the data and documents when the searches are returned
- Adding or updating a task when a commitment is published
- Sending pre-closing letters to buyers and sellers when a file is assigned to the escrow team
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ALTA Announces SYNRGO as an ALTA Elite Provider

SYNRGO, a nationwide recording company providing customized solutions to its title and real-estate customers, was recently named an ALTA Elite Provider.

SYNRGO has serviced the title and escrow industries for more than 25 years. In February 2017, former companies DPS Inc. and SPL Inc. combined their experience to form SYNRGO. A one-stop source for managing, recording and delivering documents for the mortgage industry, SYNRGO uses a personalized customer-service approach and state-of-the-art technology to provide clients with the highest level of service.

ALTA's Elite Provider Program is comprised of premier service providers committed to offering comprehensive benefits to the title insurance and settlement services industry. Elite Providers promote the highest industry standards and provide effective solutions for ALTA members' critical needs.

For any ALTA member signing his or her first contract, SYNRGO will waive the first-time setup fee.

For more information about the program or to apply, visit ALTA's Elite Provider website at **alta.org/elite**. ■

Final Publication of 2017 ALTA Short Form Commitment; Technical Corrections Released

The 2017 ALTA Short Form Commitment for an ALTA Short Form Residential Loan Policy has passed through the comment period without change and has been published in final.

In addition, the ALTA Forms Committee has announced minor technical corrections to ALTA Endorsements 5-06 and 5.1-06. In each Endorsement, the word "homeowners" was changed to "owners" in paragraph 2.

The forms can be downloaded at **alta.org/policy-forms.** Contact ALTA at **forms@alta.org** with questions or if you need more information. ■

ALTA 2018 TIPAC Donors

The Title Industry Political Action Committee (TIPAC) is ALTA's voluntary, non-partisan Political Action Committee (PAC). TIPAC raises money to help elect and re-elect candidates to Congress who understand and support the issues affecting the title industry. So far in 2018, TIPAC has received $148,825 from 85 donors. Check out who has supported the industry at alta.org/tipac.

CALENDAR

2018 ALTA CONFERENCES

ALTA SPRINGBOARD
March 21- 22
Atlanta, Ga.

ALTA INNOVATION BOOT CAMP
April 17-18
New Orleans, La.

ALTA ADVOCACY SUMMIT
May 21-23
Washington, DC

ALTA INNOVATION BOOT CAMP
June 19-20
Minneapolis, Minn.

STATE CONFERENCES

TENNESSEE
April 5-6
Mt. Juliet, Tenn.

OKLAHOMA
April 19-21
Tulsa, Okla.

CALIFORNIA
April 22-24
Ojai, Calif.

PALMETTO
April 25-27
Myrtle Beach, S.C.

Budding Legality of Pot Poses Challenges to Title and Escrow Industry

UP IN

Companies Face Significant Risk When Handling Transactions Involving Marijuana Money

By Jeremy Yohe

IN COLORADO, it's been reported there are more marijuana dispensaries than Starbucks and McDonalds locations combined. The state joined Washington in 2012 to become the first two jurisdictions to legalize recreational marijuana. The move to legalize pot set ablaze the residential and commercial real estate markets in the Rocky Mountain State. According to a Realtor.com report published in 2016, median home prices jumped more than 20 percent six months after the debut of pot shops in January 2014 compared to the first half of 2016. This significantly outpaced price increases across the country.

SMOKE?

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Colorado's law allows counties to determine if they want to legalize and regulate the drug. Digging deeper into the numbers, Realtor.com reported home prices tend to be higher in the roughly 60 Colorado cities and towns where cannabis is legal than the more than 200 where it's not. For example, where cannabis is legal, the median sold price was $302,500 in the second quarter of 2016, according to the Realtor.com analysis. That's 13 percent higher than the $267,200 median sold price in the more than 200 localities where ganga is still prohibited. In addition, since 2014, homes have been appreciating by 12 percent annually in pot-friendly counties. That's compared with just 9% in areas that haven't legalized cannabis.

Pot-positive counties have also attracted more homebuyers and jobs. Because of this, Colorado's commercial market has seen a boon as well. According to United States Commercial Real Estate Services, marijuana growers occupied 4.2 million square feet in metro Denver's industrial market in Q4 2016—an expansion of 14 percent since the second quarter of 2015. The downside is that houses in neighborhoods with pot-growing operations are losing value because of the odor.

The sharp rise in property prices follows the booming market for legal marijuana. Sales of legal cannabis reached $6.7 billion in the United States last year, and are expected to top $20 billion by 2021, according to Arcview Market Research. Other states have noticed the trend and want a piece of the pot pie.

As of January 2018, recreational use of marijuana is legal in eight states and Washington, D.C. California began allowing the sale of recreational marijuana on Jan. 1, joining Alaska, Colorado, Nevada, Oregon and Washington. Massachusetts and possibly Maine are expected to begin sales this year. In all, 29 states and D.C., have at least partly legalized the substance—including for medicinal use. According to press reports, the new cannabis industry in California has a projected value of more than $7 billion.

Harshing the High?

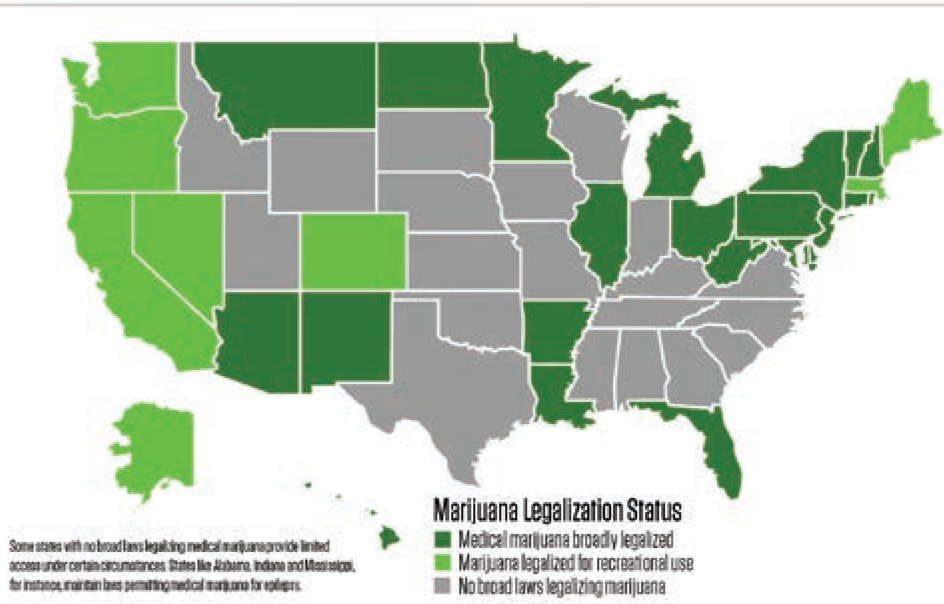
The budding real estate markets where cannabis is kosher may come off their high following a recent policy reversal from the Justice Department.

Although cannabis remains prohibited at the federal level, the Justice Department from 2013 to early 2018 tolerated commercial distribution in the states where it has been legalized, under the guidance of the Cole Memorandum. However, on Jan. 4, U.S. Attorney General Jeff Sessions issued a memo shifting federal policy away from the hands-off approach adopted under the previous administration. This change in policy has been perceived as unleashing federal prosecutors to decide how to prioritize resources to crack down on pot possession, distribution and cultivation in states where it is ostensibly legal.

In the memo, Sessions directed all U.S. attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities.

"This return to the rule of law is also a return of trust and local control to federal prosecutors who know where and how to deploy Justice Department resources most effectively to reduce violent crime, stem the tide of the drug crisis, and dismantle criminal gangs," Sessions said in a memo to all federal prosecutors. "In deciding which marijuana activities to prosecute under these laws with the department's finite resources, prosecutors should

State Marijuana Laws



follow the well-established principles that govern all federal prosecutions," the memo said. "These principles require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community."

Prior to this announcement, banks were already reluctant to do business with marijuana-related businesses. This may discourage them even more. Don Childears, president of the Colorado Bankers Association, told American Banker that he thinks "it will have a chilling effect." In addition, most title companies would violate their account agreement if they accepted and deposited cash they knew to be from marijuana proceeds.

In all, 29 states and D.C., have at least partly legalized the substance—including for medicinal use. According to press reports, the new cannabis industry in California has a projected value of more than $7 billion.

Federal Reach

While more states are legalizing marijuana, the federal government still categorizes marijuana as a controlled substance. This means it's viewed the same as heroin. Because marijuana is illegal under federal law, the title industry faces several challenges. Under federal law:

> "[A]ny person who violates [the Controlled Substances Act] shall be sentenced as follows: In the case of a violation … involving … 1,000 kilograms or more of a mixture or substance containing a detectable amount of marijuana, or 1,000 or more marijuana plants regardless of weight … such person shall be sentenced to a term of imprisonment which may not be less than 10 years or more than life and if death or serious bodily injury results from the use of such substance shall be not less than 20 years or more than life, a fine not to exceed the greater of that authorized in accordance with the provisions of title 18 or $10,000,000 if the defendant is an individual or $50,000,000 if the defendant is other than an individual, or both."

Additionally, anyone who helps another person violate the Controlled Substances Act can face the same penalty as the actual people violating the act.

"There's a fine line between growing marijuana, having a warehouse to distribute marijuana and facilitating a transaction to provide the facilities," said a senior underwriter for a national title insurance company.

It's helpful to also understand how the courts view this. A recent federal court of appeal decision (*Pinkerton v. U.S.*) raised an interesting defense to prosecution.

For many years, federal appropriations bills have prohibited the Department of Justice (DOJ) from using appropriated funds to prosecute people engaged in state-legalized medical marijuana activities.

This doesn't change the fact that marijuana is illegal under federal law; rather, it's simply an appropriations measure that says the DOJ can't spend money prosecuting it. The question in this case was whether a defendant could raise this as a defense. The court said yes.

How does this play out in the real world? A footnote in the opinion, however, says that section 542 does not provide immunity for prosecution for federal marijuana offenses.

The court wrote, "The CSA (Controlled Substances Act) prohibits the manufacture, distribution and possession of marijuana. Anyone in any state who possesses, distributes or manufactures marijuana for medical or recreational purposes (or attempts or conspires to do so) is committing a federal crime. The federal government can prosecute such offenses for up to five years after they occur."

"Congress currently restricts the government from spending certain funds to prosecute certain individuals. But Congress could restore funding tomorrow, a year from now, or four years from now, and the government could then prosecute individuals who committed offenses while the government lacked funding," the opinion continued.

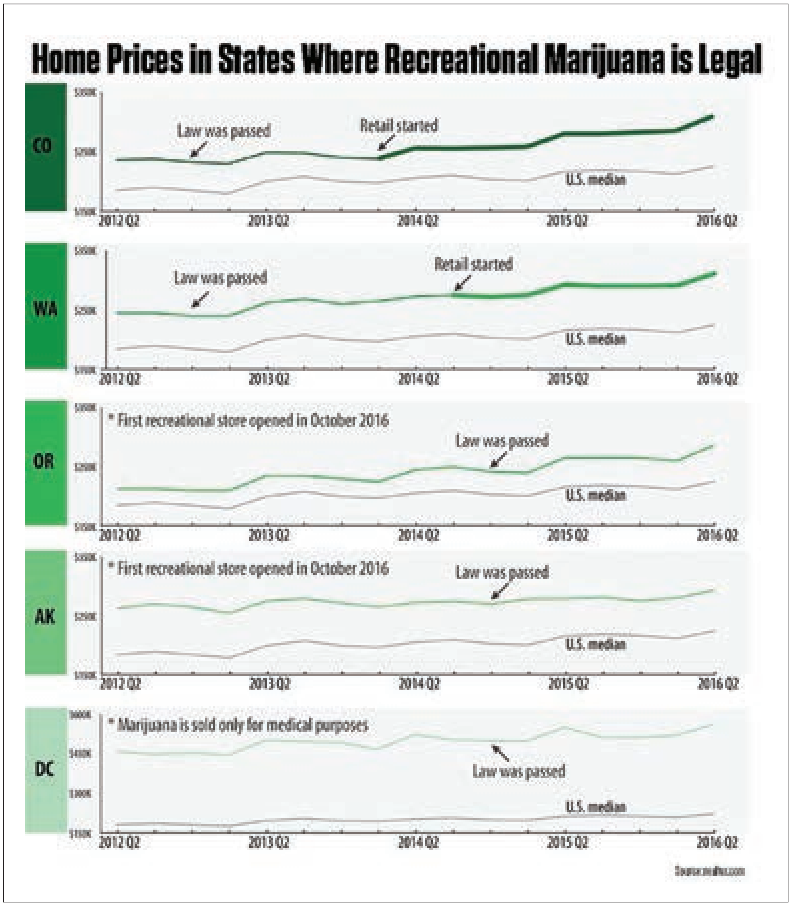
The opinion goes on to say that under the Supremacy Clause of the Constitution, state laws can't permit what federal law prohibits. "Thus, while CSA remains in effect, states cannot authorize manufacturing, distribution or possession or marijuana. Such activity remains prohibited by federal law."

"That is such a clear and precise summary of the dilemma that we all face when people take the position it's legalized in a state and we should be free to engage in the activity," said Steve Gottheim, ALTA's senior counsel. "The opinion Illustrates the problem with that argument."

Control of Interstate Commerce

With millions of dollars pouring into California for the cannabis industry, REITs are being set up specifically to fund the grow operations. Gottheim, said there's desire to turn Napa Valley into the "champagne region" for marijuana.

"Just like only champagne that comes from a certain part of France can be called champagne, they want a similar thing for cannabis grown in the Napa Valley," he added. "Unfortunately, there's no legal way for the title industry to touch it and no way to keep companies safe from potential prosecution."



The federal government can control interstate commerce due to the Commerce Clause of the U.S. Constitution. In *Ganzales v. Raich*, the U.S. Supreme Court ruled in 2005 that under the Commerce Clause, Congress may criminalize the production and use of homegrown cannabis even if states approve its use for medicinal purposes.

California started allowing the medical use of marijuana in the 1990s in response to the AIDS epidemic. The court had to decide whether the federal government had the right to control medical cannabis if it's grown, sold and consumed exclusively in California. Two women were growing marijuana and using it for personal use. A doctor for one of the women said she might die without it. A majority of the court ruled that while the case was personally touching, "we are not going to allow California law to conflict with federal law."

The court's argument stemmed from a 1942 ruling in *Wickard v. Filburn*, which held that the government may regulate personal cultivation and consumption of crops because of the aggregate effect of individual consumption on the government's legitimate statutory framework governing the interstate wheat market. In this case, an Ohio farmer grew extra wheat to feed his animals. The court held that if every farmer started growing extra wheat it would affect supply and demand throughout the country. The case set a precedent for an expansive reading of the Commerce Clause.

The court held: "The parallel concern making it appropriate to include marijuana grown for home consumption in the CSA is the likelihood that the high demand in the interstate market will draw such marijuana into that market. While the diversion of homegrown wheat tended to frustrate the federal interest in stabilizing prices by regulating the volume of commercial transactions in the interstate market, the diversion of homegrown marijuana tends to frustrate the federal interest in eliminating commercial transactions in the interstate market in their entirety. In both cases, the regulation is squarely within Congress' commerce power because production of the commodity meant for home consumption, be it wheat or marijuana, has a substantial effect on supply and demand in the national market for that commodity."

According to Gottheim, this means the federal government determines whether marijuana is legal or not. An additional wrinkle involves zoning laws. People often have a "not in my backyard attitude" and don't necessary want a dispensary in their neighborhood. The concern is the odor and the alleged criminal element that retail marijuana shops attract. In California, the city of Riverside has zoning laws that prohibit pot distribution. A person attempting to open a dispensary brought a lawsuit, but the California Supreme Court ruled that cities can enact zoning law that prohibit distribution.

With the threat of federal prosecution, many banks avoid lending money to businesses that involve marijuana. Handling proceeds of any marijuana transaction is considered money laundering—even if those proceeds are being used to purchase real estate and not pot. Very few banks are willing to bear that risk and have employees face a potential sentence of a minimum of 10 years.

People in the Colorado pot industry created a state-chartered credit union in Denver that operates outside of the banking system. When it was launched in 2014, Fourth Corner Credit Union applied for a master account with the Kansas City Federal Reserve. In 2015, the Federal Reserve rejected the credit union's application. In January 2016, Fourth Corner filed a lawsuit, which was dismissed by a district court. However, in July 2017 the U.S. Court of Appeals for the Tenth Circuit in Denver voided the lower court's decision. This means that the Kansas City Federal Reserve can't assume Fourth Corner intends to violate federal law by serving marijuana businesses, and that the credit union can file a new application for a master account.

Other cities are considering creating such financial institutions, including Los Angeles, Oakland and Santa Rosa in California; Philadelphia and Santa Fe, N.M. The states of Arizona and Maryland are also entertaining the idea. The Bank of North Dakota (BND) is currently the only state-owned public bank in the United States. The Bismarck-based bank was founded in 1919 to serve farmers and small businesses in North Dakota who felt they weren't getting fair treatment from commercial banks. The state insures BND's deposits, while the North Dakota Department of Financial Institutions has oversight. North Dakota started allowing the use of medical marijuana in 2018. It's unclear if the BND will work with the state's new medical marijuana companies.

Industry Risk

In addition to private lenders, REITs are being established specifically to handle to handle transactions involving money from cannabis. This means title companies must be diligent when handling transactions that could involve cannabis cash.

"We have all insured cannabis transactions, (but) we just didn't know it," said one underwriter representative.

For the title and escrow industry, it comes down to risk—risk of being prosecuted. Underwriter bulletins clearly prohibit agents from handling escrow funds or issuing CPLs for transactions involving land to be used in some capacity for growing, producing, distributing or dispensing marijuana. The people handling transactions—including the escrow and title officers—are viewed by law enforcement as participating in a criminal enterprise and subject to the same penalties as the people who own the property.

"The real risk in these transactions is on the settlement side," Gottheim said. "You're handling money that is tainted in some fashion. You're more directly engaged in facilitating this criminal enterprise. It's easy to identify who the settlement officer was in a transaction. If the U.S. attorney wanted to make a good example, then they would prosecute everyone who touched it."

Additionally, most underwriters will not insure the transaction either. The title industry is not the only insurance industry shying away from providing coverage in these cases. In California, many marijuana farms have been destroyed by the fires. Cannabis cultivators who have lost their crop have little recompense because they can't get property and casualty insurance, of if they do, it comes with a pricey deductible. A typical marijuana investment in California ranges from $5 million to $10 million.

"Nobody right now has insurance," Nikki Lastreto, secretary of the Mendocino Cannabis Industry Association, told CNN. "They might have insurance on their house, but not on their crop."

The problem is that there are many grey scenarios. What if a client has a buyer for a cannabis growing facility and they want you to handle the transaction, and the buyer wants title insurance? What if another client wants to sell a farm in an area where people are starting to plant pot, but the buyer has not disclosed what they intend to do with farm? What if you are asked to insure a transaction involving land where the state will build a facility to test marijuana quality? Or, what decision do you make in a deal involving a large office building with a cannabis dispensary on the ground floor? What do you do if that tenant's rent makes up half a percent of the income of that building?

With the threat of federal prosecution, banks avoid lending money in transactions involving marijuana. Handling proceeds of any marijuana transaction is considered money laundering. Very few banks are willing to bear that risk and have employees face a potential sentence of a minimum of 10 years.

There's also the question of whether it's okay to handle the escrow and issue a title policy if there's an exception in the policy that excludes coverage if there's a violation or enforcement of any federal, state or local law relating to the use of the land.

"This becomes a day-to-day challenge for the industry," one underwriter said. "If we know that a transaction involves illegal activity, we don't want to handle it. From my perspective, if in the normal course of compiling information that you would get in handling the escrow or the settlement for a transaction and doing title research, you know or should know that you are dealing with an illegal transaction and must decline it." ■

JEREMY YOHE *is ALTA's vice president of communications. He can be reached at jyohe@alta.org.*

Mobile Device Security

Hackers Can Exploit Many Weaknesses Caused by Mobile Apps, Public Wi-Fi Networks and Your Children

Tablets and smartphones have become the tools we use to enable our ever-increasing technology-laden personal and professional lives. These devices are mobile and very easy to use and give us the choice of countless numbers of apps to make us more available to communicate and be productive. These devices and apps also open us up to more potential security weaknesses. Cyber criminals will try to infect your devices, so they can harvest your bank accounts, credit card information and passwords. Take the following steps to keep your devices secured.

Obtaining Mobile Apps

The first step is making sure you always download mobile applications from a safe, trusted source. Remember, just about anyone can create a mobile app, so you must be careful where you get them. Cyber criminals have honed their skills at creating and distributing infected mobile apps that appear to be legitimate. If you install one of these infected apps, criminals can take control of your mobile device to read your emails, listen to your conversations and harvest your contacts. By downloading apps from only well-known, trusted sources, you'll reduce the chance of installing an infected app. What you may not realize is the brand of mobile device you use determines your options.

For Apple devices, such as an iPad or iPhone, you can only download mobile apps from a managed environment: The Apple App Store. The advantage is Apple does a security check of both the mobile apps and their authors. While Apple cannot catch all the bad guys or all the infected mobile apps, this managed environment helps to dramatically reduce the risk of installing an infected app. In addition, if Apple finds an app in its store that it believes is infected, it will quickly remove the mobile app. Android mobile devices use different approaches than Apple. Android gives you more flexibility by being able to download a mobile app from anywhere on the Internet. However, with this flexibility comes more responsibility. You must be more careful about what mobile apps you download and install, as not all of them are vetted. Google's app store is called Google play, which is like Apple. The mobile apps you download from Google Play have had some basic checks. As such, we recommend you download your mobile apps for Android devices only from Google Play. Avoid downloading Android mobile apps from other websites, as anyone, including cyber criminals, can easily create and distribute malicious mobile apps and trick you into infecting your mobile device. As an additional protection, consider installing anti-virus software on your mobile device.

To reduce your risk even more, avoid apps that are brand new, that few people have downloaded or that have very few positive comments. The longer an app has been available and the more positive comments it has, the more likely that app can be trusted. In addition, install only the apps you need and use. Ask yourself, "Do I really need this app?" Each app has the potential to bring new vulnerabilities and privacy issues. If you stop using an app, remove it from your mobile device. (You can always add it back later if you find you need it.)

Finally, you may be tempted to jailbreak or root your mobile device. This is the process of removing the manufacturer's system restrictions in order to install unapproved apps or changing existing, built-in functionality. We highly recommend against jailbreaking or rooting, as it not only bypasses or eliminates many of the security controls built into your mobile device, but often also voids warranties and support contracts.

Permissions

Once you have installed a mobile app from a trusted source, the next step is making sure it is safely configured to protect your privacy. Installing and configuring mobile apps often require that you grant certain permissions. Always think before authorizing any access, always think, "Does this app really need those permissions to do its stated job?" For example, some apps use geo-location services. If you allow an app to always know your location, you may be allowing the creator of that app to track your movements. There's always a chance that they could sell that information to others. If you do not wish to grant the permissions an app is requesting, shop around for another app with similar functionality that doesn't require those permissions. Remember, you have lots of choices out there. Apple devices allow some permissions, such as access to geo-location information, to be changed in

Settings or at runtime. Windows and Android mobile devices are different. They present you with an all-or-nothing approach. If you do not grant all the specified permissions, you can't install the app.

Updating Apps

Mobile apps, just like your computer and mobile device operating system, must be updated in order to remain current. Criminals are constantly searching for and finding weaknesses in apps. They then develop attacks to exploit these weaknesses. The developers that created your app also create and release updates to fix these weaknesses and protect your devices. The more often you check for and install updates, the better. Most platforms allow you to configure your system to update mobile apps automatically. We recommend this setting. If this is not possible, we recommend you check at least every two weeks for updates to your mobile apps. However, when your apps are updated, always make sure you verify any new permissions they might require.

Your Computer/Mobile Device

In addition to shopping at legitimate websites, you want to ensure your computer or mobile device is secure. Take the following steps to keep your devices secured:

If you have children in your house, consider having two devices: one for your kids and one for the adults. Kids are curious and interactive with technology. They tend to install apps and download files without thinking about the security implications. As a result, they are more likely to infect their own device. By using a separate computer or tablet just for online transactions, such as online banking and shopping, you reduce the chance of becoming infected. If separate devices are not an option, then set up separate accounts on the shared computer and ensure your kids do not have administrative privileges.

Also, be careful to conduct your mobile financial transactions only when connected to wireless networks you manage, such as your home network, or networks you know you can trust. Public Wi-Fi networks, such as at your local coffee shop, may be great for reading the news, but not for accessing your bank account.

Educating Kids

The number one thing you can do to protect kids is to talk to them. Know what your kids are doing online and educate them about today's risks and what they should do to protect themselves.

Safety at Home: Home is where safe, online behaviors start. The younger you start talking to your children, and they to you, the better. Hold regular conversations about online safety issues, even going so far as to show them actual negative events that have taken place. If you don't know what your kids are doing, simply ask. Play the clueless parent and ask them to show you what the latest technologies are and how they use them. Kids love the idea of being the teacher and will open up. For example, perhaps they are on Instagram. Ask them to show you how Instagram works; have them set up an account for you and have you follow them. Not only are you learning and monitoring what your kids are doing, you are making it that much easier for them to talk to you. In addition, ensure—to the extent that you can—all online activity takes place in central areas of the home and create time boundaries for usage. When home computers are in a central location, kids are far less likely to engage in dangerous behavior. Also, consider a central charging station for mobile devices, with the rule that all mobile devices go there before kids go to bed at night.

Cyber Safety

Safety with Others: When children are away from home, they are at even greater risk. Help them understand that your cyber rules apply wherever they are and communicate your restrictions to whomever you trust with their care. If they have mobile devices, check usage patterns (time and bandwidth) to see if there are signs of them taking advantage of the inherently fewer restrictions when they are away from home. You won't be able to stop all of the infractions, but your caring words will come to mind whenever their mobile devices are about to wander.

Safety in Numbers: You are not alone in this cyber watch. You should engage other parents, guardians, siblings, teachers and friends to help keep an eye out for potentially harmful behavior. Try to have your community keep up with the kids and encourage them to have positive interactions with them when they see kids starting down a dangerous path.

Finally, when kids make mistakes, treat each one as an experience to learn from instead of engaging in an immediate disciplinary action. Explain "why" each time and remind them that you are only trying to protect them from the dangers they cannot yet see. Let them know they can come to you when they experience anything uncomfortable in an online interaction, perhaps even have them take a screenshot to share with you. Make sure they also feel comfortable approaching you when they realize they have done something inappropriate. Keeping real-world communication open and active is the best way to help kids stay safe in today's digital world. ■

OLD REPUBLIC TITLE

MYTH: MILLENIALS ARE NOT BUYING HOMES.

FACT: BUYERS 36 AND YOUNGER REPRESENT 34% OF HOMEBUYERS, THE LARGEST GENERATIONAL GROUP TO PURCHASE HOMES.*

Old Republic Title® provides time-saving, data-driven tools and resources that help title agents succeed in a fast-paced environment. Educate customers with our market-focused materials and keep your deals on track with tools that streamline the closing process. When you work with us, you're backed by industry professionals who understand your market and are there to support you every step of the way.

GET THE FACTS: **OLDREPUBLICTITLE.COM/FACTS**

OLD REPUBLIC INSURANCE GROUP

What Tax Reform Means for Real Estate Industry

ALTA Advocacy Efforts Help Maintain Capital Gains on Sale of Primary Residence

THE TAX CUTS AND JOBS ACT (TCJA), WHICH WAS SIGNED INTO LAW DEC. 22, slashes rates for corporations, provides new breaks for private businesses and reorganizes the individual tax code. Specific to real estate, the new legislation will affect homeowners, homebuyers, real estate investors and ALTA members.

The final bill also includes a significant victory for ALTA and its members. Efforts by ALTA, members of the Title Action Network and the Congressional Liaisons helped convince Congress to retain the current treatment of capital gains on the sale of a primary residence. Current law says a seller must live in their principal residence for two of the last five years before a seller can exclude up to $250,000 ($500,000 for joint filers) of capital gains on their sale.

The Senate-passed bill would have changed that amount of time to five out of the past eight years. The House bill would have made this same change as well as phased out the exclusion for taxpayers with incomes above $250,000 for single sellers and $500,000 for married sellers.

Impacts of the Tax Cuts and Jobs Act

	James	Jason	Amber	Kavya and Nick	Sophie and Chad	Soren and Linnea	Laura and Seth	Joe and Ethan
Ordinary Income	$30,000	$52,000	$75,000	$85,000	$165,000	$325,000	$2,000,000	$48,000
Marital Status	Single	Single	Single	Married	Married	Married	Married	Married
Earners	1 earner	1 earner	1 earner	1 earner	2 earners	2 earners	1 earner	Retired
Children	No kids	2 kids	No kids	2 kids	2 kids	3 kids	2 kids	n/a
Tax-Deferred Retirement Contributions	$2,600	$4,000	$5,500	$5,500	$20,000	$37,000	$18,500	$0
Itemization	Std. Ded.	Std. Ded.	Std. Ded.	Std. Ded.	Itemizing	Itemizing	Itemizing	Std. Ded.
Current Law	$4,331	$5,198	$16,104	$11,035	$29,345	$71,629	$713,234	$3,497
Proposed	$3,953	$3,306	$14,327	$8,782	$27,122	$62,012	$694,330	$3,227
Tax Liability Change	-$379	-$1,892	-$1,777	-$2,254	-$2,224	-$9,617	-$18,904	-$270
% Tax Liability Change	-9%	-36%	-11%	-20%	-8%	-13%	-3%	-8%
% Change in After Tax Earnings	1.26%	3.64%	2.37%	2.65%	1.35%	2.96%	0.95%	0.56%

Note: Tax burden figures do not include employer-side payroll taxes. These results are for 2018, and do not reflect the expiration of many individual provisions.
Source: Tax Foundation calculations.

TAX FOUNDATION @TaxFoundation

"ALTA commends the work of the House and Senate conferees as they finalize the landmark tax reform plan and applauds the preservation of key housing tax provisions including the capital gains treatment on the sale of a primary residence," said Michelle Korsmo, ALTA's chief executive officer. "ALTA has argued that tax policy changes should promote investment in real estate and housing. The decision to preserve the two-year ownership requirement for capital gains treatment on the sale of a principal residence is a victory for working families and military veterans who must move for their job. There are many marbles in the tax reform bag, but Congress understood that increasing the holding period would have artificially reduced the ability of homeowners to generate wealth, decreased the desire to purchase a home and profoundly affected the economy and local communities."

Key Provisions of the Tax Cuts and Jobs Act Affecting ALTA Members and Real Estate

Tax Rate Reductions

- Maintains seven **individual income tax brackets**, but lowers most rates: 10%, 12%, 22%, 24%, 32%, 35%, and 37%.
- The final bill retains the current-law maximum rates on net capital gains (generally, 15% maximum rate but 20% for those in the highest tax bracket; 25% rate on "recapture" of depreciation from real property).
- Lowers the corporate tax rate to 21% (from 35%).

Mortgage Interest Deduction

- The final bill reduces the limit on deductible mortgage debt to $750,000 for new loans taken out after Dec. 14, 2017. Current loans of up to $1 million are grandfathered and are not subject to the new $750,000 cap. Neither limit is indexed for inflation.
- Homeowners may refinance mortgage debts existing on Dec. 14, 2017, up to $1 million and still deduct the interest, so long as the new loan does not exceed the amount of the mortgage being refinanced.
- The final bill repeals the deduction for interest paid on home equity debt through Dec. 31, 2025. Interest is still deductible on home equity loans (or second mortgages) if the proceeds are used to substantially improve the residence.
- Interest remains deductible on second homes, but is subject to the $1 million/$750,000 limits.

Deduction for State and Local Taxes

- The legislation allows individuals to deduct an aggregate of $10,000 of **state and local government taxes (SALT)** for property, sales or income tax. Previous bills limited the SALT deduction to only property taxes. This $10,000 limit applies for both single and married filers and is not indexed for inflation.
- The final bill also specifically precludes the deduction of 2018 state and local income taxes prepaid in 2017.

Standard Deduction

- Nearly doubles the **standard deduction** from $6,350 ($12,700) under current law to $12,000 ($24,000) for individuals (married couples).

Alternative Minimum Tax

- Retains the **Alternative Minimum Tax (AMT)**, but increases the amount of income exempt for individuals. Repeals the corporate AMT.

Like-Kind Exchanges

- The final bill retains the current Section 1031 Like Kind Exchange rules for real property. It repeals the use of Section 1031 for personal property, such as art work, auto fleets, heavy equipment, etc.

Carried Interest

- The final bill includes the House and Senate language requiring a three-year holding period to qualify for current-law (capital gains) treatment.

Pass-Through Relief

- The legislation creates a new tax deduction of 20% for pass-through businesses. For taxpayers with incomes above certain thresholds, the 20% deduction is limited to the greater of: (a) 50% of the W-2 wages paid by the business, or (b) 25% of the W-2 wages paid by the business, plus 2.5% of the unadjusted basis, immediately after acquisition, of depreciable property (which includes structures, but not land). REIT dividends and distributions from publicly traded partnerships are not be subject to the wage restriction. Estates and trusts are eligible for the pass-through benefit. Income from certain specified services businesses is ineligible (e.g., health, law, financial services, etc.).
  - Example. A business purchases an office building for $10 million ($7 million attributable to the structure, $3 million attributable to the land). The building generates annual rental income of $500,000. The maximum allowable pass-through deduction would be $100,000 (20% of $500K). Even if the business paid no wages, the business would qualify for the full deduction because 2.5% of $7 million is $175,000. For a taxpayer subject to the maximum 37% tax rate, the rental income would be taxed at an effective rate of 29.6%.

Affordable Care Act

- Eliminates **individual mandate** penalty associated with the Affordable Care Act (ACA) beginning in 2019. ■

2017 Third-Quarter Market Share

	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
FIDELITY FAMILY					
Chicago Title Ins. Co.	168,604,451	804,318,198	619,056,598	1,591,979,247	14.62%
Fidelity National Title Ins. Co.	95,678,391	801,107,864	530,602,583	1,427,388,838	13.11%
Commonwealth Land Title Ins. Co.	55,235,069	268,662,013	187,409,726	511,306,808	4.70%
Alamo Title Ins. Co.	-	15,081,522	42,087,416	57,168,938	0.52%
National Title Ins. of NY	318,211	183,174	50,340,344	50,841,729	0.47%
TOTAL - FIDELITY FAMILY	**319,836,122**	**1,889,352,771**	**1,429,496,667**	**3,638,685,560**	**33.41%**
FIRST AMERICAN FAMILY					
First American Title Ins. Co.	611,892,493	1,618,594,514	366,846,497	2,597,333,504	23.85%
First American Title Guaranty Co.	-	26,069,612	78,674,748	104,744,360	0.96%
First Canadian Title Ins. Co.	96,724,031	-	-	96,724,031	0.89%
First American Title Ins. Co. of LA	-	38,346,031	-	38,346,031	0.35%
TOTAL - FIRST AMERICAN FAMILY	**725,493,515**	**1,697,430,710**	**445,521,245**	**2,868,445,470**	**26.34%**
OLD REPUBLIC FAMILY					
Old Republic National Title Ins. Co.	75,823,176	1,360,196,970	154,779,244	1,590,799,390	14.61%
TOTAL - OLD REPUBLIC FAMILY	**78,688,233**	**1,378,980,985**	**157,441,432**	**1,615,110,650**	**14.83%**
STEWART FAMILY					
Stewart Title Guaranty Co.	156,514,868	568,853,949	271,389,716	996,758,533	9.15%
Stewart Title Ins. Co. of NY	24,993,584	118,165,954	118,904	143,278,442	1.32%
TOTAL - STEWART FAMILY	**196,698,420**	**687,019,903**	**271,508,620**	**1,155,226,943**	**10.61%**
FAMILY TOTALS	**1,320,716,290**	**5,652,784,369**	**2,303,967,964**	**9,277,468,623**	**85.19%**
TOP INDEPENDENT COMPANIES					
Westcor Land Title Ins. Co.	1,587,122	337,709,709	38,525,218	377,822,049	3.47%
WFG National Title Ins. Co.	26,120,236	201,084,877	42,574,753	269,779,866	2.48%
Title Resources Guaranty Co.	2,846,701	94,331,036	143,776,169	240,953,906	2.21%
North American Title Ins. Co.	-	98,639,714	88,100,149	186,739,863	1.71%
Alliant National Title Ins. Co.	13,378	91,091,421	-	91,104,799	0.84%
Investors Title Ins. Co.	30,421,781	52,286,283	925,252	83,633,316	0.77%
Connecticut Attorneys Title Ins. Co.	-	75,648,560	-	75,648,560	0.69%
First National Title Ins. Co.	-	24,868,765	47,201,064	72,069,829	0.66%
Attorneys' Title Guaranty Fund of IL	243,389	45,599,847	-	45,843,236	0.42%
Security Title Guarantee Corp. of Balt.	-	34,360,668	-	34,360,668	0.32%
Land Title Ins. Corp. of CO	-	365,752	29,369,317	29,735,069	0.27%
TOTAL - INDEPENDENT COMPANIES	**69,902,944**	**1,123,522,835**	**419,387,569**	**1,612,813,348**	**14.81%**
TOTAL - ALL COMPANIES	**1,390,619,234**	**6,776,307,204**	**2,723,355,533**	**10,890,281,971**	**100.00%**

Note: Individual numbers do not equal totals as not all companies are shown. Source: ALTA

New Year, New Heights

Soar to New Heights and Expand Your Title Business.

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Industry Update

New York Holds Public Hearing to Examine New Title Regs

The New York Assembly Standing Committee on Insurance held a public hearing in January to evaluate new title insurance regulations that clarify rules about marketing expenses and ancillary fees that title agents or title insurers may charge.

The January hearing was held after several legislators wrote to the state's Department of Financial Services (DFS) seeking a delay in implementation of the regulation for six months and the department's subsequent announcement that it would delay enforcement of portions of the new regulation until February.

The purpose of the hearing is to examine the implementation of these regulations, their subsequent impact on consumers and the title insurance industry to determine if the regulations have reduced costs for consumers while maintaining a healthy and competitive title insurance market.

On Dec. 19, the DFS announced that "given the important consumer protections and impact of the necessary reforms of the title insurance industry," it would not enforce the regulation until Feb. 1, 2018. The regulation was slated to go into effect Dec. 18, but three New York lawmakers had asked the DFS for a delay.

In a letter to Superintendent Maria Vullo, the head of the Assembly's Insurance Committee, Kevin Cahill, wrote that members of the legislature and industry officials have "serious concerns" about the title insurance regulations. N.Y. State Sen. James Seward, who chairs the Senate Insurance Committee, shared the same thoughts in a letter saying that he was concerned the regulation would increase "costs to consumers, disruption in the real estate market, and put small businesses at risk. Of equal concern, I have seen no actuarial justification for the serious overreach that is contained within (the regulation)."

Since the final adoption of the regulations, the New York State Land Title Association and its members have shared concerns with the committee. These include how insurers and agents will be able to market themselves following the final adoption, the requirement for insurers to restate six years of prior expenses and certify their compliance with the new regulations or agree to implement a five percent rate reduction for all categories of title insurance policies with no expiration date. Another concern is whether insurers, agents and title closers will be able to cover their costs due to the caps placed on certain categories of ancillary and discretionary fees.

Another regulation finalized by the state and is in effect requires title insurance companies or agents that generate a portion of their business from affiliates to function separately and independently from any affiliate and be open for business from other sources.

TIAC to Celebrate 30th Anniversary With Rate Reductions to E&O Program

ALTA created the Title Industry Assurance Company RRG (TIAC) in 1987 to provide its members a long-term, stable market for E&O insurance. Since issuing its first policy on June 1, 1988, TIAC has clearly fulfilled that mission and continues to be the only insurer wholly owned and governed by title professionals. As one of the oldest and most experienced E&O insurers, TIAC's expertise is demonstrated every day in the broad coverage it provides, unparalleled claims, underwriting and risk management services and competitive premiums.

TIAC is celebrating its 30th anniversary by reducing rates. But most importantly, TIAC's coverage is the broadest available and offers leading-edge coverages like $100,000 Client Funds Protection for qualified agencies and up to $50,000 Privacy Breach Mitigation Expense Coverage to help address the rapidly emerging cyber threats to the title industry.

"As our endorsed professional liability insurance program, we encourage all our members to find out how their firms can benefit from TIAC's broad coverage and excellent service," said ALTA 2016-2017 President. Daniel Mennenoh ITP, NTP.

Knight Barry Title Expands Service Area to Eastern Minnesota

Knight Barry Title continued its expansion efforts with the recent acquisition of a title insurance group in Minnesota owned by Chuck and David Bang.

The acquired companies are Goodhue County Abstract, Rice County Abstract & Title, Wabasha County Abstract & Title and Winona County Abstract & Title.

"Increasing our service area to Minnesota allows Knight Barry Title to provide more customers with our signature services and collaborative online tools," said Craig Haskins, Knight Barry Title's chief operating officer. "These five new locations in Minnesota match up well with our more than 45 additional offices throughout Wisconsin and the upper peninsula of Michigan. We're eager to continue our growth as we provide more Knight Barry Title services across the United States."

Jeffrey B. Green, Knight Barry Title's president and CEO, added, "Heading into our 164th year in business, Knight Barry Title is now bigger and stronger, with an immense opportunity for lenders and real estate professionals to use our services throughout the Midwest and beyond."

Demotech to Help Inform Consumers About Title Insurance

Demotech and Tridster have partnered to provide consumers with financial stability ratings when they are shopping for title insurance companies. Demotech is an independent financial analysis firm that evaluates and rates the financial stability of insurance companies, while Tridster is a price comparison provider.

DocMagic Opens High-tech Print Fulfillment Center

DocMagic Inc. recently opened a 12,000-square-foot print fulfillment center near its headquarters in Torrance, Calif. DocMagic added the high-tech center to support lenders' growing need for secure, compliant paper documents as the mortgage industry transitions to a 100 percent digital mortgage process.

DocMagic said the new fulfillment center uses biometric authentication and video monitoring to provide auditable assurance that only authorized individuals access the building and specific areas within the structure. Inside, advanced technology automates nearly every step of the paper process. Once the documents are ordered, a printer automatically feeds the paper documents directly into an automated system that scans and reads the barcodes to assure that all documents are present. The documents are then inserted into envelopes, sealed and stamped—all without human intervention. The system logs and stores all actions, so lenders can review them and produce detailed information about any document's activity.

ZOCCAM Enhances Escrow Payment Platform

ZOCCAM announced an enhancement to its platform that expedites onboarding of escrow agents and financial institutions. ZOCCAM enables real estate agents and consumers utilizing the ZOCCAM mobile app to send earnest money and closing costs to the escrow agent via mobile capture.

ZOCCAM, which is an ALTA Elite Provider, currently facilitates payments directly to Bank of America, Wells Fargo, United Bank, Stockman Bank, Congressional and Texas Capital with several other financial institutions in the pipeline.

Recent Integrations

- **Adeptive Software** announced the integration of its ResWare title production data with **TitleM**, a service of Sentry Dynamics. TitleM aggregates data from multiple customer platforms including legacy, archived, payment or acquisition-related systems into a single service. TitleM users will see ResWare open and closed order data along with revenue, CRM interactions and marketing expenses in a single reporting application.
- **PropLogix** has become the newest partner in the **Qualia Marketplace**, offering users nationwide HOA Estoppel certificates and municipal lien search options directly through the Qualia platform. PropLogix allows users to streamline their workflows by ordering HOA Estoppel certificates and municipal lien searches without leaving their order in Qualia.
- **SoftPro** recently integrated with **New Jersey Search Experts** for ordering judgment searches, chancery abstracts, corporate status reports, UCC's, assessment, utility searches, and many other reports and searches. SoftPro users can order New Jersey Search Experts' products and services directly through SoftPro's free business exchange portal, SoftPro 360. New Jersey Search Experts is a cooperative of three New Jersey search firms including Priority Search Services LLC, State Capital and Western Technologies Group LLC.

NEWS TO SHARE?

If you have information you'd like us to consider for TITLE News, send company announcements to **communications@alta.org**.

NTP PROFILE

Philip S. Janny CLTP, NTP

COMPANY: Plunkett & Graver PC
TITLE: Title Insurance Agent/Senior Real Estate Paralegal
CITY/STATE: Allentown, Pa.
DATE OF DESIGNATION: 2013
INDUSTRY EXPERIENCE: 28 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.

Designation Serves as Constant Reminder of Dedication to Safe and Efficient Transfer of Real Estate

Why did you become an NTP?

As an industry leader, I believe that "if you don't make dust, you eat it." You must be in the forefront, and for me, it was personal. I wanted to demonstrate that I was committed to professionalism, and therefore, wanted to put my money where my mouth is and be an example to others in the industry to strive for professionalism.

How does being an NTP advance your career?

Being in the first class of designees, the designation immediately provided me a deeper sense of credibility as a title professional, it helped me be a much stronger resource to clients, lenders, real estate agents and commercial brokers, all the while providing me the opportunity to be engaged, which makes me a better title agent and advocate for the title industry.

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

I would like to see as many title agents as possible get their NTP, provided they fully meet the litmus test to attain the designation. I have been very active and worked very hard for my designation, as it should be expected of others to do the same, so to receive the privilege and benefits of the designation.

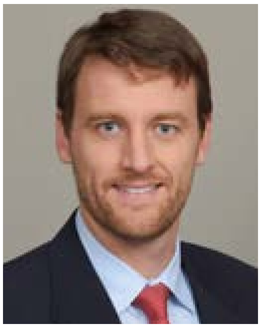
How did you get into the industry?

I worked nights in a sole practitioner law firm to help pay for college ordering tax certs, searches and typing title commitments.

Who has been your professional mentor and why?

I have been very fortunate to have many mentors, but two stand out. Ronald N. Berhle, an attorney title abstractor, whose knowledge and ability to explain things, was just outstanding, and his search product was extraordinary. David W. Bell, an underwriter, never gave me a one-word answer, always providing a thorough explanation of his underwriter decisions. Working with both of them at a very early stage in my career, these guys gave me the solid core advice on fundamentals of conveyancing and insuring title, and I am forever grateful to them both

Movers & Shakers



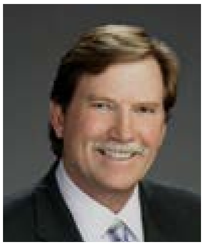
Ian Kyle

NATIC Hires Northwest Regional Underwriting Counsel

North American Title Insurance Co. (NATIC) recently named Ian Kyle as Northwest regional underwriting counsel. He will provide legal and underwriting support to NATIC agents doing business in Washington, Idaho and Oregon. Most recently, Kyle operated a solo practice focused on real estate and civil litigation. He had previously been a transactional real estate counsel and worked for nearly three years as an underwriting counsel at a commercial branch of a national title insurance company.

AmTrust Title Names Regional Underwriting Counsel

AmTrust Title Insurance Company named 30-year industry veteran R. Michael Smith as regional underwriting counsel. Smith will underwrite title insurance risks regionally for agents in Maryland, Washington, D.C., North Carolina, South Carolina and Virginia. Prior to joining AmTrust Title, Smith was underwriting counsel for Conestoga Title Insurance Co., underwriting title insurance risks for title agents and approved attorneys in the Mid-Atlantic and Midwest.



John Magness

Stewart Chief Corporate Development Officer to Provide Strategic Oversight

Stewart announced that John Magness will provide strategic oversight to Stewart's U.S. direct operations as part of his expanded part of his role as chief corporate development officer. Magness joined Stewart in October 2017, bringing deep knowledge and a strong track record from nearly 35 years in title insurance and real estate. Dave Fauth will continue in his role as group president of direct operations and will support Magness in leading the growth strategy. Prior to joining Stewart, Magness served as president at Old Republic Title.

CATIC Names Chief Human Resources Officer

CATIC recently named Damon Carter as senior vice president and chief human resources officer. Carter comes to CATIC with over 20 years of diverse experience in human resource leadership, including talent management, strategic workforce planning and organizational effectiveness.

Holler Law Among Top 100 Law Firms in U.S. for Growth

George Holler

Milford, Conn.-based Holler Law firm was recognized as one of the fastest-growing law firms in the United States by Law Firm 500. Holler Law firm ranked 64 with revenue growth of 172 percent over the past three years. George Holler, who opened the law firm in 2009, sees the award as a confirmation of his firm's steadfast focus on clients and putting their needs above all else. "Our whole team is committed to making real estate closings easy. Bringing that attitude to what we do each day makes us a firm people want to work with," he said. To better support his national clients, Holler gained admittance to the Georgia and West Virginia bars.

AmTrust Title Names Regional Agency Manager for Delaware and Pennsylvania

AmTrust Title Insurance Company named Michael F. Frederick as vice president and regional agency manager for Delaware and Pennsylvania. The 25-year industry veteran will focus on establishing operations, recruiting personnel, growing the agency base and increasing revenue throughout the region. Prior to joining AmTrust Title, Frederick was vice president and agency services manager for Stewart Title Guaranty Company in New Jersey.

CLOSING Comment

Time to Invest in Your Business, Yourself

IF YOU'VE MISSED THE HEADLINES, there's been much debate about new title insurance regulations in New York that clarify rules about marketing expenses and ancillary fees title agents or title insurers can charge.

STEVEN G. DAY NTP
ALTA president

The state's department of insurance delayed implementation of the regulations until February after three New York lawmakers asked for a delay. On Jan. 12, several members of the industry, including myself, testified during a public hearing to explain how the regulations would result in higher prices for consumers and limit competition. A week after the hearing, the state Senate unanimously passed a bill that would pull back some of the regulations and allow for typical marketing activities.

As we know, we tend to market to those who represent the consumer. But as consumers become more active in their inquiries into our industry, we need to shift our focus. Homebuyers and sellers rely on us to protect their property rights and close their transactions safely and efficiently. It's the core of Our Values. We are the authority in real estate transactions. Our customers trust us to do the right thing, the right way—before, during and after the transaction. We protect the property rights of those we serve. We reduce risk, so our customers have peace of mind.

I encourage you to check out ALTA's Homebuyer Outreach Program (*alta.org/homebuyer*) if you're looking for content to help with marketing efforts. Also, if you're looking for new ways to grow market share, enhance customer relationships and improve staff performance, consider attending ALTA SPRINGBOARD, which will be held March 20-21 at the W Midtown in Atlanta. This conference offers an opportunity to be part of the conversation and collaborate with other professionals to help drive innovation and position yourself for success. You can learn more at *meetings.alta.org/springboard*.

Here's a look at the industry topics that will be discussed during the Ideas Festivals at ALTA SPRINGBOARD:

- **CUSTOMER-FOCUSED EXPERIENCE:** Your customers' needs are shifting due to new technology and homebuyer demands. Find out what you should be doing to take your customer service to the next level.
- **DIGITAL MORTGAGES:** Learn why your business partners are exploring a full digital mortgage process and what your company can do to help remove barriers to implementation and remain competitive.
- **WIRE TRANSFER FRAUD:** One wrong wire transfer could put your company out of business. Hear from your peers how they raise awareness and train staff, as well as the vendors they use.

There's much to be proud about in this industry. Nationally, the industry provides more than 120,000 jobs and generates billions in salaries. While critics will continue to question the benefits and cost of title insurance, we can take matters in our own hands and invest in ourselves by learning the latest industry trends to continue delivering exceptional service and meeting our customers' needs. I hope to see you in Atlanta! ■


From a RamQuest customer:
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