

TITLENews

MAY 2018

AMERICAN LAND TITLE ASSOCIATION

M&A Activity Intensifies in Title Space

*Fidelity Agreement
to Buy Stewart
Headlines Deals,
but There's
Great Diversity
in the Types of
Acquisitions*



Knowledge

In our fast-paced, ever-changing industry, the key to shining above the rest is knowledge. We are committed to helping you reach for the stars by making sure you have educational opportunities and access to the tools you need when you need them.

Where do you look for knowledge?



With you...for what's next

FNTGLead.com



iN This Issue

VOLUME 97 | NUMBER 5 | MAY 2018

COVER STORY

10 M&A Activity Intensifies in Title Space

Fidelity Agreement to Buy Stewart Headlines Deals, but There's Great Diversity in the Types of Acquisitions

FEATURES

18 ALTA SPRINGBOARD Wrap up: Do You Own Your Block?

22 Illinois Regulator Delays Implementation of New Financial Interest Disclosure

Form Requires Signatures of Agent, Underwriter to Show Estimated Compensation Agent Will Receive

24 Indiana Joins States With Remote Online Notary Legislation

Four Others Already Have Versions of RON Law

26 How to Get Started With Digital Marketing on any Budget

Develop a Strategy That's Actionable, Affordable, Targeted and Measurable

28 FinCEN Extends Money Laundering Prevention Effort

The New Geographic Targeting Order Runs Through Sept. 16

30 2030 Marks Important Milestone for U.S. Population, Housing Market

Baby Boomers to Comprise 1 in 5 Residents

DEPARTMENTS

- 5** Publisher's Desk
- 6** ALTA News
- 34** Industry Update
- 36** Movers & Shakers
- 38** Closing Comment



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

TITLENews

The digital edition of **TITLENews** includes a webinar recording on the complexities of commercial transactions and the needed due diligence to get these deals closed.

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



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."

©2018 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
Email Feedback to: service@alta.org

TITLENews

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

PUBLISHER
Michelle L. Korsmo

EDITOR IN CHIEF
Jeremy Yohe

DIRECTOR OF DIGITAL
AND PRINT MEDIA
Shawn Sullivan

ASSOCIATION OFFICERS

PRESIDENT
Steven G. Day NTP
Fidelity National Title Group
Jacksonville, FL

PRESIDENT-ELECT
Cynthia D. Blair NTP
Blair Cato Pickren Casterline, LLC
Columbia, SC

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
Westcor 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

William Burding Jr. NTP
Orange Coast Title Family of
Companies
Santa Ana, CA

BOARD REPRESENTATIVES, ABSTRACTERS
AND TITLE AGENTS SECTION

Richard H. Welshons
DCA Title
Hastings, MN

Maureen Pfaff
Olympic Peninsula Title Company
Port Angeles, WA

IMMEDIATE PAST PRESIDENT

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

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

Building a Powerful Culture

FOR THE PAST FEW YEARS, ALTA's executive staff has held offsite meetings to engage in strategic conversations and robust conversations about culture, modeling behavior, the importance of communication and talent engagement.



To prepare for our most recent meeting, I asked the team to read *Powerful: Building a Culture of Freedom and Responsibility*, by Patty McCord, Netflix's former chief talent officer. As you may recall, Netflix upended the movie rental business when it dumped its DVD-rental model for online streaming.

Netflix is also famous for its high-performance culture. In *Powerful*, McCord shares the company's approach to practicing radical honesty, saying goodbye to employees who don't fit the company's emerging needs, and motivating with challenging work, rather than perks, promises and bonus plans. Netflix's core philosophy is people over process. The heart of McCord's book is that "the greatest team achievements are driven by all team members understanding the ultimate goal and being free to creatively problem-solve to get there." As McCord describes it—treat people like adults.

"Great teams are made when every single member knows where they're going and will do anything to get there. Great teams are not created with incentives, procedures, and perks. They are created by hiring talented people who are adults and want nothing more than to tackle a challenge, and then communicating to them, clearly and continuously, about what the challenge is."

I've always seen the value in ensuring that everyone understands the overall business strategy because knowing this informs the tactics each person employs in their daily work. It's important to create a culture of informed, responsible employees. A powerful take-away from the book is the importance of providing context to employees. As McCord puts it, "The more you see yourself as a teacher rather than a teller or permission-giver, the more effective your team will be."

As you'll read in this edition's cover article, there's a great deal of merger and acquisition activity taking place in the industry. In some of the deals, business leaders specifically mention finding partners that align culturally with each other.

As we in the title and settlement industry continue to feel the pressure to adapt to the needs of our customers, Netflix provides a great example of a company that focused on the user experience to find success.

A handwritten signature in black ink, reading "Michelle L. Korsmo".

Michelle L. Korsmo, ALTA's chief executive officer

Our Values in Action

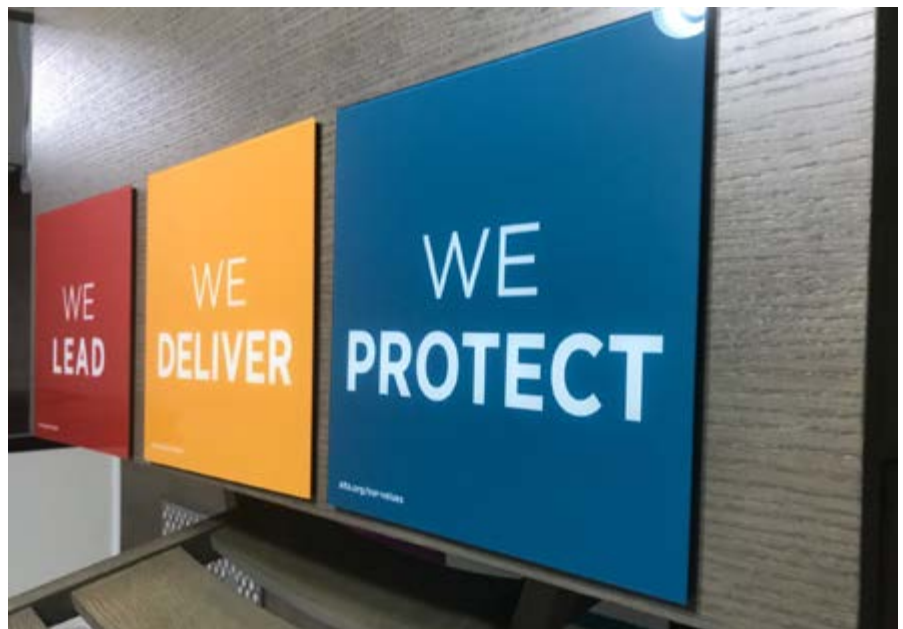
ALTA Member Etches Values in Glass and Displays in Office

Your company's values are the cornerstone of your culture. They are the basis of how your business functions. They set you apart from the competition, make you unique and are essential to achieving an organization's goals.

Last year, ALTA unveiled its Our Values initiative. The values are:

- **We Lead:** We are the authority in real estate transactions. We innovate for the benefit of our customers.
- **We Deliver:** Our customers trust us to do the right thing, the right way—before, during and after the transaction. We sweat the small stuff to assure that land transfer is accurate, swift and secure.
- **We Protect:** We protect the property rights of those we serve. We reduce risk so our customers have peace of mind.

To develop the values, ALTA spent more than a year listening to members to understand the pride they take in their work helping consumers close real estate transactions and protecting property rights. These conversations served as the foundation of Our Values and reflect the enduring, memorable and aspirational



values of ALTA members.

Shortly after unveiling the Our Values initiative, an ALTA member shared how her company promoted the values. Beth Ford, a sales representative for Abstract & Title Company, had these values etched on glass to display in their office.

ALTA members can download a PDF

of We Lead, We Deliver, We Protect, from ALTAprints.com.

Does your company have its own values or have you used ALTA's Our Values to develop your company values? Share your story by emailing communications@alta.org.

ALTA Announces Technical Corrections to 2016 Commitment and 2017 Short Form Commitment

The ALTA Forms Committee has made technical corrections to the 2016 ALTA Commitment and 2017 ALTA Short Form Commitment for an ALTA Short Form Residential Loan Policy effective April 2, 2018.

The technical corrections to both forms add clarity to the use of the defined term "Title" in Schedule A and the proper inclusion of the ALTA Registry ID in the optional Transaction

Identification Data section.

An additional Short Form correction makes the Proposed Policy Amount non-optional and includes clearer blank spaces for the Proposed Policy Amount and the Proposed Insured.

The forms may be accessed in the ALTA Policy Forms Collection at alta.org/policy-forms/. Contact ALTA at forms@alta.org with questions or if you need more information.

From a RamQuest customer:

Our focus when choosing a hosted solution was security, first and foremost. Security that would protect our data from both physical and online threats was non-negotiable.

Brynne DesMarteau-Ray,
General Manager
Affirmative Escrow

Solid Security... *served up simply.*

RamQuest's op2.

Because your title operation's security should be as easy to manage as your smart phone's passcode.

It all boils down to knowing your data is safe and having a system that's up and running all day, every day. Get that with op2...the secure, reliable hosted environment for RamQuest's title and production solution. It really is that easy.

Read about the big benefits op2 delivered to a business like yours: RamQuest.com/affirmativeescrowop2



RamQuest.com | 800.542.5503



PropLogix Becomes ALTA Elite Provider

ALTA announced that PropLogix has been named an ALTA Elite Provider.

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.

Offering full-service closing solutions, PropLogix has been "disrupting the status quo" since 2010. The company provides due diligence nationally for unrecorded debt, open permits, municipal lien searches, tax liens, land surveys, payoff tracking, lien release tracking, association estoppels and HOA/COA research. Constantly innovating, PropLogix's proprietary software is now integrated with all the major title companies' closing software. Additionally, the company provides a 100 percent accuracy guarantee for their services.

PropLogix offers 25 percent off any ALTA member's first order.

For more information about the program or to apply, go to alta.org/elite.

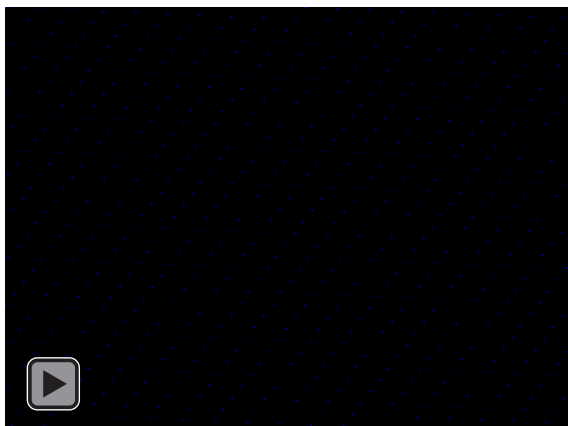
Membership by the Numbers

ALTA is the title insurance and settlement services industry resource for advocacy, education, communications and networking. Here's a look at some membership numbers from the past month.

- New Members: 54
- New Associate Members: 4
- New Attorney Members: 19
- Total Members: 5,817
- State With Most New Members: Florida

For a list of the latest new and associate members, as well as real estate attorneys who recently joined, go to alta.org/new-members.

Digital Edition Extra: Commercial vs. Residential Transactions: The Complexities and Needed Due Diligence



CALENDAR

2018 ALTA CONFERENCES

ALTA ADVOCACY SUMMIT

May 21-23

Washington, D.C.

ALTA COMMERCIAL NETWORK

June 3-5

Chicago

HOP LEADER TRAINING

June 18

Minneapolis

ALTA INNOVATION BOOT CAMP

June 19-20

Minneapolis

STATE CONFERENCES

NEW MEXICO

May 10-11

Albuquerque, N.M.

MONTANA

May 16-17

Helena, Mont.

PENNSYLVANIA

June 3-5

Gettysburg, Pa.

WYOMING

June 3-5

Jackson Hole, Wyo.

ARKANSAS

June 7-9

Bentonville, Ark.

VIRGINIA

June 7-9

Richmond, Va.

NEW JERSEY

June 10-12

Hershey, Pa.

Innovations to GO BEYOND

THE FUTURE OF TITLE DATA AND AUTOMATION

DataTrace® is more than a new logo. We define the modern data-driven reality of the title industry. Our steadfast commitment is to accelerate your title business beyond where it is today through title data, innovative automation, and turnkey, nationwide title and property report production.

The future of your title business starts now.

DataTraceTitle.com/futureALTA
800.221.2056



DataTrace®

M&A Activity Intensifies in Title Space

Fidelity Agreement to Buy Stewart Headlines Deals, but There's Great Diversity in the Types of Acquisitions

By Jeremy Yohe

LET'S MAKE A DEAL! That's been a popular phrase in the title industry over the past several months. And will be for some time. The merger and acquisition (M&A) trend isn't isolated to the title space. According to Deloitte's 2018 trends report, about 68 percent of executives at U.S.-headquartered corporations and 76 percent of leaders at domestic-based private equity firms say deal flow will increase in the next 12 months. The report goes on to say that financial services ranks high as an industry likely to experience convergence, with 38 percent of respondents predicting the sectors of private equity, asset management, insurance, real estate, and banking and securities as likely to converge.

"Changes in the financial services industry are driven by the costs of technology and compliance," Deloitte said. "Another factor is margin pressure because of reduced fees on professional services."

Acquiring technology assets now ranks number one as a strategic driver of M&A deals, according to the trends report. Twenty percent of respondents cite the acquisition of technology assets as the principal reason behind deals, up from 6 percent in the spring of 2016. Expanding customer bases in existing markets, and adding to product offerings or diversifying services, rank as the next two strategic imperatives.

Two other notable drivers that corporate respondents cite as a rationale behind deal-making are:

1. Digital strategy, a new response option for what is driving deals, ranked number four in importance, with 12 percent citing it as the most important driver.
2. Talent acquisition has more than doubled in importance from the spring of 2016, growing from 4 to 9 percent.

What's less important? The report showed that there continues to be less emphasis on obtaining bargain-priced assets, with only 6 percent of respondents citing this as the most important driver. Entry into new geographic markets remained the same at 11 percent.

The Title Space

In the title industry, deals have included underwriters acquiring other underwriters and title companies, private equity firms investing in the industry, title companies purchasing competitors and insurers making deals to expand their offerings.

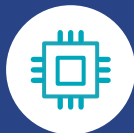
"The diversity of rationales behind the recent deals is what is most interesting to me," said Joe Petrelli, president of Demotech Inc. "We're seeing deals to gain market share, deals to disrupt traditional title insurance and deals to integrate title insurance into an existing portfolio of services."

Jonathan Yasko, managing member of EnTrust Solutions, called the title industry one of the "last undiscovered gems" by non-industry groups such as private equity firms and hedge funds. He's intrigued by the spike of outside companies—with deep pockets—that want to come into a market that has been relatively unknown.

"It is no surprise when you look at the record-breaking revenue being produced of late, the outsiders are now wanting to get in on the action," Yasko said. "The second part of the equation—and also timing of it all—is compliance. The cost of business has dramatically increased due to regulation and a mix of the people involved who do not want to deal with the additional hassles to stay in compliance. The combination of these two creates a feeding frenzy in the marketplace."



Strategic Drivers



20%

Technology acquisition



19%

Expanding customer base in existing markets



16%

Expand/diversify products or services



12%

Digital strategy



9%

Talent acquisition

Source: Deloitte M&A Trends 2018

“We’re seeing deals to gain market share, deals to disrupt traditional title insurance and deals to integrate title insurance into an existing portfolio of services.”

Fidelity to Acquire Stewart for \$1.2 Billion

Fidelity National Financial made the biggest splash in March. The company has a history of making significant acquisitions in the title space. In 2000, Fidelity completed the \$1.2 billion purchase of Chicago Title. In 2008, Fidelity acquired LandAmerica for \$235 million, giving the combined companies 46 percent of the market.

In a move that rivals its 2008 acquisition in terms of market share, Fidelity signed an agreement to acquire Stewart Information Services Corp. for \$1.2 billion. The deal is subject to certain closing conditions, including Stewart stockholder approval, federal and state regulatory approvals. The deal is expected to close during the first or second quarter of 2019.

Fidelity intends to fund the purchase through a combination of cash, debt financing and FNF common stock. It hopes to achieve at least \$135 million in operational cost synergies.

“We are very familiar with Stewart in the marketplace and see multiple areas where we can assist and accelerate Stewart’s growth plans,” said FNF CEO Raymond Quirk. “We also believe there are significant operational efficiencies we can bring to bear by leveraging FNF’s shared services infrastructure that will provide meaningful long-term value creation opportunities for our shareholders.”

According to the companies, Fidelity plans to retain and grow the Stewart brand. According to industry data, the Fidelity family of underwriters had 33 percent of the market share through 2017, while Stewart’s underwriters had nearly 11 percent.

“I am extremely proud of Stewart’s legacy of high-quality underwriting and customer-focused service delivered by our loyal associates,” said Stewart CEO Matt Morris. “This transaction with Fidelity is an opportunity to continue building on this legacy, enhance innovation and create a more robust company for the future.”

After Stewart’s revenues declined from \$2.1 billion in 2016 to \$1.9 billion in 2017, the company’s board of directors formed a committee to review strategic alternatives.

“We are excited to welcome Stewart, its employees and its customers to the FNF family,” said FNF Chairman William P. Foley II. “The venerable Stewart brand has a long and respected history in the title insurance industry and we see tremendous potential in working with the Stewart management team to invest in and grow the Stewart brand on a national basis as part of our long-term, successful strategy of operating multiple title insurance brands under the FNF umbrella.”

John Campbell, an analyst for the financial services firm Stephens Inc., reported that many in the industry believed Fidelity was the third or fourth option to purchase Stewart. He

said it’s likely the deal makes it through a lengthy review process, but added that his firm does not “believe it is a layup and will likely take some concessions along the way.” To settle Federal Trade Commission (FTC) charges that the LandAmerica deal was anticompetitive, Fidelity sold several title plants and related assets in Oregon and Michigan.

“While we do believe that much of the scrutiny will happen at the local/county level, we think it is worth assessing which potential states stand out as red flags,” Campbell wrote in a note to investors. According to Stephens, states that should be watched include California, Illinois, Texas, New York and Ohio.

Radian Acquires Entitle Direct

Radian Group Inc. continued its expansion into the title space with its purchase of EnTitle Direct Group Inc. Radian reported that the acquisition is consistent with the company’s growth and diversification strategy, as well as its focus on the core product offerings of its mortgage and real estate services business. In 2015, Radian subsidiary Clayton Holdings acquired ValuAmerica. EnTitle Direct, with its 40 state title insurance licenses, will complement the geographic reach of ValuAmerica, according to Radian.

“We are delighted to welcome Entitle to the Radian family of companies, expanding our capabilities and providing our customers across the country with the title insurance and settlement services they want and need,” said Rick Thornberry, Radian’s chief executive officer. “This is another example of the progress we are making to reposition our Services segment for sustained profitability, by focusing on and investing in the products and services that are core to that business.”

Entitle Direct will continue to operate under its current brand. The company has offices in Independence, Ohio; Pittsburgh, Pa.; Corona, Calif.; and Austin, Texas. Eric Ray, senior executive vice president of technology and transaction services for Radian, will be responsible for the strategic direction and leadership for the company’s title and settlement services businesses.

No other terms of the transaction were announced.

Private Equity Firm Invests in Alliant National Title

Meanwhile, Presidio Investors, a private equity firm specializing in mid-market companies, agreed to partner and invest in Colorado-based underwriter Alliant National Title Insurance Co.

According to a release, leadership and personnel at Alliant National will remain the same. Alliant National partners with over 400 independent title agents as a licensed underwriter in 22 states, with annual revenues exceeding \$120 million.



Robert Grubb, Alliant National CEO and president, said the partnership can accelerate plans to expand its network of independent agents. He added that Presidio's culture closely aligns with Alliant National.

"Alliant National believes in the essential role independent agents play in protecting the property rights of our mutual customers," Grubb said. "With the help of our trusted agents and our amazing team, we've built a thriving company aligned with the finest independent title insurance agents in the country."

In a video to its agents, Grubb said the company's possibilities will be wider than before to help title agents expand their business. "We will have the ability to consider and implement things that we have not been able to implement before," he said.

Scott Hendrickson, Alliant National's chief financial officer, said Presidio brings additional capital to the partnership and has connections with lenders, the real estate community, and in the technology and fintech space that the underwriter will be able to utilize.

"There's a lot of value they can bring to the opportunity along with what we've already built," Hendrickson added. "They like the differentiated business model where we only support independent agents. And that spurred their interest."

Kyle Rank, Alliant National's executive vice president of agency, added "This is an exciting opportunity for Alliant National and our agents. The trust our agents have placed in us has allowed us to grow to this degree, and we now have a chance to deliver something meaningful back to them. We'll be able to provide more solutions, add more value—and provide additional resources that can help our agents excel in their businesses."

Presidio's investment is pending approval from regulators and Alliant National's current ownership group. Waller Helms Advisors served as the exclusive financial advisor. Brownstein Hyatt Farber Schreck served as legal counsel to Alliant National in the transaction.

Founded in 2007, Presidio focuses on investing in entrepreneur-led businesses in the lower middle market. Partner companies include Metropolitan Bank, CamTech, American Residential Communities, Interface Financial Group, National Health Finance and Hattrick Sports Group.

"We are excited to partner with Bob and his team to help Alliant National during its next phase of development," said Chris Puscasiu, managing partner of Presidio. "Throughout the entire process, we have been impressed by the company's entrepreneurial culture and drive. We believe that Presidio's experience and access to additional capital will help Alliant National accelerate its growth and continue to improve its already strong service offerings to its independent agent partners."

Agents National Deal Completed

Presidio's deal comes on the heels of another transaction with an investment firm buying into the industry. Incenter, a subsidiary of the Blackstone Group that provides trading, advisory and fulfillment services for lenders and specialty finance companies, completed in February its purchase of Agents National Title Insurance Co. (ANTIC).

John Keratsis, senior managing director of lender services at Incenter, said one of the challenges facing many of his company's clients is the time required to complete a transaction and how to shorten that timeframe while providing excellent customer service.

"Our experience has shown that one of the solutions to tackle this challenge is title insurance, which has been a key driver for us bringing ANTIC into the Incenter family," he added. "ANTIC has a demonstrated track record of helping title agents get loans closed as fast as possible while delivering meaningful service promises through talent and technology."

ANTIC President David Townsend added, "Our mission at ANTIC is to reset industry standards for what makes a great title underwriter. As part of the Incenter family, we will continue to support title agents with fast, reliable underwriting services. We are committed to the growth of the business and look forward to entering new markets and growing awareness in key geographies."

Regional Title Companies Get in the Act

In a deal involving title agencies, Title Financial Corporation and its subsidiary, First American Title Company of Montana, Inc. acquired American Title & Escrow and Carbon County Abstract & Title. TFC operates in Montana, Idaho and Wyoming. The deal expands the company's geographic network.

"We are very excited to be combining teams with American Title & Escrow and Carbon County Abstract & Title," said Quinn Stufflebeam, chief executive officer of TFC. "By leveraging our collective strength and coverage, we will be able to better serve our customers by providing a service experience designed to make the real estate transaction easy for our customers."

In addition to First American Title Company of Montana, the TFC family of companies consists of Insured Titles, Gillette Title Services, Jackson Hole Title & Escrow, Laramie County Abstract and Title Co., Title Financial Specialty Services and Title Financial Exchange Services.

The merger unites two companies with a long history of collaboration. The companies jointly purchased First American Title Company in Ennis in 2002 and First American Title Company in Bozeman in 2004. This expanding alliance creates a footprint that covers 66 counties in Montana, Idaho and Wyoming.

“This exciting transaction unites two companies with deep roots in Montana and Idaho, who both pride themselves on providing an excellent customer experience, and we are looking forward to the new opportunities this presents,” said Ted Lovec, president and chief executive officer of American Title & Escrow and Carbon County Abstract & Title. Lovec and Carol Kirby are both remaining on the corporate team. Lovec has accepted a position on the Board of Directors of TFC. He will also be serving as executive vice president while Kirby will serve as vice president of operations.

Where We Go From Here

Experts believe there will continue be more acquisition activity over the next year in the title industry.

“I suspect there will be a flurry of acquisitions in the near future, as well as the entry of outsiders,” Petrelli said. “The aging of the leadership at independent agencies will drive some of this. Discerning between acquisitions for the sake of acquisition and acquisitions related to acquiring the agency of a retiring baby boomer who owns an agency will be an interesting challenge.”

In addition to aging demographics, other issues driving consolidation include regulatory concerns, the CFPB and cyberfraud. A company’s overall strength, according to Yasko, will be dependent on its size. For several years, Yasko has said the industry is moving toward a property and casualty model and is now being pushed by groups looking to get into the game.

“The title world has historically been too resistant to change and implementation of technology, yet we must adapt to this as this is the wave of the future,” Yasko said. “There is a reason why underwriters are acquiring not only agents as direct shops, but other underwriters as well. The same goes for large title agency shops buying up smaller ones, or in some instances larger ones. It is less about competition, than it is the ability to meet the demand of availability across the nation with localized presence and knowledge.”

Petrelli agreed that despite all the M&A activity, the local expertise title agents provide remains invaluable.

“There may be fewer underwriters for independent agents, however, those who remain will need agents more than ever,” Petrelli said. “Nothing happens without production. If I was an agent, I would be more concerned about disrupters than the consolidation of title underwriters.” ■



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

What’s Your Exit Strategy?

Thinking about selling your title company? Here’s a checklist of items you’ll want to gather to help the process.

- **Confidentiality agreement**
- **Five years of financials—profit and loss statements, balance sheet, tax returns**
- **List of expenses that are discretionary (i.e.: spouse’s car, club dues, children on payroll)**
- **List of current bank accounts, both escrow and operating**
- **Current escrow account reconciliations**
- **Audit reports from underwriter and from third parties, if any**
- **Copies of insurance policies and declaration pages for current insurance.**
- **Software**
- **Equipment inventory**
- **Office furniture inventory**
- **Customer lists**
 - Average number of orders per month/year
 - Average number of closings per month/year
 - Average premium charged
 - Cancellation rate
 - Residential %
 - Commercial %
 - Breakout of the above information for each of your top five customers
- **Detailed employee list**
 - Name of employee
 - Duties of employee
 - Years of employment
 - Employment contract in place
 - Salary range
 - Licensee
 - Bonus/incentive
 - Vacation/sick time
- **List of contracts between**
 - Underwriting contracts
 - Equipment leases
 - Vehicle leases
 - Building leases
 - Search/plant access leases
 - Memberships—for example: country clubs, athletic clubs, etc.
 - Software maintenance agreements
 - Joint venture or affiliated agency agreements
- **Claims reports from underwriter**

atclose

www.atclose.com

visionet



Title Closings Made *Simpler*

Close Faster
Reduce Turn Time

Manage Vendors
Reward Performance

Improve Margins
Leverage Automation



Headquarters

4 Cedarbrook Drive,
Bldg. B Cranbury, NJ 08512

☎ 609 452 0700
☎ 609 655 5232

Processing Center

183 Industry Drive
Pittsburgh, PA 15275

☎ 412 927 0226
☎ 609 655 5232

visionet

✉ sales@visionetsystems.com

🌐 www.visionetsystems.com

2017 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. | 214,418,805 | 1,093,999,931 | 839,157,016 | 2,147,575,752 | 14.54% |
| Fidelity National Title Ins. Co. | 134,396,095 | 1,075,625,692 | 707,121,268 | 1,917,143,055 | 12.98% |
| Commonwealth Land Title Ins. Co. | 78,842,347 | 369,901,062 | 254,881,819 | 703,625,228 | 4.76% |
| Alamo Title Ins. Co. | - | 19,678,739 | 55,006,641 | 74,685,380 | 0.51% |
| National Title Ins. of NY | 608,740 | 223,098 | 68,546,027 | 69,377,865 | 0.47% |
| TOTAL - FIDELITY FAMILY | 428,265,987 | 2,559,428,522 | 1,924,712,771 | 4,912,407,280 | 33.25% |
| FIRST AMERICAN FAMILY | | | | | |
| First American Title Ins. Co. | 847,985,223 | 2,174,457,268 | 490,280,330 | 3,512,722,821 | 23.78% |
| First American Title Guaranty Co. | - | 35,424,060 | 101,502,924 | 136,926,984 | 0.93% |
| First Canadian Title Ins. Co. | 125,384,731 | - | - | 125,384,731 | 0.85% |
| First American Title Ins. Co. of LA | - | 50,252,669 | - | 50,252,669 | 0.34% |
| TOTAL - FIRST AMERICAN FAMILY | 997,572,493 | 2,280,081,756 | 591,783,254 | 3,869,437,503 | 26.19% |
| OLD REPUBLIC FAMILY | | | | | |
| Old Republic National Title Ins. Co. | 106,766,366 | 1,873,093,548 | 207,497,431 | 2,187,357,345 | 14.80% |
| TOTAL - OLD REPUBLIC FAMILY | 110,744,740 | 1,899,538,342 | 211,037,879 | 2,221,320,961 | 15.03% |
| STEWART FAMILY | | | | | |
| Stewart Title Guaranty Co. | 219,477,786 | 780,674,579 | 362,103,449 | 1,362,255,814 | 9.22% |
| Stewart Title Ins. Co. of NY | 37,605,781 | 170,850,529 | 156,203 | 208,612,513 | 1.41% |
| TOTAL - STEWART FAMILY | 284,691,296 | 951,525,108 | 362,259,652 | 1,598,476,056 | 10.82% |
| FAMILY TOTALS | 1,821,274,516 | 7,690,573,728 | 3,089,793,556 | 12,601,641,800 | 85.29% |
| TOP INDEPENDENT COMPANIES | | | | | |
| Westcor Land Title Ins. Co. | 2,100,134 | 448,455,307 | 50,541,948 | 501,097,389 | 3.39% |
| WFG National Title Ins. Co. | 35,531,040 | 275,000,217 | 62,217,334 | 372,748,591 | 2.52% |
| Title Resources Guaranty Co. | 4,135,865 | 126,573,249 | 189,242,824 | 319,951,938 | 2.17% |
| North American Title Ins. Co. | - | 127,933,009 | 119,474,503 | 247,407,512 | 1.67% |
| Alliant National Title Ins. Co. | - | 123,745,274 | - | 123,745,274 | 0.84% |
| Investors Title Ins. Co. | 40,288,716 | 71,807,724 | 1,234,985 | 113,331,425 | 0.77% |
| Connecticut Attorneys Title Ins. Co. | - | 105,562,996 | - | 105,562,996 | 0.71% |
| First National Title Ins. Co. | - | 33,864,416 | 63,645,574 | 97,509,990 | 0.66% |
| Attorneys' Title Guaranty Fund of IL | 468,283 | 60,359,517 | - | 60,827,800 | 0.41% |
| Security Title Guarantee Corp. of Balt. | - | 45,650,675 | - | 45,650,675 | 0.31% |
| TOTAL - INDEPENDENT COMPANIES | 94,545,931 | 1,513,003,747 | 565,319,946 | 2,172,869,624 | 14.71% |
| TOTAL - ALL COMPANIES | 1,915,820,447 | 9,203,577,475 | 3,655,113,502 | 14,774,511,424 | 100.00% |

Note: Individual numbers do not equal totals as not all companies are listed.
For complete results, go to alta.org/industry-research

Source: ALTA



MYTH: BABY BOOMERS DON'T USE THE INTERNET TO SEARCH FOR HOMES.

FACT: BABY BOOMERS USE THE INTERNET AS THEIR PRIMARY INFORMATION SOURCE FOR FINDING 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](https://oldrepublictitle.com/facts)



OLD REPUBLIC INSURANCE GROUP

ALTA SPRINGBOARD

Take Your Business to the Next Level

Do You Own Your Block?

2018 ALTA SPRINGBOARD inspires attendees to lead the charge by fostering an innovative culture and acting on good ideas; delivering a transaction that is accurate, swift and secure; and protecting property rights for everyone involved.

It seems there are constant headlines about the digitization of the mortgage transaction, blockchain and artificial intelligence. Despite ongoing efforts to make transactions more efficient and digitize processes, there's still the need for human connections and interactions. While new technologies and homebuyer demands are shifting customer needs, title and settlement companies can still own their own block. During the opening Ideas Festival at the 2018 ALTA SPRINGBOARD in Atlanta, CloseSimple co-founder Bill Svoboda offered three tips to help companies succeed and ensure they are delivering a customer experience worth talking about.

1. Take Off Your Cape

Svoboda said the first step to remain relevant with your customers is to take off your cape and help your customers put on theirs.

"When they wake up in the morning, they're thinking about how they're going to win the day. Not you," he said. "You need to help them win their own story."

You can begin by listening and having face-to-face conversations. And the conversations should be personal and more than just business and making a sale. As an example, he explained how financial investors are good at this approach. Instead of simply explaining to a client how their money will be invested, financial experts will ask questions to learn about the client's needs.

"Once you find out what someone wants to do and where they want to go, the path is easy," Svoboda said. "Listen more and have a human conversation. Ask them about their story and where they'd like to go in life."

2. Make Their Butt Look Good

The next step is to help make your customers look good. To highlight this, Svoboda shared a personal story. Several years ago, he tried on a pair of Tom Ford Chelsea Giannis that cost more than \$1,000. While the boots fit perfectly, he decided they were too expensive. A few months later, he changed his mind

and wanted to buy them. Unfortunately, when he called, the salesperson told him they were a popular style and were sold out. The conversation didn't end. The salesperson questioned Svoboda's decision to pass on the initial opportunity: "Why didn't you buy those boots when you were in here? When the time is right for Tom Ford, the time is probably not right for you. The next time you try on a pair of Tom Fords and you like them, you should buy them."

To drive home the point, he shared a Tom Ford quote: "Marketing is used for hollow products that cannot speak for themselves." He added that marketing doesn't matter if you don't give the clients an experience they'll never forget.

"It's not about making pants. It's about making pants that make your butt look good," Svoboda said.

3. Own Your Block

To wrap up, Svoboda encouraged attendees to "own their block." This means title companies should make sure they're satisfying customers in their current county or market before expanding and thinking about scale.

Svoboda shared a slide featuring the Beatles, Bruce Springsteen and Prince. He asked the crowd where each was from. Of course, everyone knew, because the artists made music that represented their city or country. "They didn't make music for any of us. They made music for the people in their area," he said.

To help title agencies own their block, Svoboda said it's important to make it simple for customers to reach and interact with your company. There's a reason why hit songs are high on repetition and low on word usage.

"If someone mentions title insurance, are you the first title company they think about in your town?" he said. "You need to own the handshake in front of you before worrying about the ones you don't know. If you do these things, you'll stay relevant and own your block because a good party advertises itself!"



Bill Svoboda



Steve Day



Brandon Blue

We Lead, We Deliver, We Protect

Atlanta-based rapper Brandon Blue set the tone for SPRINGBOARD, opening the conference with an original song he wrote about the industry. The performance highlighted the industry’s values of leading delivering and protecting.

ALTA President Steve Day NTP followed Blue and shared how attendees can use ALTA’s Our Values initiative as a foundation for emphasizing the principles that guide their companies.

“There’s much to be proud about in this industry,” Day said. “While critics will continue to question the benefits and cost of title insurance, we can take matters in our own hands by investing in ourselves and continuing to deliver exceptional service and meeting our customers’ needs. Successful title companies treat their customers fairly and comply with the law. Developing core values helps companies address any issue, whether it’s digital closings, wire transfer fraud or interacting with customers.”

Wire Transfer Fraud: Fool Me Once

ALTA President-elect Cynthia Blair NTP, co-founder of the law firm Blair Cato Pickren Casterline LLC, and Dawn Moore, CEO of Allegiance Title Co., led the discussion on wire transfer fraud.

To highlight the threat of wire transfer fraud, Blair shared these statistics:

- **\$5.3 billion:** the amount targeted by perpetrators via business email compromise in 2016
- **480 percent:** the year-over-year increase in wire fraud scams reported by title companies to the Internet Crime Complaint Center (IC3) in 2016
- **2,370 percent:** the increase in identified exposed losses to the most typical of wire fraud scams between January 2015 and December 2016
- **50:** the number of states in which attempted wire fraud has been reported
- **131:** the number of countries in which attempted wire fraud has been reported

“One wrong wire transfer could put many title agents out of business,” Blair said. “That’s why companies must be vigilant in protecting themselves and their clients, and have a plan if there is a monetary loss.”

Some ideas generated from the roundtables to protect funds included:

- Use ALTA’s infographic and video to provide education about wire transfer fraud (alta.org/wirefraud)
- Use education to develop relationships
- Include a message in your email signature line that your company doesn’t email wire instructions
- Have consumers sign a form to confirm instructions
- Send instructions via encrypted email and have real estate agents sign a form that they won’t forward email with instructions
- Text wire instructions to consumers
- Direct wires to a revenue or sweep account before funds go to an escrow account
- Conduct a “phish test” on your staff, sending fake email to see whether they’ll click links in a suspicious email
- Call to verify

Digital Mortgages: Finding the Smart Path

John Bommarito, general counsel for ATA National Title Group, and Tamara Strickland, vice president of business process and digital solutions for Fidelity National Financial, opened the discussion about the opportunities that exist to help facilitate digital closings.

Finding the right balance between convenience, security and risk are all issues that must be considered as the industry works to help build smarter closings, according to Strickland and Bommarito. They both agreed that the ability to provide various closing options—traditional, hybrid or remote—will help companies remain competitive.

Tim Ketron, CEO of MasterLync, believes that title companies can use digital closings as an opportunity to answer consumer questions as opposed to sending a notary to gather signatures.

John Bethel, president of John Bethell Title Company, says closings will happen whether they are in his office or not. He sees the benefit of having more control of the closing when clients are not physically in the office.

“Remote online closings could mean the Realtor spends less time having to babysit their customer,” he added. “A third of our closings are mailouts. Video closings could solve this issue.”

2018 ALTA SPRINGBOARD

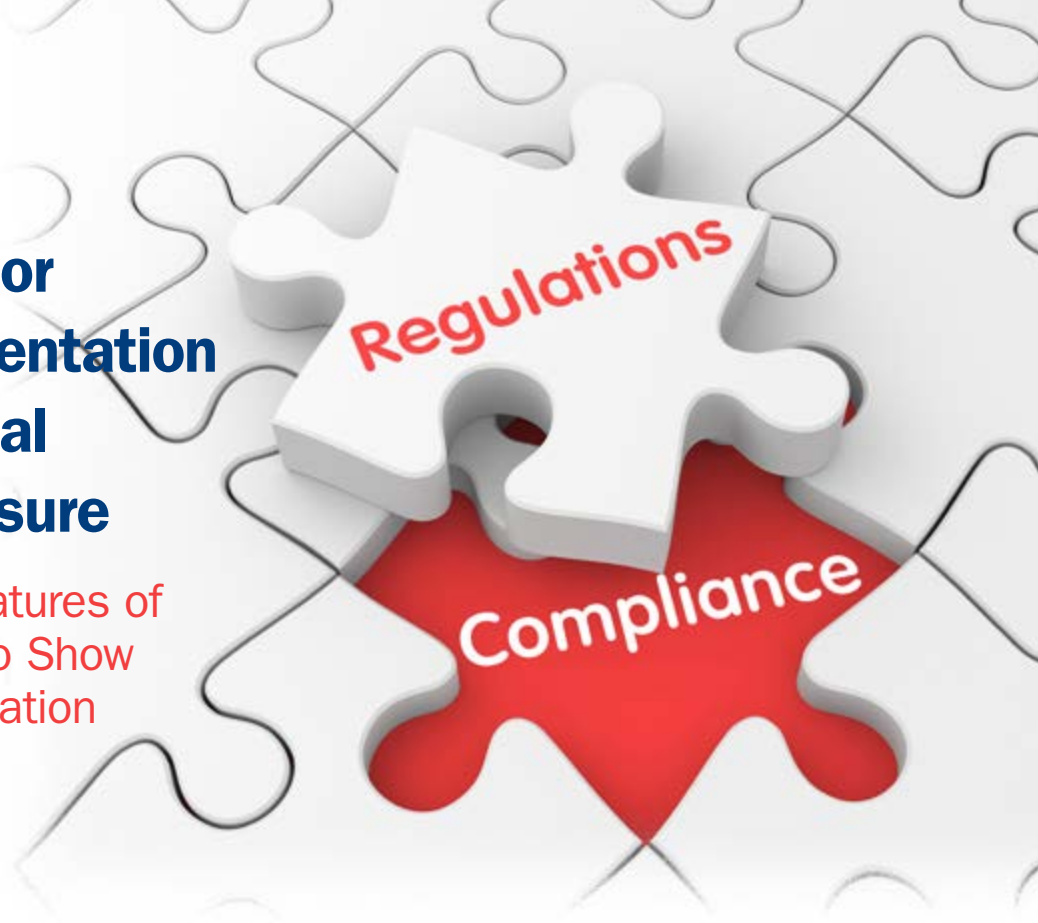
To view more photos, go to [flickr.com/photos/altaonline](https://www.flickr.com/photos/altaonline)





Illinois Regulator Delays Implementation of New Financial Interest Disclosure

Form Requires Signatures of
Agent, Underwriter to Show
Estimated Compensation
Agent Will Receive



DUE TO EFFORTS BY THE ILLINOIS LAND TITLE ASSOCIATION (ILTA), the Illinois Department of Financial and Professional Regulation (IDFPR) agreed to delay implementation of a new disclosure of financial interest form.

On April 3, the IDFPR issued a memorandum that indicated the new form was to be implemented the very next day, on April 4. The IDFPR had released a document that discussed the proposed regulatory guidance that addressed title agent compensation.

Leaders and members of the ILTA were surprised by the immediate implementation of the disclosure. The association asked IDFPR for the delay so the industry could work with the regulator to get additional clarification about the form and help its members comply. The department indicated it welcomed public comments, but did not specify a deadline.

The IDFPR said the purpose of the form is to:

- ensure the parties purchasing title insurance products and services (i.e. sellers and buyers) understand they have a right to choose who provides title insurance products and services
- identify the producers of title business or associate of producers of title business, title insurers and title agents
- provide an affirmative statement from the insurer and agent regarding how much money the agent will make on the transaction
- disclose the costs of the title products and services
- provide additional consumer protection information

“It is hoped the revision will make it clearer to sellers and buyers the cost of title insurance and settlement services for a home sale,” the department said.

The form requires signatures from the agent and underwriter to disclose estimated compensation the agent will receive for statutorily authorized services that are performed. The statement attests that nothing else of value has been exchanged and there has been no violation of the Illinois Title Insurance Act or the Real Estate Settlement Procedures Act.

The Title Insurance Act authorizes the department to prepare the disclosure form so that producers of title business—usually the attorneys, real estate brokers or lenders in transactions—discloses their financial interest to any home seller and buyer involved in the closing process. This includes the title insurer, independent escrowee or title agent/agency involved in the closing. According to the IDFPR, the most common examples of this include an attorney having a financial interest in being the title agent or a real estate broker having a financial interest in a title agency owned by the broker’s parent company.

“ALTA supports the spirit of disclosure and transparency that helps the understanding of costs associated with title insurance,” said Justin Ailes, ALTA’s vice president of government and regulatory affairs. “Many members may not be able to practically comply with the new disclosure. ILTA and ALTA will continue working with the Illinois regulator to help them understand how they can modify this regulation so that industry can comply and consumers receive a better experience.”

Your competitive advantage.

Streamline your closing processes and gain a competitive edge with First American's **Agent Advantage**, a suite of business services targeted to help you meet your growth and compliance needs.

Learn more about **Agent Advantage** services including title production, policy typing, escrow disbursement and lender solutions at firstam.com/AgentAdvantage.



First American Title[™]

866.701.3361 • 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.

©2018 First American Financial Corporation and/or its affiliates. All rights reserved. NYSE:FAF



Indiana Joins States With Online Notary Legislation

Four Others Already Have Versions of RON Law

INDIANA'S GENERAL ASSEMBLY ON FEB. 27 PASSED A BILL BY A 95-0 VOTE in the House that will allow remote online notarizations (RON). The state's senate previously passed the bill by a 46-1 vote. The legislation will go into effect July 1, 2019, once the bill is signed by Indiana Gov. Eric Holcomb.

Online notarization involves the use of audio visual technology and electronic methods to conduct a notarization. Sponsored by state Sen. Travis Holdman, S.B. 372 modifies regulation related to notarial acts, including the use of electronic documentation and technology for electronic notarial acts. The legislation requires the secretary of state to adopt rules related to electronic notarial acts and remote notarial acts.

The Government Affairs committee of the Indiana Land Title Association (ILTA) worked closely with its industry partners since the 2017 legislative session when the bill was first introduced. The combined efforts of ILTA, the Indiana State Bar Association, Indiana Banker's Association, Indiana Mortgage Bankers Association, Indiana Association of Realtors and interested vendors led to the legislation that awaits the governor's signature.

The legislation specifies requirements for remote notarial acts including:

- registration of a remote notary public
- certification of and record keeping related to remote notarial acts
- use of audio-visual communication and recording
- verification of credentials
- maintenance of records

In a statement, Holdman said Hoosier notaries will gain the ability to serve their clients online, creating a more safe, secure and efficient experience for everyone.

"We're continuing to modernize how the Indiana government serves its constituents," Holdman added. "Countless government forms require notarized documents; this bill enables Hoosiers to more efficiently complete these and numerous other legal documents."

Four states had already passed versions of RON legislation, including Montana, Nevada, Texas and Virginia. Jurisdictions with active RON bills include: Arizona, Florida, Georgia, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, Ohio, Oklahoma, Pennsylvania, Vermont, Rhode Island and Washington, D.C. A RON bill was passed in 2017 in Florida, but the governor vetoed it. In addition, legislation with minimal standards passed in Ohio as part of the state's budget bill, but was later repealed.

After legislation is passed in a state, secretaries of state will generally promulgate regulations related to the use of RON.

ALTA and the Mortgage Bankers Association (MBA) have collaborated to prepare model legislation that provides the framework for states to adopt an online remote notarization process. ALTA does not endorse online notarization, but wants to ensure any legislation that is passed is safe for consumers, that the transaction can be insurable and is technology neutral. If adopted, the model legislation would create legal certainty across the country from a uniform and consistent framework that is based on a common set of core principles.

READY TO BECOME AN eCLOSING LEADER?

Business today is a digital experience in which easier processes separate the leaders from the followers. Don't miss the opportunity to set yourself apart. When you partner with Stewart, the industry's eClosing leader, you've got access to underwriters with eClosing expertise helping you over obstacles and providing solutions. That lets you deliver the smooth experience your customers expect. Don't go it alone in ramping up for the "new normal"; you've got the eClosing leaders, and a partner, here to help.

Visit stewart.com/alta182 to learn more.



stewart



How to Get Started With Digital Marketing on any Budget

Develop a Strategy That's Actionable, Affordable, Targeted and Measurable

From “costs-per-lead” to “ad servers,” the world of digital marketing can seem pretty overwhelming. Since 2011, digital media consumption has drastically increased, outpacing television consumption. In 2016, the National Association of Realtors reported that 86 percent of homebuyers used the internet in their research process. That percentage will only increase. The internet has changed the way that people shop for everything. Digital marketing is the best way to engage consumers in the electronic age.

Here are some tips to ensure a successful digital marketing campaign:

Actionable

What is your ad asking consumers to do? What specific actions do you want them to take after viewing the ad?
Examples: Click here to visit our website. Follow us on Facebook.

Affordable

Create an advertising budget that you or your firm can afford. What marketing strategy fits within your budget?
Many search advertisements are “pay-per-click,” meaning that you pay only when a viewer clicks. With Google AdWords, you establish the highest amount you will pay per click.

Targeted

What is your target audience? How can you direct your ads to your specific audience?

If your target audience includes buyers of title insurance in Houston, you may want to play your ad on videos with the keywords “title insurance” and “Houston.”

Measurable

How will you measure your progress toward your goal? Will it be page views, link clicks, number of purchases? *A display advertisement leads to 250 new page views. 40 percent of ad viewers continue to Google the brand or project advertised.*

Important things to consider:

Budget: How much money do you have to spend on advertising? While some firms may only want to spend a few dollars a day on advertising, others may be able to spend thousands to tens of thousands of dollars a day.

Which strategy is best for you or your firm?

Depending on your needs, certain strategies may be better for you than others. There are three main types of digital advertisements:

1. **search ads:** ads that appear in Google search results
2. **display ads:** ads that appear on websites
3. **video ads:** video advertisements that play before videos on YouTube

Do some research and determine where your consumers spend the most time and what price points are the most feasible for you.

Do the right ads reach the right people? The internet is expansive, with hundreds of millions of users. However, not every user is looking for title insurance. Pick advertising strategies and ad platforms that enable you to find the consumers who are.

Keep in mind what people are searching for. Many homebuyers may be unfamiliar with title insurance. Instead, they may do searches for words like “insurance” or “real estate.” Devise a list of **keywords** that describe or relate to your business. When these keywords are searched, your search ads can appear in the search results. In videos tagged with those keywords, your video ads may play and your display ads may be shown on websites tagged with those keywords.

Metrics: How many clicks did your advertisement receive? Did you notice an increase in page views or purchases? Are you meeting your goals? If not, why? It’s important to keep track of your digital campaign’s metrics. If something is doing well, repeat it. If something isn’t doing very well, figure out why and how you can fix it.

First Steps to Take

1. **Determine your goals and how you’ll measure your performance:** Whether your goal is 10 clicks per day or 1,000, keep track of your metrics and measure your success.
2. **Establish your budget:** Big or small, settle on an amount that works for you.
3. **Decide which strategy is best for you and your firm:** If you have a large Facebook following, display ads may work best for you. If you’re more seasoned in digital marketing, video may be the next step. Figure out what works best for you and what you can afford.
4. **Create a keyword list:** Which words describe or relate to your business. Be sure to tag your website and your ads with these words.
5. **Start with a low-budget campaign:** Start small and look at your metrics. When you’ve mastered your first campaign, move on to something more complex.
6. **Test and optimize your marketing campaigns:** The only way to improve your strategy is to test, test, test! After each test, see how your metrics have changed and optimize your advertisements based on those changes.

With that, start your online marketing campaigns. Don’t forget to check out ALTA’s digital marketing resources at alta.org/homebuyer. These are free with an ALTA membership. Looking to take your digital marketing further? Attend the last of ALTA’s 2018 Innovation Boot Camps, which will be held June 19-20 in Minneapolis. Plus, there’s a HOP Leadership Training session the day before on June 18. Go to alta.org/events for more information.



FinCEN Extends Money Laundering Prevention Effort

The New Geographic Targeting Order Runs Through Sept. 16

THE FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN) RENEWED for an additional six months an existing Geographic Targeting Order (GTO) that requires U.S. title insurance companies—along with their subsidiaries and agents—to identify the individuals behind companies used to conduct high-end, all-cash real estate transactions in certain major jurisdictions.

The new GTO runs through Sept. 16. The previous GTO expired March 20. This is the third time FinCEN has broadened and/or extended the GTO. In September, FinCEN revised the GTOs to capture a broader range of transactions, including those involving wire transfers. The order also included transactions above \$3 million conducted in the city and county of Honolulu. FinCEN previously issued an advisory that provides information on how to detect and report these transactions to FinCEN.

FinCEN originally issued GTOs in September 2016 requiring certain underwriters to identify and report the true “beneficial owner” behind a legal entity involved in certain high-end deals in Manhattan and Miami-Dade County. A beneficial owner is an individual or entity who directly or indirectly owns 25 percent or more of the equity interest in the legal entity. FinCEN provides the information to law enforcement investigators as part of FinCEN’s database.

The extended GTO includes these areas and price thresholds:

- Borough of Manhattan, N.Y.; \$3 million
- Boroughs of Brooklyn, Queens and Bronx, N.Y.; \$1.5 million
- Miami-Dade, Broward and Palm Beach counties, Florida; \$1 million
- Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego counties, California; \$2 million
- City and County of Honolulu; \$3 million
- Bexar County, Texas (San Antonio); \$500,000

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

- Location (deal occurs in one of the areas included in the GTO)

- All-cash deal (no financing)
 - Purchase price exceeds threshold determined for each covered jurisdiction
 - There’s a corporate buyer
 - Purchase price paid via monetary instrument or wire transfer
- The report must include:
- Information about the identity of the individual primarily responsible for representing the buyer. The title company must obtain a record of the individual’s driver’s license, passport or other similar identification
 - Date of closing of the covered transaction
 - Total amount transferred in the form of a monetary instrument
 - Total purchase price of the covered transaction
 - Address of real property involved

If the purchase involved in the covered transaction is a limited liability company, the underwriter must provide the name, address and taxpayer identification number of all its members. Additionally, covered title companies must retain all records relating to compliance with the order for five years, store the records so they are accessible with a reasonable period of time and make the data available to FinCEN or other law enforcement or regulatory agency, upon request. Under the Bank Secrecy Act, covered businesses must retain all records relating to compliance with the GTOs for at least five years from the last day that the GTOs are effective (including any renewals).

For more information and tools to help comply, go to alta.org/fincen.



JOIN US

You've roadmarked the business plan,
now roadmark your career path with AmTrust Title.



AmTrust Title
An AmTrust Financial Company

// COVERING EVERY ANGLE

Contact an HR representative today:

855.449.0620 // info@amtrustgroup.com // AmTrustTitleGroup.com

AUSTIN, TX / CHICAGO, IL / GRAND RAPIDS, MI / HOUSTON, TX / NEW YORK, NY
ORLANDO, FL / PRINCETON, NJ / RICHMOND, VA / UNIONDALE, NY



2030 Marks Important Milestone for United States Population, Housing Market

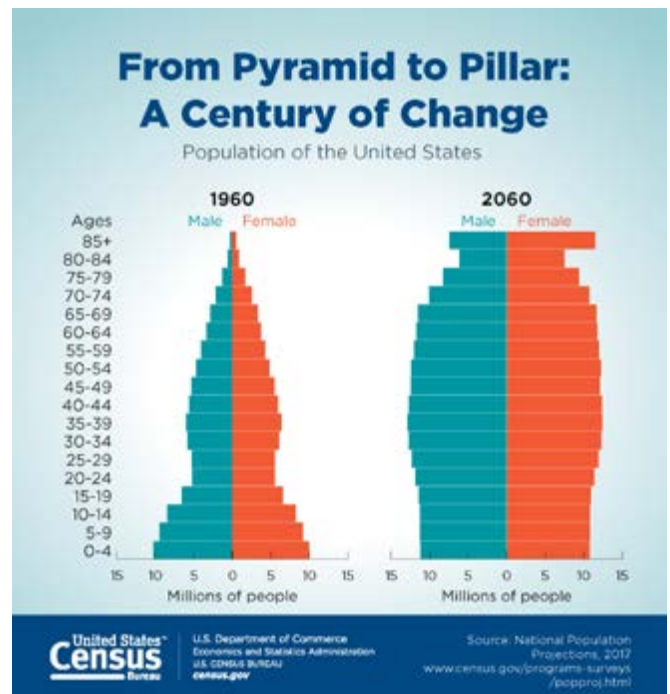
Baby Boomers to Comprise 1 in 5 Residents

The year 2030 will mark an important demographic turning point in U.S. history, according to the U.S. Census Bureau's 2017 National Population Projections. Why? By 2030, all baby boomers will be older than age 65. This will expand the size of the older population so that one in every five residents will be retirement age.

"The aging of baby boomers means that within just a couple decades, older people are projected to outnumber children for the first time in U.S. history," said Jonathan Vespa, a demographer with the U.S. Census Bureau. "By 2035, there will be 78.0 million people 65 years and older compared to 76.4 million under the age of 18."

This will significantly affect the type of housing needed in the United States. The 2030s are projected to be a transformative decade for the U.S. population. The population is expected to grow at a slower pace, age considerably and become more racially and ethnically diverse. Net international migration is projected to overtake natural increase in 2030 as the primary driver of population growth in the United States, another demographic first for the United States.

Although birth levels are projected to be nearly four times larger than the level of net international migration in coming decades, the Census Bureau reports that the rising number of deaths will increasingly offset the contribution of births to population growth. Between 2020 and 2050, the number of deaths is projected to rise substantially as the population ages and a significant share of the population, the baby boomers, age into older adulthood. As a result, the population will naturally grow very slowly, leaving net international migration to overtake natural increase as the leading cause of population growth, even as projected levels of migration remain relatively constant.



Several ALTA Members Honored for Tech Innovations

RynohLive, CertiFD and Westcor Specialty were among the winners of *HousingWire's* fifth-annual Tech100 award for the top tech firms in the mortgage finance space.

The awards recognize the top 100 innovative technology companies in the U.S. housing economy, spanning real estate, mortgage lending, mortgage servicing and investments.

RynohLive is a web-based application for escrow account management practices.

"With the number of emerging technology solutions steadily increasing, it is a real honor to be included in this year's HW Tech100," said RynohLive's founder and CEO Dick Reass. "The team at Rynoh takes great pride in our ability to continuously innovate and bring value to the industry, but to have the product of our efforts recognized and awarded by *HousingWire* is really something special to say the least."

Grand Rapids-based CertiFD has developed authentication software designed to battle wire fraud in the mortgage industry.

"*HousingWire* is one of the very best trade publications in the mortgage industry, so it's really an honor to be named to the Tech 100 in our first year of existence," said Cronkright, who serves as CertiFD's CEO. "We're also pleased to see that the mortgage industry is finally recognizing that wire fraud is an epidemic nationwide, one which is only starting to be addressed."

In addition, Westcor Specialty was recognized for Closepin, a compliance management tool for mortgage lenders which simplifies the closing process for consumers, lenders and closing agents.

"We are honored to be mentioned



alongside some impressive peers in the *HousingWire* Tech100. This is a symbol of the progress we are making as we work to create and implement innovative solutions in the real estate, mortgage finance and insurance industries," said Ryan Peterson, executive vice president of Westcor Specialty. "Closepin.com is an answer to an industry challenge that has plagued both lenders and title insurance agents for some time. We hope that it is the first of many products and services that we will bring to market this year."

According to *HousingWire*, the number of applicants for the 2018 awards in-

creased from years prior as did the variety of technology solutions that are available in the housing industry. Out of the 100 companies recognized for this year's awards, more than half are new to the list.

"The number of fintech companies serving the mortgage industry has exploded over the last several years—making the choice of just 100 companies this year very difficult," said *HousingWire* Magazine Editor, Sarah Wheeler. "Companies in the 2018 Tech100 represent the leading edge of solutions and services that will propel mortgage companies toward success."



NEWS TO SHARE?

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

Pavaso Partners With TRG's Lender Services Group

Pavaso announced that it has partnered with Title Resource Group's Lender Services Division (TRGLS) to provide e-closing technology nationwide.

Robert Fitzpatrick, senior vice president of TRGLS, noted that moving to a digital process highlights the company's dedication to transparent communication with clients and customers.

"TRG Lender Services recognizes that the digital signing process was once thought of as the future, and is now becoming reality," he said. "More than half of the states have pending legislation allowing for digital signatures, and our partnership with Pavaso keeps us at the forefront of these opportunities."

TRG and Pavaso's partnership will deliver on TRGLS's strategy of using technology to meet the ever-changing expectations of the customer and facilitate a better process for lender partners.

Simplifile Automates Return of Trailing Mortgage Documents

Simplifile has enhanced its post-closing service to help lenders automate the return of trailing loan documents. This new service is designed to save lenders time on final Closing Disclosure reconciliation, eliminate time-consuming post-closing document management tasks and provide a complete audit trail to reduce regulatory risk.

Using its e-recording network of active settlement agents, Simplifile automates the return of recorded documents, final recording fees and transfer taxes that match the loans in a lender's post-closing pipeline. According to a release, Simplifile

can also automate the request for final title policy or any other trailing documents. Lenders using Simplifile's post-closing service are automatically receiving recorded documents and fees for nearly half of their loans, with 50 percent being returned within 48 hours and 90 percent within a week of the loan closing.

Survey: New Tax Code Expected to Have Little Impact on Housing Market



Title agents and real estate professionals believe the recent change to the U.S. tax code will only have a minimal impact on the real estate industry, according to the latest Real Estate Sentiment Index (RESI) from First American. Results are based on a quarterly survey of independent title agents and other real estate professionals.

"When it comes to the new tax code, title agents and real estate professionals—the folks that spend their days closing real estate transactions—do not believe that the new tax code will have a meaningful, negative impact on the housing market," said Fleming. "In general, you could argue that title agents and real estate professionals surveyed believe the tax code does not meaningfully drive housing prices, supply or demand. Title agents and real estate professionals know that, when it comes to buying and selling a home,

consumers consider more than just the tax consequences of homeownership."

Those surveyed slightly leaned toward the opinion that the new tax code would not negatively impact house appreciation, but responses were split relatively equally. Of the respondents, 27 percent believe that the tax code could negatively impact house price appreciation, 35 percent believe it will not do so, 35 percent were neutral on the topic. The fact that expensive markets with higher-priced homes are more likely to be impacted by the new tax law because of the limit on the deductibility of state and local property taxes may have caused the split in opinion, Fleming said.

"Indeed, survey respondents in areas with high housing costs, such as Washington, D.C. California and New York, were more likely than others to agree that the new tax code would negatively impact house price appreciation," Fleming added.

Title agents and real estate professionals were also asked if the new tax law changes may hinder the supply of housing by reducing the willingness of homeowners to sell. Almost half of the respondents (46 percent) do not believe this will happen.

Action Title Research Expands into Pennsylvania

Action Title Research has announced its expansion into Pennsylvania with its recent acquisition of Norristown-based Central Property Search. According to a release, the acquisition benefits customers who do business in Pennsylvania and New Jersey by combining search services, local expertise and support with Action's order receipt, tracking and delivery technology. Agents now have a single point of contact for search orders in these two states.

Being adventurous can be fun. *Unless it involves your closing.*

If you could eliminate risks with the highest standard of due diligence, why wouldn't you?

**PROPLOGIX IS HERE TO
MAKE DUE DILIGENCE EASY.**

- ✓ Association Research
- ✓ Lien Searches
- ✓ Land Surveys
- ✓ Payoff Tracking
- ✓ Association ID
- ✓ Tax Certificates
- ✓ Curative Services



WWW.PROPLOGIX.COM



NextAce Provides News Automated Title Products

NextAce unveiled new solutions that produce automated title reports in minutes in over 500 U.S. counties.

Instant Setup allows title insurers, agents and attorneys of all sizes to setup their underwriting and business rules and begin producing automated title reports in minutes. AutoExam delivers automated title reports in over 500 counties and for up to 20 percent of title orders and properties processed. Title closing and production software companies such as SoftPro, ResWare, Impact and iClose allow customers to integrate NextAce title reports with their systems.

NextAce also announced new partnerships with title plant providers TitlePoint (BKFS), Data Trace, SKLD in Colorado, TDI in Texas and TitleSCAN. Together, these companies provide title plant, data, images and maps in over 500 counties allowing NextAce to produce title reports in minutes in counties representing over 60 percent of the U.S. population.

AutoExam leverages information from over nine million orders that NextAce has processed to determine which transactions require little or no review prior to delivery. According to NextAce, when orders contain no ownership or vesting changes since the last transaction as well as no liens, judgments or tax problems, they are streamlined with up to 20 percent of the orders qualifying for no review whatsoever. These orders are completed from the entry of an address to delivery of a completed title report in less than five minutes. Up to an additional 30 percent of orders qualify for a quick review validating only that there are no spelling errors. These orders can be completed in less than 10 minutes from the entry of an address, NextAce reports.

Greater Illinois Title Company Completes Type 2 SOC 2 Report

Illinois-based Greater Illinois Title Company (GIT) recently completed its Service Organization Controls Type 2 SOC 2 examination and certification to ALTA's Best Practices for the period of 2016 to 2017. The examinations, performed by independent auditing firm A-LIGN, contained no exceptions. A Type II report includes the service organization's system description, as well as a detailed testing of the operating effectiveness of the service organization's controls throughout the specified period.

"This is the highest and most complete examination and testing of processes and controls for a settlement services provider," said Gregory Kosin, president of GIT Group of Companies. "It provides comfort to lenders and consumers knowing that proper security policies and procedures have been implemented and tested. We passed both examinations without a single exception."

Completion of the Type 2 SOC 2 examination covers Greater Illinois Title Company and its wholly owned subsidiaries Greater Indiana Title Company, GIT Florida Title Services, Greater Wisconsin Title, GIT Michigan Title Services and Greater Missouri Title Company.

Stewart Expands Commitment to E-closing Convenience

Stewart continues to expand its commitment to the real estate services industry in bringing e-closing convenience to market.

In a release, Stewart said partnerships and technology integrations have positioned the company to support

digital closings with electronic consumer and notary signatures, as well as remote online notarization of required lender and settlement documents. In more than a dozen states where Stewart has implemented these technologies, consumers can review and acknowledge documents in advance, speeding up the in-office signature process to allow closings to be completed in as little as 15 minutes.

"Stewart prioritizes an exceptional settlement experience and realizes our Realtor, lender partners and consumers expect the same convenience and efficiency they enjoy in other areas of their lives," said Brad Rable, Stewart's chief information officer. "We continue to provide innovative tools and a modernized e-closing experience across our network of direct retail operations, agency and lender partners, helping lead their respective local markets with new, more convenient closing options for customers."

Florida Refinance Closed Using Remote Online Notary

Florida Agency Network completed its first paperless, fully-digital real estate refinance transaction with United Wholesale Mortgage and Florida Mortgage Firm.

"Our borrower was thrilled at the efficiency throughout the entire process. This transaction was a key breakthrough in providing our clients the option of a fully digital remote closing at the time and location of their choosing," said Aaron Davis, CEO of Florida Agency Network.

Hillsborough Title completed the transaction utilizing remote online notarization via Notarize and Westcor Land Title Insurance Company, which issued the title insurance policy.



Title Industry Assurance Company
Risk Retention Group

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 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
www.tiacrrg.com

Westcor Appoints Agency Manager for Southern Virginia

Westcor Land Title Insurance Company named **Stephanie Campbell** as southern Virginia agency manager to increase the company's footprint in the Mid-Atlantic market. Campbell has been a licensed title agent since March 1998, giving her extensive knowledge in underwriting title commitments and policies, resolving title issues, and conducting both residential and commercial title examinations, as well as processing files and conducting real estate settlements for all types of transactions. She most recently worked with RynohLive educating title agents on banking regulations, fraud in the market place and the importance of escrow account management.

NATIC Names Regional Underwriting Counsel in the Southeast

North American Title Insurance Co. (NATIC) has hired **Kelsea Laun** as vice president and regional underwriting counsel for the Southeast region. In her role, she will support the existing counsel, Mike Bates, and help provide legal and underwriting support to NATIC agents throughout Alabama, Georgia, North Carolina, South Carolina and Tennessee. Prior to joining NATIC, she was managing attorney for the litigation department of The Gilroy Firm. She is licensed to practice law in Florida, Georgia and Tennessee.

Westcor Hires Agency Rep for California and Utah

Westcor Land Title Insurance Company announced the appointment of **Jim Johnson** as agency representative to continue to increase the company's footprint in the Utah and California markets. Johnson has over 25 years of experience in the real estate and title insurance industry. Most recently, he worked as regional agency representative for a regional underwriter. In this capacity, he grew the underwriter's agency network in Utah and Colorado.

Johnson also served as market development manager for RedVision Systems, expanding the company's service to include Utah, Nevada and Arizona along with states throughout the Midwest.

FNTG Promotes Burton to Division Manager

Fidelity National Title Group (FNTG) recently promoted **Edson Burton** to executive vice president and division manager. In this position, Burton will oversee the company's national commercial real estate operations throughout the eastern U.S. and residential operations in parts of the Midwest, East and Southeast. A 34-year veteran of FNTG, Burton most recently served as senior vice president, overseeing the commercial operations of FNTG's Chicago Title Insurance Co. office in Chicago.



ALTA Provides Hiring Resources to Members

Looking to add staff to help cover the spring homebuying season? ALTA has developed many tools and resources to aid members in the hiring process. Among the items are sample behavioral interviewing questions and a Career Fair Experience Guide. In addition, there are sample job descriptions and advertisements for various positions ranging from escrow and title officers to administrative assistants and agency managers. You must be an ALTA member and logged into the ALTA website (alta.org/human-resources) to access the material.

IF YOU'VE GOT 'EM, USE 'EM.

You Lead. You Deliver. You Protect.

You're an ALTA member, which means you live by these values every day. Now, put them to work for you. Use these free, new tools to drive customer loyalty and grow your business.



VALUES

For more information and to get started,
visit alta.org/values



American Land
Title Association

Protect your property rights

Blockchain Isn't a Panacea

WE STRIVE AS AN INDUSTRY TO ADOPT TECHNOLOGY



STEVEN G. DAY NTP
ALTA president

advances, and apply them to the benefit of our customer—the consumer—to improve the real estate examination and settlement process. One area that continues to receive attention and its effect on our Industry is blockchain. While its application to our industry is conceptually interesting, recent news reports and presentations have heralded this technology as an imminent replacement to our current system, and to the need for title insurance itself! These misconceptions recently prompted ALTA to issue a response to these statements.

Blockchain is a distributive ledger system that can allow for the recording of transactions over a series of aligned computer servers to allow for an enhanced verification of the accuracy of the protection and security of the information. But in a number of ways, our public recording system is providing this same service. Documents that have been recorded in the public records—either electronically or by paper—are preserved as the effective recordation of this interest.

But there is more to title than just the effective recording of documents. There are covenants, easements, mortgages, leases, legal descriptions, on and on and on, that impact the title of a property. And many of these rights that impact the title are recorded within documents several steps back in the chain, and are not always adequately reflected in current recorded documents.

A blockchain ledger system would need to deal with issues relative to the back title—an effective transfer system moving forward does not correct prior issues with the title. It also does not effectively deal with external matters effecting the title—bankruptcy issues, liens outside of the chain, etc. These are still matters that can impact the quality of the title moving forward.

Today, these non-record defects are issues with the title to the property that would not be registered within a blockchain ledger or discovered by an online search! But these defects in title would be covered as a protected item for the owner of the property, under their Owner's Title Insurance Policy, or their lender under its policy.

Blockchain, and other technology innovations, may likely prove to be of value in providing improved efficiency and possibly protection to the consumer about the real estate transaction. But the role of the title professional, and the examination of the land evidence records to confirm the quality of title, will continue to be an important factor in our Industry.



BE YOUR CUSTOMERS' SUPERHERO!

Let automation do the work for you.

Now, with automated features of SoftPro Select, you are able to automate processes that are currently done manually with no additional action required from you.

It's like getting a super-talented multi-tasker in your office who does all the work for you!

Think of automation as another user in your company who can multitask and do the work for you, while you focus on what's most important - servicing your customers!



THESE AUTOMATED ACTIONS CAN INCLUDE:

- Adding tasks based on specific order information
- Adding or updating a task when a commitment is published
- *Sending a letter to a customer when a contract is received
- Updating order status when title and/or escrow status has been updated
- Running reports at scheduled times and saving to a file location
- *Sending pre-closing letters to buyers and sellers when a file is assigned to the escrow team
- Applying specific templates to an order
- Ordering and accepting products from integrated vendor services
- **AND SO MUCH MORE!**
- Ordering search transactions from integrated partners and accept the data and documents when the searches are returned

* Requires Task Notification Tool add-on

The potential of automation in SoftPro Select is unlimited. Ask us how to get started and bring your productivity to the next level!

WWW.SOFTPROCORP.COM/AUTOMATION





**Be the apple
of their eye**

or maybe not

**Give Your Lenders Better Service
By Confirming Your Company
In The National ALTA Registry**



ALTA.ORG/REGISTRY

