JULY 2018

TITLE News

AMERICAN LAND TITLE ASSOCIATION

'We Need a Regulator That Helps Remove the Gray'

ALTA President Testifies During Congressional Hearing on Ways to Improve Bureau of Consumer Financial Protection

Streamlining
As creeks merge with streams and streams merge with tributaries, what once existed as singular flows of water combine to become a formidable and unstoppable current. The efficiency and power of the newly created body of water is only overshadowed by the beauty of each drop working together to create an awe-inspiring show.
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iN This Issue

VOLUME 97 | NUMBER 7 | JULY 2018

COVER STORY

FEATURES

DEPARTMENTS

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

The digital edition of **TITLENews** includes a recording of ALTA President Steve Day's testimony during a Congressional hearing, where he offered ways to improve the Bureau of Consumer Financial Protection.

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

AMERICAN LAND TITLE ASSOCIATION

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TITLENews

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

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Leadership Life Lessons

LAST MONTH, I HAD THE OPPORTUNITY TO HEAR Lew Rumford, an executive coach in Washington, D.C., share the lessons he's learned. Early in his career, Lew spent two decades as a principal at The JBG Companies before retiring at 50. Following his corporate career, he became deeply involved in inner-city non-profit issues while also serving as a senior advisor at George Washington University. At 60, Lew started his coaching practice. His diverse experiences provide him a broad understanding of people in organizations.

Lew believes leadership can be used as a lens for viewing what works in all relationships. His coaching work has caused him to explore connections among concepts like control, trust, empathy, communication, mood and presence. He said the traits of effective leaders offer lessons for all of us who seek to have more impact with others. According to Lew, great leaders are authentic, understand how to build trust and are able to control their mood.

Harnessing all three, ALTA President Steve Day exhibited fantastic leadership when he testified before Congress in June. He did an amazing job representing our industry, speaking with authority on how the CFPB's lack of guidance and accountability has affected our industry. You can read about his testimony in this month's cover article.

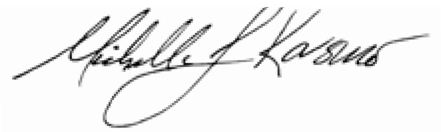
Steve highlighted how confusion around new TRID requirements left the industry struggling with implementation. While there were some "punches" thrown in the hearing, he remained calm and focused on his goal of outlining the need for a consumer bureau that provides simple and clear regulations with helpful and illustrative guidance and examples.

The way Steve handled himself illustrated how leaders must act on a daily basis when interacting with staff. Walt Disney once said, "You can design and create, and build the most wonderful place in the world. But it takes people to make the dream a reality."

Leaders understand that cultivating genuine relationships with members of Congress or your employees is important because both can be vital to ongoing success of your business and our industry.

Search online for books on leadership and you'll find over 200,000 results. There are countless examples. A title makes you a manager, but other people decide if you're a leader. Steve was called to lead.

And he delivered.



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

ALTA News

AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

Defy Convention at ALTA ONE!

Unconventional times call for unconventional solutions. Times like these call for an event like ALTA ONE, the largest and most important gathering of title insurance and settlement industry insiders in the nation. Here, you'll join the industry's thought leaders and influencers—people like you who are willing to challenge conventional wisdom and chart a bold new course for your business and our industry's future.

At ALTA ONE, you'll unite with more than 1,000 title professionals from across the nation who are embracing change to raise the bar for their businesses, protect the property rights of American homebuyers and secure the title industry's place in our nation's economy. Join us in Los Angeles Oct. 9-12 to harness change and find your competitive advantage! And don't miss your chance to stay in one of our room blocks: space is limited.

For more information, go to **meetings.alta.org/one**.

ALTA ONE

DEFY CONVENTION

October 9 - 12, 2018 | Los Angeles, CA

Beware of Phishers and Offers of Registry Data-for-Sale

Be on the lookout for phishing activities where the ALTA Registry is used as the reason to contact you. Phishers may be looking to gather information from you for illicit purposes. There is no reason why you would need to provide a third party further details about your ALTA Registry listing—other than what is already available to the public or a lender through the ALTA Registry.

Furthermore, when details must be amended or updated as part of the confirmation process, the request will always come from the Registry Management System (RMS) in an email from altaregistry@alta.org.

The only entities with authorized access to Registry data in the form of a download are lenders and their technology vendors. If you are approached by a company offering to sell you a "Title Agent Database" verified or confirmed by underwriters, please take their details and contact the ALTA Registry immediately. This data should not be offered for sale by any third party.

Always check the accuracy of our email address—fraudsters often try to fool you with a slight change to our true email and hope you won't notice. Can you spot the changes made in these two examples?

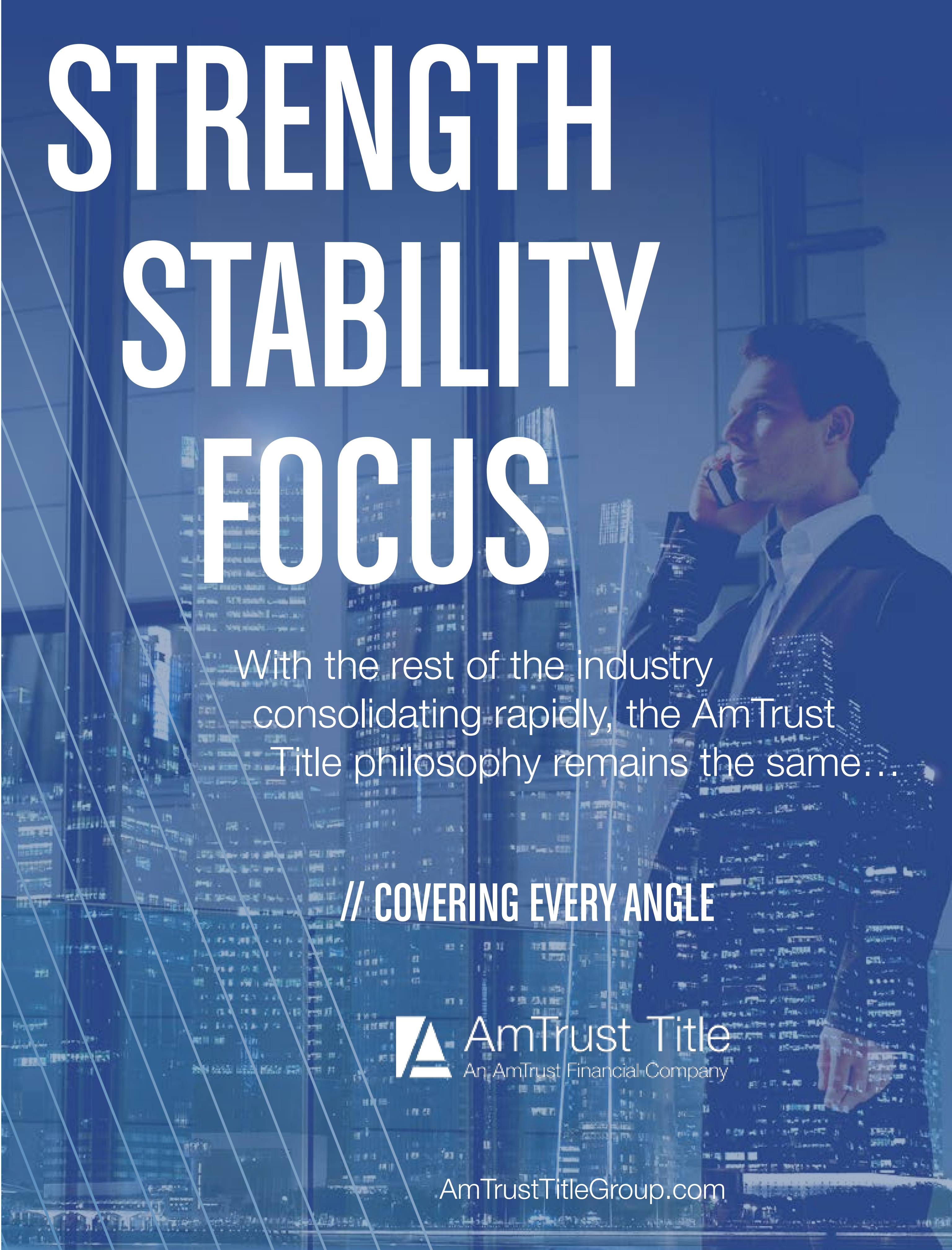
ALTA REGISTRY

altaregistry@alta.com

altaregistry@atla.org

Answers to our two email scam examples are as follows:

1. As a trade association, ALTA uses "org" as its domain suffix. In the example did you notice that the first part of the email address was correct but the scammer used ".com" as the domain suffix? Sneaky, huh?
2. This one is very tricky. The domain type is correct but here the scammer is relying on you merely glancing at the address and not noticing it's from "atla.org" and not "alta.org." Notice how the "L" and "T" have been swapped around. The bad guys spend a lot of time thinking up ways to confuse us!


STRENGTH
STABILITY
FOCUS
With the rest of the industry consolidating rapidly, the AmTrust Title philosophy remains the same…
// COVERING EVERY ANGLE
AmTrust Title
An AmTrust Financial Company
AmTrustTitleGroup.com

Is Your Company Title Webby Worthy?

Do you have a new or redesigned consumer-facing website or page? ALTA wants to see it! ALTA is hosting a brand-new awards program—the Title Webbies—to recognize ALTA member title companies and underwriters that have created or redesigned a consumer-facing website or page since October 2017.

Winners of the Best Website–Title Agents and Best Website–Underwriters will receive an award on stage during this year's ALTA ONE, registration to the conference and a digital badge for the website and company email footer!

HOP
HOMEBUYER OUTREACH PROGRAM

All entries will be judged on:

- Mobile friendliness
- Overall user experience
- Social-media integration
- Image/video use
- Content quality

To nominate an ALTA member, send images of the original website or page and the redesigned website or page to **HOP@alta.org**. All entries will be judged by the HOP Committee and ALTA staff. Any questions can be emailed to **HOP@alta.org**.

Deadline to submit Title Webby nominations is Friday Aug. 17.

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: 26
- New Associate Members: 4
- New Attorney Members: 28
- Total Members: 6,067
- 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**.

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. TIPAC has received $441,825 from 642 donors so far in 2018. Check out who has supported the industry at alta.org/tipac.

CALENDAR

2018 ALTA CONFERENCES

ALTA ONE
Oct. 9-12
Los Angeles, CA

STATE CONFERENCES

ILLINOIS
July 11-13
Peoria, Ill.

UTAH
July 12-14
Midway, Utah

MICHIGAN
July 15-17
Mackinac Island, Mich.

KANSAS
Aug. 1-4
Topeka, Kan.

PACIFIC NORTHWEST
Aug. 2-4
Coeur d'Alene, Idaho

MINNESOTA
Aug. 9-12
Breezy Point, Minn.

NEW YORK
Aug. 19-21
Bolton Landing, N.Y.

MISSOURI
Sept. 5-8
St. Charles, Mo.

COLORADO
Sept. 5-8
Vail, Colo.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In today's business, things are shifting rapidly to digital processes. Don't get left behind. Stewart is the industry's eClosing leader with the expertise and resources you can trust to help you deliver more timely and convenient transactions. When you partner with us you'll get the guidance necessary to help your business get ahead of the curve.
Get eClosing insights from watching Stewart's industry expert, Marvin Stone.
Visit stewart.com/alta2018 to watch his video.
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‘We Need a Regulator That Helps Remove the Gray’

ALTA President Testifies During Congressional Hearing on Ways to Improve Bureau of Consumer Financial Protection

HAVING TRAVELED THE COUNTRY talking with ALTA’s small and medium-sized member companies, Steve Day NTP said he’s learned a simple truth: “More information is never a bad thing when it comes to decision making.” That was one of his key messages as the ALTA president testified in June during a lively two-hour congressional hearing that addressed ways to improve transparency and accountability at the Bureau of Consumer Financial Protection.

The House Financial Services Committee Subcommittee on Financial Institutions and Consumer Credit held the hearing to help develop specific recommendations and reforms to improve transparency and accountability at the bureau. In the bureau’s April 2018 Semi-Annual Report to the president and Congress, Acting Director Mick Mulvaney expressed concerns that “the bureau’s lack of accountability to any representative branch of government should be a warning sign that a lapse in democratic structure and republican principles has occurred. This cycle will repeat ad infinitum unless Congress acts to make it accountable to the American people.”

Mulvaney outlined four areas Congress must act in an effort to establish meaningful accountability. First, he pointed to the need to fund the bureau through the Congressional appropriations process. Second, Mulvaney said the bureau director should be subject to the full power of the president’s executive authorities. Third, Congress should require legislative approval of major bureau rules. Finally, the acting director said Congress should establish an independent inspector general to oversee agency, its leadership and staff.

Blaine Luetkemeyer (R-Mo.)

Rep. Blaine Luetkemeyer (R-Mo.), who chairs the subcommittee, offered opening comments to start the hearing, saying that the bureau's mission is to "regulate the offering and provision of consumer financial products or services under the federal consumer protection laws, and to educate and empower consumers to make better informed financial decisions."

"Unfortunately, the bureau has failed to carry out its mission," he said. "The American people deserve a (bureau) that enforces law rather than creates it; and that gives power and choice back to the consumers."

In addition to Day, other panelists offering testimony included:

- Richard Hunt, president and CEO, Consumer Bankers Association
- Kate (Larson) Prochaska, director, Center for Capital Markets Competitiveness, U.S. Chamber of Commerce
- Hilary O. Shelton, senior vice president, advocacy and policy, National Association for the Advancement of Colored People
- Elmer K. Whitaker, CEO, Whitaker Bank Corporation of Kentucky

Need for Guidance and Examples

Day kicked off the testimony by saying the best step Congress can take to improve the accountability and transparency at the bureau would be to require the agency to provide the businesses it regulates with written, reliable guidance on how to comply with the law and protect consumers in real-world scenarios.

Day urged support for H.R. 5534, the Give Useful Information to Define Effective Compliance Act (GUIDE Compliance Act), a bipartisan bill introduced by Reps. Sean Duffy (R-Wis.) and Ed Perlmutter (D-Colo.) that would standardize the bureau's process of providing rules and guidance to better protect consumers. The bill would require regulators to provide more information and examples, so businesses can make better decisions and comply with the law.

"As an industry predominantly made up of small- and medium-sized businesses, we need a regulator that helps remove the gray," Day said. "We need a regulator that matches simple and clear regulations with helpful and illustrative guidance and examples. The GUIDE Compliance Act makes this part of the Bureau's DNA and we urge Congress to pass this legislation. This would help not only businesses like the ones ALTA represents, but also the consumers our members strive to protect every day."

Several members of Congress asked Day to provide examples of how the lack of guidance has affected ALTA members. He said the industry acutely felt the need for clear direction when implementing the TILA-RESPA Integrated Disclosures (TRID) rule, "where both the quality and quantity of the bureau's guidance was lacking."

At nearly 2,000 pages, the TRID rule included plenty of detail and discrete instructions for completing the mortgage disclosures. Along with regulatory text, the bureau produced more than 100 official staff interpretations. However, hundreds of questions percolated after implementation. The bureau hosted five webinars to review and respond to frequently asked questions but told industry professionals that the presentations "did not represent legal interpretation, guidance or advice of the bureau."

"This disclaimer made it impossible for industry to rely on the information provided in the webinars," Day said. "They essentially said, 'Trust us, but don't rely on us.'"

Additionally, the bureau could have provided sample completed disclosure forms for different transactions. The bureau did produce 11 sample completed disclosures. These included samples of a Loan Estimate and Closing Disclosure for a simple fixed-rate purchase and refinance mortgage loan, along with samples showing closing costs increasing in excess of the good-faith requirement. Additional examples included the issuance of a simultaneous second mortgage loan and disclosure of funds paid outside of the closing.

Samples, however, were needed for more complex transactions such as those involving construction loans, loans with specific fee limits and requirements such as those from the Federal Housing Administration and Veterans Administration, and loans on properties that required unique fees (homeowners association transfer and flood zone determination fees).

"The bureau declined to provide these mock-ups," Day said. "The rationale conveyed to us was that the bureau wanted to be flexible and not limit the industry by suggesting there was only one way to complete the disclosures. The problem with this flexibility is that the lack of examples only made it harder to make decisions. This is why we support the GUIDE Act. We need guidance that our members can rely on. We are an industry very willing to take guidance. We just need that level of certainty that the GUIDE Act would provide."

Day also took time to thank the House for passing the TRID Improvement Act, which would fix one of the most confusing requirements of the bureau's mortgage disclosure rule and a main topic of questions the agency did not address in guidance. The bill would amend the Real Estate Settlement Procedures Act (RESPA) to require the bureau to allow the accurate disclosure of title insurance premiums and discounts to homebuyers. Day urged the Senate to follow the House's lead on this important bill.

"Our industry is focused on compliance. It's the good practitioners who are being forced out," Day said. "There is a multitude of regulators and watchdogs that our industry is subject to and regulated by. Compliance is about more than protecting consumers. It also protects a company's reputation, financial well-being and employee morale."

Third-party Oversight

Another instance where additional guidance would have been helpful was when the bureau issued its bulletin on third-party service providers. The bulletin restated longstanding guidance and reminded supervised banks and non-banks that they are expected to oversee their business relationships with service providers in a manner that ensures compliance with federal consumer financial law. Unlike similar guidance from regulators, the bureau's bulletin provided little direction to banks and nonbanks.

"This lack of guidance provides businesses with many unanswered questions about how to demonstrate compliance," Day said. "Because of the bulletin, some lenders require small title companies only doing a handful of closings with them a year to follow the same processes as a large company doing thousands of closings. This uncertainty pushed some small businesses to exit the market, reducing consumer choice."

Ultimately, by not providing clear rules of the road, some lenders chose to severely limit consumers' options when selecting settlement services providers in order to manage risk. This created a conflict in states where the law limits a lender's right to restrict consumer choice.

"Confusion by our lender partners trickles down to our title entities that are just trying to proceed with settlements," Day said.

Although the bureau issued guidance in 2016 clarifying that a lender's risk-management program for service providers may be scalable depending on several factors, more is still needed—especially regarding the collision between consumer choice and vendor management.

"A more valuable guidance bulletin would provide banks and non-banks with examples of vendor-management programs based on different risks. It should highlight ways to review a potential vendor's operations, while not limiting consumer choice," according to Day. "It should note that the vendor management program should be tailored to the specific consumer risks posed by each type of vendor. Additionally, the bureau could call out companies with good vendor management programs in its supervisory highlights publication."

Rep. David Scott (D-Ga.)

Bureau Structure

While everyone agreed there's a need for the bureau, the majority of the hearing debated the agency's structure. All of the panelists except for Shelton championed a five-person commission versus the current single director.

Rep. David Scott (D-Ga.) encouraged support for H.R. 5266, which would transition the governance structure of the bureau from a sole director to a five-person, bipartisan commission. He said the current debate was caused by a structure that shifts with administrations. Co-sponsors of the bill include Scott, Dennis Ross (R-Fla.), Kyrsten Sinema (D-Ariz.), Ann Wagner (R-Mo.), Luetkemeyer, Vincente Gonzalez (D-Texas) and Patrick McHenry (R-N.C.).

"If you want stability and accountability, that has to come from the entity that birthed it," Scott said. "We did this in Congress. We must reclaim our position of responsibility and bring back accountability. We can come together with this legislation and do it the way it should have been in the first place."

Hunt pointed out how dramatic political shifts caused by changes in presidential administrations make it difficult for the financial services industry to plan for the future, which ultimately stifles innovation, limits access to credit and hurts consumers.

"A bipartisan commission would bring more certainty and stability to the highly regulated financial services marketplace so that banks can properly plan for the future and better serve consumers," he said. "A commission would also bring much-needed transparency to the (bureau) as it would provide an open forum for dissenting voices and viewpoints from multiple stakeholders. A sole director can unilaterally make decisions, oftentimes behind closed doors and without public debate. Alternatively, a commission structure would require open debate of opposing ideas, viewpoints and solutions, encouraging both sides to work together to come to moderated rulemakings that can better stand the test of time."

Digital TitleNews Extra: ALTA President Steve Day Testifies Before Congress

ALTA commissioned a poll last year with the Consumer Bankers Association and Independent Community Bankers of America that found 58 percent of registered voters in key battleground states believe the bureau should be run by a bipartisan commission.

"Commissions help ensure that minority viewpoints have a strong voice during the regulatory process," Day said. "Experience demonstrates that a commission lends itself to better collaboration between regulator and industry. We can see good examples of this collaboration at other financial regulators, such as the Federal Deposit Insurance Corporation, the Federal Reserve Board and the National Credit Union Administration. Commissions also help ensure that an agency's leadership better reflects the industry and consumers it serves." ■

Technology that Makes Sense for the Digital Mortgage Closing Community

By Andy Crisenbery

Over the past several years, the mortgage industry has diligently worked toward the development and implementation of digital mortgage capabilities. While most lenders have made progress with these solutions at varying levels, and have been helped along by innovative partners and advancements in technology, others are still looking for the right path. There's little doubt that a fully digital mortgage process is in our future, delivering a better user experience to consumers, efficiencies across the mortgage continuum and quality improvements to the associated loan data.

Most mortgage lenders have some sort of road map to implement a fully digital mortgage process, but in some cases, they may have critical relationships with a variety of external companies and regulatory entities that are not ready. Getting to a place where a fully digital mortgage is possible ultimately means that all entities that touch a mortgage must be able to seamlessly interact—lenders, customers, settlement providers and investors, as well as the technologies they rely upon.

A primary opportunity in creating the digital mortgage process is in the closing phase. There are certainly a variety of digital closing solutions on the market today, offering a range of capabilities, such as allowing customers to review documents electronically, and to e-sign documents when appropriate. The question is not whether an e-close can be done, but rather, what questions must be asked and answered for it to be deployed successfully across the industry.

The E-close

Today, e-close solutions electronically deliver loan documents to settlement services agents who then print the loan documents for borrowers to physically sign (wet signature), or when allowable and appropriate, enable the borrower to e-sign their loan on a computer. Of course, there are a fair number of hurdles that must be crossed to determine whether an e-closing is appropriate, and, if so, the type of e-close that should be used.

First, there are "yes/no" questions that must be answered. Does the consumer want to do an e-closing transaction? Does the settlement agent want to do it electronically? Does the county allow e-recording? Does the county support e-notarization? Will the title underwriter agree to this method of closing? Has the investor approved the lender to sell them e-notes? Will the investor accept it? If the answer is yes to every question, a full e-closing is indeed possible.

The settlement management process must be compliant with all ESIGN (Electronic Signatures in Global Commerce and National Commerce Act) and UETA (Uniform Electronic Transaction Act) rules to make an e-closing valid. In addition, recordable documents that must be notarized may require a wet signature in some jurisdictions, though electronic notarization options do exist. While a full e-closing is possible from a technology perspective, only a small segment of the population can utilize these capabilities today. It is encouraging, however, that we are seeing increased interest in moving more mortgage lending transactions to the e-close approach.

The Hybrid E-close

Until a full digital close transaction is accepted universally, it's possible to leverage a hybrid closing solution. A hybrid e-close is one that takes part of the closing package and presents it to borrowers electronically, allowing them to receive, review and possibly e-sign parts of their loan package sooner. In this way, the lender can make any necessary changes ahead of the closing date to help avoid delays in executing the loan.

From a settlement agent perspective, the big benefit of the hybrid e-close is version control. There is a full audit trail of what the borrowers have viewed and signed, and any changes that are needed must be routed back through the settlement agent for handling. Information remains more secure since there is no paper going back and forth between consumers and their settlement agent, and the integrity of the data is protected since the loan package remains fully electronic until the time comes for closing.

In addition, a hybrid e-closing solution monitors and reacts to the activities—or lack of activity—of consumers. For example, if borrowers fail to indicate that they have reviewed their electronic loan package within a specific time frame, the system automatically prints and sends the loan package to the borrowers via a signature-required delivery service.

When the time comes for closing, if borrowers have either opted out of the electronic closing—or they haven't registered and picked up their electronic loan documents—the system will revert to a wet-sign document environment and print out the entire loan package for the settlement agent. On the other hand, if borrowers have accessed their electronic loan package and reviewed and e-signed the necessary parts, the system will only print out the few documents that may still need a wet signature. The settlement agent doesn't have to make any decisions about what to do—the system automatically makes the right choices for them.

An Agnostic All-In-One Digital Closing Solution

Perhaps the most significant advancement for the mortgage industry is closing technology that enables lenders to assign a paper, hybrid or fully electronic closing as appropriate for each loan—all through a single system. Even more beneficial to the industry is the fact that advanced closing technology can be completely agnostic to the loan origination system lenders use, as well as to which document vendor or other service providers they work with. These choices, which are made primarily by the lender, have no bearing on the performance or effectiveness of a closing solution. With advanced closing technology, consumers and settlement agents access closing information through a secure portal protected with two-factor authentication or through integration with their own source systems.

Right now, lenders must have multiple options available to accomodate investor, county recorder and consumer closing requirements. The technology that enables lenders to easily choose the appropriate closing type will also enable them to shift to digital as quickly as other factors allow.

From a settlement agent perspective, there are no new processes to adapt to and there is no new technology to purchase or install. Closings can continue to be done the way they are done today. The only difference for settlement agents is in the size of the loan package that is automatically printed out when it's time to go to the closing. Settlement agents do not have to make any decisions or change anything in the way they conduct their business.

For example, if it is a traditional paper closing, the settlement agent will simply print the loan documents and take them to the closing. Of course, if a hybrid e-close is being conducted, a much smaller number of loan documents will be printed and taken to the closing. And in the event of a full e-close, no paper at all will be printed. When all is said and done, settlement agents could see anywhere from $25 to $40 in savings per closing, depending upon the closing type.

For lenders, full e-close and hybrid e-close options are clearly the better way of conducting a closing, especially because of the version control and increased efficiency that is inherent to these types of systems. But, right now lenders must have multiple options available to accommodate investor, county recorder and consumer closing requirements. The technology that enables lenders to easily choose the appropriate closing type will also enable them to shift to digital as quickly as other factors allow, with minimal change to their internal and operational processes. In the meantime, regardless of which closing method is chosen, lenders, settlement agents, and investors need to have complete confidence in the integrity of the loan package and the closing process.

Normalizing the Settlement Services Environment

What's needed now is a progressive solution that focuses on operationalizing the settlement services environment. This means that settlement providers can interact with lenders and borrowers to complete closings, regardless of the technology lenders use. Instead of trying to integrate with every loan origination solution on the market, settlement providers can instead focus on the job they know best—without having to learn new technology, change their processes, or in any way disrupt how they do business.

These are the kinds of essential benefits the industry needs, especially with few-to-no changes required for settlement agents. By seamlessly enabling e-closings, hybrid e-closings and traditional paper closings based on borrower preferences (and the requirements of other closing participants such as local notaries), settlement agents can have everything they need to remain efficient, responsive and in touch with changing consumer preferences. This is the approach that makes the most sense, and it not only works—but helps everyone in the mortgage closing process.

ANDY CRISENBERY *is senior vice president and managing director of eLending Solutions at Black Knight. He can be reached at exec.author@bkfs.com.*


Step One...
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ALTA ADVOCACY SUMMIT™

ALTA Advocacy Summit: 'Your Story Matters'

Nearly 250 Title Professionals Advocate on Behalf of the Industry

REAL-LIFE EXAMPLES AND STORIES CREATE LASTING IMPRESSIONS, so when there's debate about the benefit of title insurance, legislators remember what you shared and how your actions protect them and their constituents. Nearly 250 ALTA members took advantage of the opportunity during the 2018 ALTA Advocacy Summit, holding more than 200 meetings on Capitol Hill advocating on behalf of the industry.

The main purpose of the meetings on Capitol Hill was to encourage the Senate to pass the TRID Improvement Act. This bipartisan legislation passed the House unanimously and requires the Bureau of Consumer Financial Protection Bureau to amend the TRID rule to allow the disclosure of the actual costs of loan and owners' policies.

In the House, attendees asked members of Congress to co-sponsor H.R. 5534, the Give Useful Information to Define Effective Compliance (GUIDE Compliance) Act. This bill, which was introduced by Reps. Sean Duffy (R-Wis.) and Ed Perlmutter (D-Colo.), requires the bureau to set up a process to issue formal and reliable written guidance to title companies and other financial companies within the sphere of the bureau's regulatory influence. There also were plenty of discussions on what can be done to raise awareness of wire fraud.

"ALTA's advocacy work creates a legacy for our industry, since the decisions made by Congress and regulators will affect our members' day-to-day businesses," said Michelle Korsmo, ALTA's chief executive officer. "Our goal was to help Congress understand how title professional lead, deliver and protect. We did this by making it personal—by sharing our stories and making connections with policymakers that they will remember, and, it is our hope, that it will move policy positions."

French Hill: Your Story Matters

Speaking to more than 225 attendees during the 2018 ALTA Advocacy Summit, U.S. Rep. French Hill (R-Ark.) explained why it's important for members of Congress to hear stories from title professionals about how they protect property rights for consumers.

"Your story matters," Hill said. "It's the stories that take an arcane topic and make it relevant to members of Congress because it shows how their constituents are affected."

Hill complimented U.S. Sen. Mike Crapo, chairman of the Senate Banking Committee, for his effort in getting Congress to pass S.2155, a bill that rolls back some of the regulations of the 2010 Dodd-Frank Act. The House passed the bill by a bipartisan vote of 258 to 159. President Trump signed the bill into law on May 24.

"The regulatory relief bill was the product of compromise," said Hill, who voted for the bill. "Crapo did an outstanding job crafting a bill that changes Dodd-Frank in a positive way."

Several bills were rolled into Crapo's bill except for Hill's sponsored TRID Improvement Act (H.R. 3978), which would amend the Real Estate Settlement Procedures Act (RESPA) to bureau to allow the accurate disclosure of title insurance premiums and discounts to homebuyers. The House had passed H.R. 3978 by a vote of 269-143.

While Hill's TRID bill was not included in S. 2155, he said the TRID Improvement Act could be included in a second round of bills, adding that there's support from Democrats.

According to Hill, one item not tackled yet is reform of the government sponsored entities (GSEs).

"There has been no progress toward moving the GSEs out of the conservatorship," Hill said. "The GSEs have tiptoed into products that compete with the private sector. We need to get the system reformed and back on track. Hopefully, we can get consensus on a path forward."

Mulvaney: RESPA Enforcement Will Continue

Speaking at ALTA's 2018 Advocacy Summit, bureau Acting Director Mick Mulvaney said that while the agency is focused on changing its culture, enforcement of consumer regulations—including the Real Estate and Settlement Procedures Act—would continue.

In order to set a new tone, Mulvaney said he reviewed the statute and is focused on what it says. The first step is calling the bureau by what it's called in the Dodd-Frank Act—which is the Bureau of Consumer Financial Protection, not the Consumer Financial Protection Bureau. While Mulvaney is focused on adjusting the bureau's priorities, he also said he's not "going to burn it down."

"We are working hard to make sure we tell you what the law is before enforcing it," he said. "Regulation by enforcement is gone. We will continue to enforce the law—including RESPA—in a way that is more even-handed instead of pushing the envelope."

Mulvaney added that the bureau will enforce laws and protect consumers from abusive acts, but at the same time, ensure that regulations are enforced consistently, while outdated burdensome regulations are removed.

"We are not going to enforce things that aren't in the statute," he said.

Mulvaney became acting director of the bureau on Nov. 25, 2017, following Richard Cordray's departure. He can only serve in this role for six months. His tenure would have expired June 22, but President Trump nominated Kathy Kraninger as his a successor. Mulvaney can stay in office until Kraninger's nomination is confirmed or denied. This process could leave Mulvaney in office for the remainder of the year.

"I'm focused on instilling principles that the next person can follow since I'm not here permanently," he said.

The Man the White House Wakes Up To

During the general session, Mike Allen, one of Washington's most influential and well-connected journalists, offered a non-partisan, energetic and up-to-the-minute insider perspective on political issues, the Trump administration, the Republican Congress and how to build a business in an unsteady economy.

Allen said the top thing President Trump has done so far in his presidency is improve business and consumer confidence. In regard to national security and foreign policy, Allen said Trump "has been between the 40-yard lines of what others would have done." Based on Gallup polling data, President Trump commands the second-highest "own party" approval rating of any president at the 500-day mark since World War II, behind only President George W. Bush, after 9/11.

Described as the "man the White House wakes up to," Allen co-founded POLITICO and is known as the brains behind POLITICO's Playbook, the must-read daily dispatch of political news, and Morning Money, which gives readers insight into the intersection of Washington and Wall Street. He has since gone on to co-found Axios, a company delivering news and insights on politics, business, media and tech.

"From having spent time behind the scenes with these guys, I've come to learn that when you come and talk about your experiences, it makes such a difference," Allen told Advocacy Summit attendees.

2017 ALTA TIPAC Awards

ALTA honored individuals and entities for their efforts in helping to raise a record amount of donations in 2017 for the Title Industry Political Action Committee (TIPAC).

Rich Griffin and David Townsend.

"We are proud to present these awards in honor of the title professionals who understand the commitment to making TIPAC stronger each and every year," said David Townsend NTP, chair of ALTA's TIPAC Committee. "It's not just strength in our dollars, it's strength in our numbers who believe in what TIPAC does."

- Top Underwriter Award: Fidelity National Title Group was recognized as the underwriter that raised the most money from its employees in 2017. Accepting the award on behalf of Fidelity National Title Group was Erika Meinhardt. Last year, Fidelity raised $127,428 from 257 contributors. In 2018, the company already has raised $126,380 from 237 employees.
- Top Mid-Cap Underwriter Award: North American Title Insurance Co. was recognized as the mid-cap underwriter that raised the most money from its employees in 2017. Accepting the award on behalf of North American Title was Rich Griffin. Last year, North American Title raised $8,900 from 27 contributors. So far this year, the company has raised $7,550 from 13 contributors.
- Top Agent Award: Land Title Guaranty Co. in Colorado was recognized as the agency that raised the most money from its employees in 2017. Peter Griffiths of Land Title Guarantee accepted the award. Last year, the company raised $28,735 from 65 contributors from their employees. So far this year, the company has raised $6,850 from six contributors.
- Outstanding State Trustee Award: Marianne Mathieu of Fidelity National Title Group in New York. This award goes to the person who increased their state's contribution totals the most in 2017. In 2016, Mathieu raised $17,035 from 50 contributors. In 2017, Mathieu increased that amount to $24,311 from 68 contributors.

TAN Members Honored

TAN Chair Charlie Gray and Bob Treuber, executive director of NYSLTA.

Several members of the Title Action Network (TAN) were honored during the 2018 ALTA Advocacy Summit for advocating on behalf of the title insurance industry.

Those receiving Outstanding Advocate Awards were Joe Powell, Marianne Mathieu and Ted Werner, all of Fidelity National Title Group. Charlie Gray, chair of TAN, said these industry leaders were honored for promoting ALTA's advocacy agenda by consistently responding to alerts and supporting TAN's efforts. All three have conducted TAN membership drives and advocated for the use of TAN in their states.

Meanwhile, the New York State Land Title Association (NYSLTA) was recognized for having the highest response rates in the country on both state and federal TAN alerts. Accepting the award on behalf of the NYSLTA was its executive director, Bob Treuber (on the right in picture with Charlie Gray).

Where Does Trump Administration Stand on Financial Regulations, Enforcement, GSE Reform?

During the 2018 ALTA Advocacy Summit, ALTA CEO Michelle Korsmo led a question-and-answer session with Andrew Olmem, special assistant to the president for financial policy. Olmem shared insight on topics ranging from financial regulations and GSE reform to inconsistencies in regulatory enforcement and fintech innovation.

Q: Within two weeks of being sworn into office, the president established a set of core principles for regulating the financial system. What are those core principles? How is the Trump Administration working to implement them?

A: They shed a lot of light of the strategy toward financial services. It's different than other policy issues because of the nature of various agencies. For financial services policy, most of direct authority is with independent agencies and those appointments roll off over time. On day one, you have little direct control of the issues We studied the financial regulation. We have had an unprecedented amount of regulation. It's remarkable to me there's never been a pause to figure out which regulations need extended and which need to be undone. Not only to make sure existing regulations have been scaled appropriately for small- and medium-sized entities, but also to keep the regulatory structure updated to work for the current environment. The world has changed since the financial crisis. Technology is always changing financial markets and how companies service customers. Regulation needs to keep up with changes to make sure there's proper oversight and make sure regulation doesn't stifle innovation to foster economic growth and serve customers.

Q: Can you talk about the administration's view of enforcement and oversight as it relates to regulatory bodies you oversee?

A: Our general philosophy is that we believe when there are clear violations of the law and fraud, enforcement should be swift. We want to make sure we have a regulatory system that's fair and those who are compliant don't find themselves at a competitive disadvantage. We want regulators with good judgment and those who understand when an enforcement action is necessary.

Q: What steps is the administration taking to reform the government sponsored entities and fix our housing finance system given the lack of congressional action?

A: It's probably one of the most difficult issues out there. It's not the healthiest thing for the marketplace, but the GSEs have been more durable than people expected. At the same time, at some point we need a system where government doesn't play such a dominant role. How we approach GSE reform still being discussed. There's no majority for any particular path, but there's a super majority that believe in the concept of reform.

2018 ALTA Advocacy Summit

To view more photos, go to flickr.com/photos/altaonline


ALTA
ADVOCACY
SUMMIT

THE ALTA REGISTRY: Helping Lenders Reduce Risk, Protect Against Wire Fraud and Other Scams

Online database eliminates the 'human-error' headache and alleviates compliance burdens

SOME MYSTERIES NEED TO BE SOLVED IMMEDIATELY. Valuable time and resources are lost as multiple calls are made and emails are sent to identify and confirm that title and settlement agents and/or real estate attorneys are who they say they are. And what if the so-called "title agent" is actually a scammer? Contacting the wrong person can lose you tens or hundreds of thousands of dollars! However, a single source of truth about key participants in mortgage transactions is available to the lending community.

A first of its kind for the industry, the national ALTA Registry is a searchable, online database containing title insurance underwriter-confirmed information about title agents, underwriter direct offices and real estate attorneys. It assigns a unique identification number—the ALTA ID—to each one for precise credentials.

Everybody Benefits

By using the ALTA Registry, lenders know they are working with the correct company. Agents supply their names and contact information, then underwriters confirm the agent documentation before it's published in the ALTA Registry. Underwriters provide their own contact details, which also are housed in the Registry. If the agents' or underwriters' details provided cannot be confirmed, the company does not get listed in the Registry. Additionally, underwriters must promptly update the Registry when a business relationship ends with an agent or attorney. This process provides lenders with a trusted utility to identify transaction partners.

No underwriter confirmation = No ALTA Registry Listing

A unique seven-digit ALTA ID number is automatically assigned to each new Registry record. The number is permanent and never changed, reassigned or reused. ALTA IDs are available for free to title agents and real estate attorneys. Even branch offices can have their own ALTA ID numbers.

Individual ALTA Registry records can be searched online at .altaidregistry.org. Alternatively, lenders can download the entire Registry in Microsoft Excel of XML format. Downloading the Registry can facilitate reconciliation with a lender's own data. The Registry is updated daily, so lenders can search for a record as often as needed. The ALTA Registry records reside in a secure data center in northern Virginia.

The ALTA Registry benefits almost everyone concerned with the mortgage process. Lenders benefit from the timeliness and accuracy the ALTA Registry provides. With a single source of confirmed agent data, lenders no longer must use Google Maps and guess work to locate and confirm that an agent exists. The ALTA Registry also ends the relationship opaqueness that has always existed between agents and underwriters: Lenders now can see immediately which underwriters and agents are connected and how to contact them. Maintaining contact information in a central location means data is easier to verify. Additionally, lenders can obtain underwriter letters of good standing much more quickly. It is this centrally managed transparency to the underwriter that also will prove essential when anti-money-laundering red flags are suspected, and immediate and confidential verifications are necessary.

Finally, not only is an agent's identity easier to confirm accurately with the ALTA Registry, it's also painless for an agent to prove. Because contact details are controlled centrally, lenders confidently can confirm details when wire fraud, a scam or any other problem is suspected.

"Lenders need confirmation as early as possible in the transaction that they are doing business with the correct title and settlement company and/or real estate attorney. The ALTA Registry helps lenders provide clarification and transparency in the real estate transaction," said Michelle Korsmo, ALTA's chief executive officer. "Mortgage lenders, title insurance agents, real estate attorneys, title insurance underwriters and other participants in the real estate closing process must be able to identify each other and communicate in a timely and consistent manner throughout the mortgage transaction."

Speed and Oversight

In fast-moving transactions, new title and settlement agents quickly can become engaged in lenders' business processes. At very short notice, a new vendor can come under a lender's "umbrella of responsibility." This is the dilemma of the borrower-selected supplier. Despite this scenario, lenders are still expected to perform due diligence and satisfactory oversight of any title agent, including those that "just appear" on their radar. As transactions move through production, the identification and agent confirmation process can be lengthy, manual and time consuming. The ALTA Registry enhances this process and consequently speeds up the whole mortgage experience.

By taking advantage of the online ALTA Registry, a lender will spend only seconds checking the validity of an agent's identity, rather than tying up valuable resources and consuming days trying to contact someone via multiple phone calls or emails, cross-referencing document information for final approvals, the release of funds, and/or consumer NPI. The ALTA Registry offers all the key information lenders need—in one place—to accurately identify agents. The Registry also provides information on who to contact for authorizations and, when necessary, to resolve issues.

The Human-Error Headache

In addition to expediting the mortgage-lending process, utilizing the ALTA Registry helps prevent scams and reduce other risks, such as human error and status changes. Human error can be a rather large obstacle. Typos and misspellings are common, as are short cuts, unofficial abbreviations and slang. Also, title and settlement agents, like many businesses, often have similar names. It is easy to get them confused. But if each agent has a unique ALTA ID number, these dilemmas won't turn into chaos. For example:

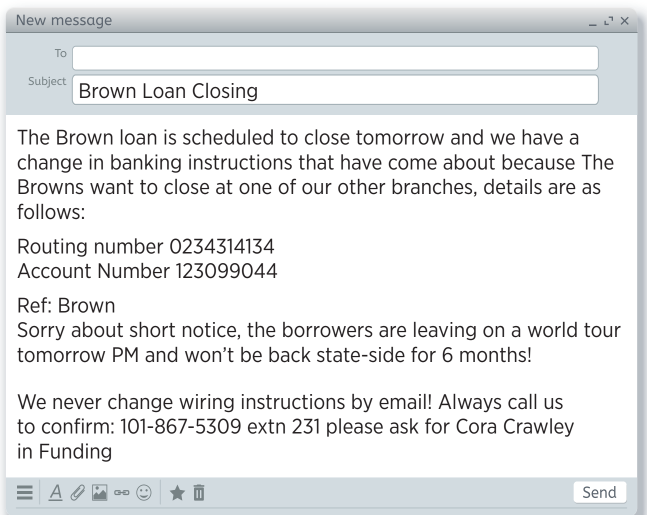
Agent's Name	ALTA ID
Absolute Title & Escrow, LLC	1021429
Absolute Title of Central Florida	1155387
Abstract Title Services, LLC	1058562

It can take many hours of online searches, phone calls and emails to verify an entity's identity and role in the transaction. (Did you want Absolute Title? Maybe – but which one? Or Abstract Title? Perhaps – that sounds similar, too!) But with the ALTA Registry and ALTA ID, the human-error headache is a thing of the past!

Sometimes an issue might not even seem like a complication until it's too late. For example, the ALTA Registry provides lenders the ability to track agent status changes between an origination and closing. If the selected agent has relocated or gone out of business, loan packages may not be mailed to the appropriate address, and any orders in which the agent is involved could be put on hold or canceled. The ALTA Registry also helps reduce fraud and pinpoints instances when an agent continues to issue policies after their relationship with an underwriter has ended.

Wire Fraud Countermeasure

A hot problem seen in the news lately are wire fraud scams. Whether scammers try to hook their prey by phone call or email, they always seem very convincing. For example, what would happen if a loan processor received an urgent email asking to change funding details on the day of closing? The request appears to be from the title or settlement agent closing the loan. The email looks legitimate: The logo, the agent's name and contact details, the loan number and the borrower name are all correct. Even a phone number is provided to confirm the last-minute change. However, the email is actually a scam! Even though every other detail looks correct, the phone number routes to the scammer. See illustration:


New message

To

Subject Brown Loan Closing

The Brown loan is scheduled to close tomorrow and we have a change in banking instructions that have come about because The Browns want to close at one of our other branches, details are as follows:

Routing number 0234314134
Account Number 123099044

Ref: Brown
Sorry about short notice, the borrowers are leaving on a world tour tomorrow PM and won't be back state-side for 6 months!

We never change wiring instructions by email! Always call us to confirm: 101-867-5309 extn 231 please ask for Cora Crawley in Funding

Send

By using the ALTA Registry—the single source of truth—a lender simply could look up the agent's actual underwriter-confirmed contact details. Comparing the phone number in the email with the contact details listed in the ALTA Registry immediately would set off a red flag that something was wrong. In this scenario, the scammer could not have broken through the lender's line of defense.

Cut Downtime and Get Back on Track

The ALTA Registry improves the accuracy and efficiency of the mortgage process. Time is valuable. If a lender wants to verify company information at the last minute before a closing, the process can be stalled for days. However, having an accurate ALTA Registry database right at your fingertips cuts that downtime considerably and keeps the lending process on track. When complications do occur, the ALTA Registry allows issues to be resolved and agents to be validated earlier in the transaction, while the loan is being processed instead of right before closing.

Additionally, ensuring consistency from one database to another is a huge problem. A title agent may provide one version of its name to an underwriter; however, the same agent may be entered differently with another underwriter. Factor in any information stored by lenders, and one title agent's information may be entered several different ways in various databases. And that doesn't even cover poor data input, which can include typos or unofficial abbreviations. For example:

	Actual company legal entity name	Underwriter's agency agreement	Title agent's nickname	Lender's pipeline	Lender's vendor database
Manual Data Input	Brad Stock's Title Insurance Company Incorporated	Brad Stocks Title Insurance Company Incorporated	Bradstocks Title	Bradstocks' Title Company	Bradstocks Title Co, Inc
ALTA ID	2345698	2345698	2345698	2345698	2345698

The ALTA ID is the one constant among all these types of companies, standards, regulations and processes. It is the "missing link" to accurately identifying title and settlement agents and real estate attorneys. Documenting a company by name only is fraught with risks, as discussed previously. These risks lead to errors and confusion, which, at best, lead to mistakes, and, at worst, fraud. When nothing is straightforward, the ALTA ID and ALTA Registry put order to the chaos.

Third-party Oversight

The Office of the Comptroller of the Currency (OCC) (https://www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html) requires banks to practice effective risk management regardless of whether the bank performs the activity internally or through a third party. According to the OCC, banks are expected to practice effective risk management regardless of whether the bank performs the activity internally or through a third party.

In 2012, the Consumer Financial Protection Bureau issued a bulletin (https://files.consumerfinance.gov/f/201204_cfpb_bulletin_service-providers.pdf) reminding banks about their responsibility to perform regular due diligence of third-party vendors, including the title and settlement agents utilized to close transactions. With increased regulatory oversight, higher costs and increased focus on overall quality—including the quality of vendors' policies and procedures—vendor management has become one of the most critical parts of the compliance enterprise.

The ALTA Registry serves as a critical compliance tool as third-party vendor management has evolved. Having access to one source of information about your settlement providers makes it easier to conduct your due diligence and ongoing monitoring.

Why Wait? Encourage Your Lender Clients to Subscribe Today

The ALTA Registry bolsters lenders' third-party oversight and monitoring processes. It can help create bigger, stronger defenses and support regulatory compliance obligations. Because there has been no unique ID number used across the industry to help match provider records in different databases, communication often has been difficult and costly for the title industry and its customers. This is especially important with new regulations driving vendor oversight requirements and the need for collaboration. Choosing to join the Registry can help lenders speed up the mortgage-lending process, decrease risks and become more efficient. Check out www.alta.org/registry or contact ALTA Registry staff at altaregistry@alta.org or 855-618-2582.

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Bureau Won't Appeal Borders & Borders RESPA Decision

Acting Director Says Companies Should Know Rules of the Road 'Before We Come After You'

THE BUREAU OF CONSUMER FINANCIAL PROTECTION HAS DECIDED not to appeal a 2017 decision by a federal judge who ruled that Kentucky-based law firm Borders & Borders did not violate the Real Estate and Settlement Procedures Act (RESPA).

While the Bureau decided not to appeal the decision, Acting Director Mick Mulvaney cautioned the industry against presuming he agrees with everything in the district court's opinion.

"In fact, I do not," Mulvaney said. "My decision was based on several factors, not all of which were related to my evaluation of the district court's opinion. I want you to know that the bureau will continue to enforce section 8 of RESPA when it encounters unlawful conduct that undermines the fair and transparent functioning of the market for real estate settlement services or disadvantages businesses operating lawfully."

Speaking during ALTA's Advocacy Summit in Washington, D.C., Mulvaney told attendees they have the right to know what the law is "before we come after you."

"We are working hard to make sure we tell you what the law is before enforcing it," he added. "Regulation by enforcement is gone. We will continue to enforce the law—including RESPA—in a way that is more evenhanded instead of pushing the envelope."

In past public statements, Mulvaney had indicated that the bureau's reading of RESPA in the PHH case was regulation by enforcement that he was looking to end. Mulvaney did not state, however, that the case against Borders & Borders was regulation by enforcement or depended on a novel interpretation of RESPA.

U.S. District Judge Charles Simpson of the Western District of Kentucky ruled last year that Borders & Borders qualified for RESPA's safe harbor provision, which shelters "affiliated business arrangements" if they are disclosed to the consumer being referred to the partner company.

In October 2013, the bureau filed a lawsuit accusing Borders & Borders of illegally paying kickbacks for real estate settlement referrals through a network of shell companies. The bureau alleged Borders & Borders operated nine joint ventures with the owners and managers of local real estate and mortgage broker companies. The bureau said the law firm used the joint ownership to disguise illegal kickbacks as legitimate profit sharing. The complaint alleged that when a local real estate or mortgage broker company with a pre-existing arrangement referred a homebuyer to Borders & Borders for closing or other settlement services, the law firm would arrange for the title insurance to be issued by the corresponding joint venture. The profits from the joint venture then would be split between the joint venture's owners: the Borders principals and the referring real estate or mortgage broker.

According to the bureau, the nine joint ventures were not bona fide entities and did not have their own office space, email addresses or phone numbers, and all nine companies shared a single independent contractor who was also an employee of Borders & Borders. The bureau alleged each company only issued title insurance policies for homebuyers who had been referred by Borders & Borders and did no advertising to attract other business. The companies performed no substantive title work, all of which was instead performed by Borders & Borders staff.

Simpson, however, said Borders & Borders "gave its customers timely disclosures when it referred title insurance work to the Title LLCs."

OLD REPUBLIC TITLE

MYTH: AFTER MARRIED COUPLES, SINGLE MEN REPRESENT THE LARGEST GROUP OF HOMEBUYERS.

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OLD REPUBLIC INSURANCE GROUP

Industry Update

New Scheme Asks Company to Verify Account Info Before Funding

Fake email Title and escrow companies should be aware of a new email scheme attempting to garner company banking information.

Bill Burding NTP, executive vice president and general counsel for Orange Coast Title Co., reported that staff at his company received an email from one of their banks asking for verification of account information before funding a file. The email said the buyer's lender required the information from the title company's bank.

Employees noticed red flags such as different font sizes and bolded words. In addition, the bank reference letter asked for information that its bank would already have, such as the account number, signors' full names and the legal entity that owns the account.

"It's the keys to the castle if they are able to get this information," Burding said.

What You Should Do

If you receive an email requesting such information, call the bank and don't respond by email. According to Burding, when his staff contacted the bank, they were told the email was phony, and that they would never ask for this type of information via email.

Westcor Unveils New Website

Westcor Land Title Insurance Company announced the release of a new redesigned website that offers quick and easy access to company information and online tools. It also offers agent testimonials, blog posts and links to Westcor's affiliate companies.

The new website has a clean and uncluttered design, improved functionality and all new content focused on the company's culture. Created with the user experience in mind, the website has been designed using the latest technology so the site is compatible with today's browsers and mobile devices.

"We are excited about the new website launch," said Mary O'Donnell, Westcor's CEO and president, "The new site will allow our visitors to better understand our culture and position in the marketplace."

South Carolina Governor Signs Cybersecurity Bill into Law

South Carolina passed a cybersecurity bill that requires insurers to establish a "strong and aggressive" program to protect companies and consumers from a data breach.

The bill was passed by the state's General Assembly on April 18 and signed by Gov. Henry McMaster on May 3.

The law creates rules for insurers, agents and other licensed entities covering data security, investigation and notification of breach requirements. This includes maintaining an information security program based on ongoing risk assessment, overseeing third-party service providers, investigating data breaches and notifying regulators of a cybersecurity event. Other provisions in the new law include:

- **Protecting consumer information:** Safeguarding individual insurance policy holder's personal information is a high priority in the wake of several major insurance companies' data breaches.

- **Establishing data security standards:** Requires insurance companies to mitigate the potential damage of a data breach. The law applies to insurers, insurance agents and other entities licensed by the South Carolina Department of Insurance.
- **Strong protection and quick reaction:** Requires insurance companies to develop, to implement and to maintain a secure information security program, investigate any cybersecurity events and notify the South Carolina Department of Insurance of such events immediately.

The law requires a company to notify the insurance department within 72 hours after determining a cybersecurity event occurred. The company—or an outside service provider—must also investigate each incident to determine the scope of the breach, the nonpublic information compromised and the measures to restore the security of the company's information system.

South Carolina is the first state to pass a measure based on the model law developed by the National Association of Insurance Commissioners Cybersecurity (EX) Working Group. South Carolina Insurance Director Raymond Farmer chaired the group.

California-based Real Estate Firm Acquires 50 Percent of OnTitle

California-based real estate company Home Bay has purchased a 50 percent interest in OTC National LLC (OnTitle), a settlement services company with escrow and title insurance licenses in 31 states.

For real estate listings, Home Bay generally charges $2,000 to $3,500 to facilitate a sale rather than a 3 percent commission. On the buy-side, Home Bay rebates back half of the commission to the buyer. The company offers real estate services for a flat fee in Florida, Georgia, Illinois, Texas, Colorado and California.

With the new acquisition, OnTitle will provide resources to the Home Bay family of companies. From within its platform, Home Bay will integrate escrow services and issue title insurance policies. Based in Pennsylvania, OnTitle's centralized processing center is in Orange County, Calif.

"Our investment in OnTitle gives our consumers a streamlined process and optimum experience," said Ken Potashner, chairman and CEO of Home Bay. "We're now the one-stop-technology-shop for brokerage, title and escrow. Home Bay is quickly working its way into the full value chain to capture all affiliated services associated with a real estate transaction."

Title Alliance Forms New Joint Venture

Title Alliance announced the launch of Title Alliance Partners of Ohio. This announcement comes after the appointment of Jason Bryant as regional operations manager for Region 5.

Title Alliance Partners of Ohio is a multi-member joint ventured title and escrow agency working with and servicing real estate agents from multiple companies. The company officially launched in early May 2018.

Title Alliance Partners of Ohio is managed by Tina Slutz, who has been with the Title Alliance family for over six years. Slutz is a member of both the Women's Council of Realtors and Stark County Association of Realtors.

PropLogix Now Offers Tax Certificates

PropLogix announced it now offers a tax certificate service that provides information on taxing authorities and jurisdictions. This includes assessment details and a summary of current tax year amounts owed, as well as exemptions.

This gives a buyer a complete picture and knows exactly what they're walking into, according to PropLogix. In addition, the certificate discloses any delinquent taxes, penalties, interest, and any other known costs and expenses due to the collecting authorities.

Bank Shot Enables Clients to Deposit Payments Via Mobile App

Bank Shot has released a product to help title companies, closing attorneys and other real estate industry professionals deposit earnest money, commission payments and other types of checks.

Bank Shot's mobile app—which is available for iPhone and Android—allows the check to stop at a web-based portal first—prior to deposit—so that the operator can confirm the check and property and then choose which account to deposit the funds.

The app allows the user to electronically submit checks by taking a photo. Confirmation of the transaction takes place immediately, according to Bank Shot, giving all parties a date and time stamp when the check was successfully sent.

Survey: Half of Americans Don't Use Antivirus Software

Nearly half of Americans haven't installed basic Internet security software, according to a survey conducted by the Ponemon Institute.

The survey, which included results from 4,290 respondents in all 50 states and Washington, D.C., attempted to measure consumers' ability to protect themselves from various online criminal attacks. Cyber hygiene is an individual's ability to maintain a high level of readiness in order to prevent, detect and respond to cyber-related attacks such as malware, phishing, ransomware and identity/credential theft.

In addition to not using antivirus software, the survey found other risky online behaviors include:

- Sharing account passwords
- Using too-simple passwords or reusing the same password for multiple accounts
- Not using an ad or pop-up blocker
- Opening emails, clicking links and downloading files from unknown sources
- Not installing security on mobile devices

According to the survey, Floridians have the distinction of being the riskiest users with the lowest cyber hygiene index. Other states falling into the "riskiest" bucket were Wyoming, Montana, New Mexico, Illinois and California. The states viewed as "safest" were New Hampshire, Massachusetts, Utah, Rhode Island, Minnesota and Nebraska.

Here are more specific stats from residents in the five riskiest states:

- Identity theft had little to no impact on their cyber hygiene habits. That means even after learning the consequences first hand, very few people changed their habits.
- These states had the highest per-person average (28 percent) of having experienced 10+ malware infections in a single year.
- 47 percent of respondents never back up their data.
- An average of 72 percent share their passwords.

BuyerDocs Unveils Service That Sends Wire Instructions Via Text

BuyerDocs recently launched a service that allows companies to send text/call notifications to notify homebuyers of their wiring instructions.

This is an additional notification to the email the homebuyer also receives. Here's an example of the text message homebuyers receive: The dialog for the phone call notification is created using Google's text-to-speech API, which incorporates the latest machine learning networks to create realistic voices. This additional notification serves as an added security feature for closing offices and homebuyers, according to BuyerDocs.

NAR: Title/Deed Issues Cause Delays in 11 Percent of Closing

Title and deed issues accounted for 11 percent of delayed closings in April, according to the latest National Association of Realtors Confidence Index Survey.

Overall, the survey, which included results from 4,555 Realtors, revealed that obtaining financing (30 percent) was the main factor that delayed closings, followed by home inspection/environmental (19 percent) and appraisal (18 percent).

Recent Integrations

- **SoftPro** announced a new integration that will allow users to obtain **Agents National Title Insurance Co.** closing protection letters, commitment jackets and policy jackets directly from their SoftPro software.
- **SoftPro 360** is now integrated with **PropLogix**, giving SoftPro users the ability to order municipal lien searches, HOA certificates/estoppels and surveys, as well as track lien releases through the PropLogix Payoff Tracking Service.

NEWS TO SHARE?

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

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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
- Updating order status when title and/or escrow status has been updated
- 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
- Running reports at scheduled times and saving to a file location
- Ordering and accepting products from integrated vendor services
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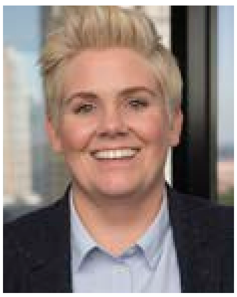
Movers & Shakers

ATGF Promotes Phillips to CEO

Colorado-based Attorneys Title Guaranty Fund Inc. (ATGF) has promoted Brian Phillips to chief executive officer. Phillips has experience representing clients in land use disputes, title claims, defense of title insurers, as well as real estate acquisitions, development and finance. Prior to joining ATGF, he served as vice president and senior claims counsel for a major national title insurer. Eric Morgan will continue as president.

Bay National Title Appoints New CEO


Tyler K. Lee

Evan Grimm founded Bay Title and Escrow 15 years ago with a mission to bring the best service and consumer education to the title industry. What started as a simple mission grew into Bay National Title Company. As Grimm transitioned to the role of chairman, Bay National Title announced the appointment of Tyler K. Lee as chief executive officer.

Lee joined Bay National Title as executive vice president with a focus on operations and expansion into new states and markets. She has more than 10 years of leadership experience in positions across the title industry. Before joining Bay National, Lee was vice president of title and settlement services at Chronos Title Solutions.

Land Services USA Hires VP of Business Development

Pennsylvania-based Land Services USA has appointed Shawn Goldfaden as vice president of business development and counsel of its new office in Baltimore. In this role, he will expand the company's footprint in Maryland, Virginia and Washington, D.C. He has experience in title insurance claims and underwriting. Prior to joining Land Services USA, Goldfaden worked for Commercial Settlement Services, where he served as senior vice president and underwriting counsel for five years.

AmTrust Names Florida Agency Manager


Carlos M. Rodriguez

Carlos M. Rodriguez recently joined AmTrust Title Insurance Company as Florida agency manager. In this role, Rodriguez is responsible for developing, marketing and managing AmTrust Title's Florida agency operations as well as identifying and advancing new business opportunities. Prior to joining AmTrust Title, Rodriguez was in private practice, providing legal counsel to clients in the areas of corporate regulatory compliance, contract negotiations, problem solving and government relations.

ePN Expands Team in California

eRecording Partners Network (ePN) announced the recent addition of Chris Stephan as vice president of client services and Ryan Clegg as operations manager of client services. Stephan has been involved with the real estate document recording industry for almost 10 years and has played a key role in the growth and expansion of electronic recording within California for title companies as well as county recorders. Clegg has worked in the real estate transaction industry since 1999. Much of his early career was spent learning real estate recording laws by working for a title and escrow company preparing and issuing title commitments and insurance policies.

Westcor Names Ohio Regional Manager

Westcor Land Title Insurance Company appointed Michael Trowbridge to Ohio regional manager. In this role, he will have oversight of operations and strategic growth in Ohio, Kentucky, Indiana and Michigan. Trowbridge has over 14 years' experience in the industry and has demonstrated a successful track record as a leader throughout his career. Prior to assuming his new role, he was a regional sales manager in Westcor's Ohio Region.

An Experience to Remember

AT AN EARLY AGE, I DREAMED OF BEING AN ATTORNEY. I've always had the ability to speak in a calm, confident cadence. I never imagined, growing up in a small town in Rhode Island, that I'd one day represent the title insurance industry by testifying before Congress.

STEVEN G. DAY NTP
ALTA president

Indiana Gov. Mitch Daniels once compared testifying before Congress to getting a root canal. Sitting at the witness table while members of the House stared down on me and the other panelists was intimidating. I worried about saying the wrong thing, possibly impacting our message to Congress and placing a negative impression on our Industry. Comparing it to a root canal may be a tad extreme, but it was no round of golf either.

As I kicked off the testimony, intense preparation with ALTA staff had me ready. After the other four panelists offered their oral remarks, members of the House Financial Services Committee's Subcommittee on Financial Institutions and Consumer Credit took turns offering comments and then asked questions at random.

This was the tricky part. Again, ALTA staff had prepped me for potential hostile questions. They literally scared me with some of the questions they posed so I'd be ready for anything. I do have to admit, the unpredictability was a bit nerve wracking. Now that I think about it, I don't think I was nervous about making a mistake and looking bad. I was nervous because I didn't want to let our great industry down.

My testimony focused on the need for written, reliable guidance on how to comply with the law impacting our Industry, and protect consumers in real-world scenarios. I called for Congress to pass the GUIDE Compliance Act (H.R.5534), which highlights the importance of having a regulator who matches simple and clear regulations with helpful and illustrative guidance and examples.

Most of the committee was receptive to this message and listened to how the lack of guidance from the Bureau of Consumer Financial Protection has affected our industry. From implementation of the TILA-RESPA Integrated Disclosures rule to third-party oversight, the lack of simple and clear regulations has cost our industry significantly in terms of compliance costs.

Rep. Nydia Velazquez (D-N.Y.) asked me to explain an instance in which more guidance and examples from the bureau would've been helpful. I pointed to TRID implementation and the value of the sample disclosure forms that the bureau provided. I explained how additional sample disclosure forms for more complicated transactions such as construction, VA or FHA loans would have helped guide the industry as it did its best to comply with the rulemaking.

Several hours after the testimony, while waiting for my flight home at Ronald Reagan Washington National Airport, I was still basking in the glow of one of the best experiences of my ALTA presidency—and possibly of my career. I had never felt quite as engaged leading our industry as I was during my testimony. It was an experience I'll remember for a long time.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