

AUGUST 2018

TITLE News

AMERICAN LAND TITLE ASSOCIATION

ALTA Rapid Response Plan for Wire Fraud Incidents

Special Pull-out 10-step Guide on
What to Do and Who to Contact

Also Inside:

- Rapid Response Plan Worksheet
- Email Scams Rank First in Online Fraud Cases
- Anatomy of a BEC

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

TITLENews

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

Go to **www.alta.org**
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Digital TitleNews Today.



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TITLENews

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The Industry Future Is Bright

GOODBYES ARE NEVER EASY. Ask Wynonna Judd or Boyz II Men. Both have sang moving songs about them.



As you may already know through the Advocacy Update, ALTA's announcement, or word of mouth, I will step down as CEO of ALTA in September to take over as president and CEO of the Wine and Spirits Wholesalers of America (WSWA).

Shortly after the announcement, ALTA's Board of Governors put a plan in place to find your next CEO. The Board met in Washington, D.C., last month and didn't miss a beat. In addition to beginning the CEO search process, your Board also formulated the association's strategic priorities for 2019. From the results of the Board's discussion, I am confident that the future for ALTA and the title and settlement industry is bright.

The phone calls informing members of ALTA's Board were tough to make. I am extremely grateful for the chance to work for you. The decision to move to another association was one I did not make lightly. I believe the move will broaden my perspectives and experiences as an association executive as I continue to grow professionally. As tough as change can be, the timing is right.

The association has never been stronger. Not only has ALTA enjoyed record membership for the ninth consecutive year, engagement among the members is robust and enthusiastic. Your ALTA team is bright, focused, and connected to you. Importantly, the ALTA Board is cohesive and collaborative, but not afraid to challenge one another.

I talk often about the innovation and ongoing changes the title insurance and settlement industry faces. Technology and an evolving consumer market are influencing every economic sector, not just ours. I am confident the members of this industry will create their own future and continue to deliver peace of mind to consumers. You provide important services to consumers and your communities as delineated by Our Values.

ALTA's Our Values program is the cornerstone of what this industry stands for. The people in this industry lead. You help lenders, real estate agents, and consumers solve problems. You deliver quality service and quality title insurance by doing things the right way, even if it's the hard way. All of this protects the consumers, the lenders, and your community.

I am proud to have been a part of this industry and so thankful to each of you who have become my friends.

In the same way that an abstract is layers of work by generations of professionals, so too is the work of ALTA. The quality of your work today has an impact on the work done by the generations who follow. The American Land Title Association will continue to lead, deliver, and protect its members in exceptional ways. The future is bright

A handwritten signature in black ink that reads "Michelle L. Korsmo".

Michelle L. Korsmo, ALTA's chief executive officer

ALTA Announces Resignation of CEO Michelle Korsmo

ALTA announced July 19 the resignation of Chief Executive Officer Michelle Korsmo.

Korsmo, who joined ALTA in April 2008 and has served as CEO since August 2011, has accepted the role of CEO with D.C.-based trade association Wine & Spirits Wholesalers of America. She will remain with ALTA until mid-September. ALTA's Board of Governors has started the search process for a new CEO.

"For more than a decade, Michelle has contributed significantly to the industry and the association's growth," said Steve Day NTP, president of ALTA's Board of Governors. "Michelle has focused her team on developing innovative solutions for the industry, and has expanded support to our members at a national and state level. ALTA membership has grown every year under Michelle's leadership, conference attendance is at record levels and the association is in a solid financial position. I personally thank Michelle for her guidance and support to me over these years. On behalf of ALTA's Board of Governors, I thank Michelle for everything she has done for the association. We wish her continued success in her new position."

Under Korsmo's leadership, ALTA has doubled its membership and revenue, in addition to nearly tripling fundraising for the Title Industry Political Action Committee. In the past few years, the association has instituted an industry-wide licensing program as well as a best-practices standard.

"My time at ALTA has been incredibly special, and together,



we have created something exceptional," Korsmo said. "There is a strong sense of pride in leading a growing and vibrant trade association that helps protect property rights. While I have decided to turn a new page in my career, I leave ALTA with many great memories of working with ALTA staff, members, state partners, and stakeholders across the title and settlement services industry. The association is in good hands with a strong board, leadership and staff."

ALTA to Recognize Best Consumer-facing Website

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!

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 Aug. 17.

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 - Running reports at scheduled times and saving to a file location
 - Ordering and accepting products from integrated vendor services
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 - *Sending pre-closing letters to buyers and sellers when a file is assigned to the escrow team
 - **AND SO MUCH MORE!**
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What do Cocktails Have to do With Blockchain?

Have you ever found yourself in a cocktail conversation where it was not entirely clear that everybody had the same level of knowledge about the topic?

Blockchain, distributed ledger technology (DLT) and smart contracts are the kinds of topics that can be difficult for everybody to approach with the same level of understanding.

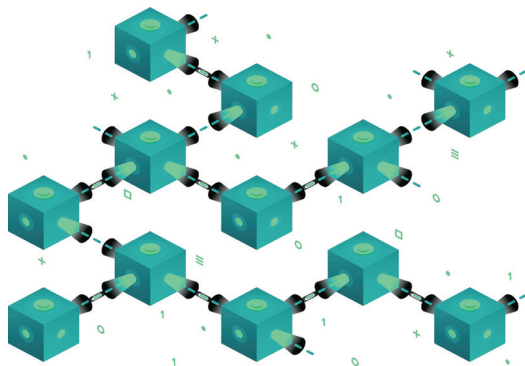
Members of ALTA's Real Property Records and Technology committees want to help create a realistic picture of what is possible with various technology solutions. Informed professionals need to feel confident so that they can steer the conversation, ask good questions and discern real information from a bluff.

A workgroup has been established to help interested ALTA members understand blockchain, DLT and smart contracts as technology solutions. The group wants to develop tools professionals can use to evaluate news and information, ask practical questions and further study reliable source material.

ALTA members need a realistic picture of what is actually happening with blockchain, smart contracts and DLT in order to recognize the risks and opportunities of this method of furthering knowledge.

The conversation is less about whether blockchain will take away your job and more about needing to have an awareness of the where practical applications of blockchain technology are likely to develop in title, mortgage and closing.

For more information, or if you would like to nominate someone to participate in ALTA's blockchain workgroup, contact Justin Ailes, ALTA's vice president of government and regulatory affairs, at justin@alta.org.



Access ALTA's Webinar Archives

Every month ALTA hosts timely and insightful webinars on issues important to title insurance professionals. Previous topics over the past few months include fraud, commercial transactions, how to build the right foundation for your team, and e-closing technology and trends. You can find access recordings of the webinars and download copies of the presentations at alta.org/education/webinars.

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 \$455,657 from 661 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

MISSOURI

Sept. 5-8

St. Charles, Mo.

COLORADO

Sept. 5-8

Vail, Colo.

NEBRASKA

Sept. 12-14

Lincoln, Neb.

OHIO

Sept. 12-14

Columbus, Ohio

NORTH DAKOTA

Sept. 13-15

Hankinson, N.D.

NORTH CAROLINA

Sept. 13-15

Pinehurst, N.C.

INDIANA

Sept. 23-25

French Lick, Ind.



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FACT: SINGLE WOMEN ACCOUNT FOR 17% OF HOMEBUYERS – MORE THAN TWICE THE PERCENTAGE OF SINGLE MEN.*

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4 RULES TO DEVELOP CORE VALUES

Whether Driven from Top Down or Bottom Up, Values Must Be Authentic



When done right, strong core values can increase productivity, help guide decision making and boost employee morale. While it may be tempting to steal some core values from companies who are nailing it, they must be authentic to your culture and business.

Core values are the fundamental beliefs of an organization. Core values help companies make decisions and determine if they are on the right path.

So how do you go about developing values that make a difference?

Before beginning the process, you need to determine who will be involved. Depending on the size of the organization, the person leading the discussion may be different than who leads the company.

“Values can be driven from the top down or the bottom up, but I think in a lot of companies it’s a little bit of both because owners or founders have some real core values that are important to them and often times other employees can round out that group,” said Bob Grubb, CEO of Alliant National Title Insurance Co.

If a company has a small team, employees may be involved directly in the creation of the values. Other scenarios may include working with department managers to get input from other areas of the business..

“Above all, make sure the people you involve are on the same page,” Grubb said. “They should be committed to drafting and implementing values that are expectations for everyone at the company. They should be willing to brainstorm and compromise and agree on a set of values that will be foundational to the company going forward.”

Brainstorming begins after selecting who will participate. It’s important to schedule a meeting several days in advance to let participants prepare and develop ideas. A few meetings can work well with a small group focused on articulating their values. A series of meetings with time in between to digest the discussion works better for larger groups or companies with multiple locations.

“I think most people would find that there’s a commonality between core personal values that are likely to align with company values,” Grubb said. “In the meeting, you can have people identify their values, what values are shared, what values the company currently shows and what values should be emphasized.”

The idea is to let ideas flow freely and to hone in on what is most important for the company. After the brainstorming, similar ideas should be combined to narrow the list.

Once a list is finalized, define each value. As an example, one of the common themes may marinate around the idea of having an “ownership mentality”

“You want to make employees feel like they can make good decisions on the fly while they are interacting on the front line with customers without constant supervision,” Grubb said. “A conversation is needed to understand how you can make them feel that they can do that. Having an ‘ownership mentality’ value will take additional discussion.”

The next thing to address is framing the values in the company culture. Explaining the values in a way that is relatable and inspiring may help employees be more excited about the vision for the company. Some organizations may prefer more formal lingo, while others may prefer a more casual style.

“You may have one company that uses words such as ‘flexibility’ or ‘agility,’ while others may use phrases such as ‘roll with the punches,’” Grubb added. “It’s important to figure out in your organization if you prefer them to be simple, clear and easy to remember, slang-oriented so they’re easier to grasp or more formal. Many companies like to inject humor into their values.”

Once this step is complete, companies should take stock of what they’ve developed and evaluate the core values as a whole. Grubb suggested getting feedback from others who weren’t part of the development or customers who have worked with the company for a long period of time.

“The idea is to look at the list and ask if they encompass the most important aspects of what you want for the company, not just for today, but for the future,” Grubb said. “Are they ideas that you’re really willing to hold your employees—and yourself—to?” Grubb added. “Values work best if they are the ideas that are going to push you and your team forward to the shared result you want to create.”

Values inform culture and provide fence posts within a culture. They can create clear delineation between what’s acceptable and what isn’t, between territory that’s permissible and areas that are off-limits. Grubb said values need refined over time. He said Alliant National Title reviews its values during the company’s annual planning process.

“It’s not a set-it-and-forget-it mechanism,” Grubb said. “Values that are lived guide the organization over time and its natural to refine them.”

Here are four rules to help companies build a stronger, more values-centered culture:

Rule 1: Make Values and Culture a Priority

It isn't sufficient just to develop a set values, frame them and hang the phrases on the wall. A common expression is that you need to "own it" to help ensure all employees actually embrace the values.

"Your culture becomes job one," said Eric Schneider, title group manager for Lakeside Title Co. "It's a mindset that requires teamwork and has to impact your customers. You need to have a clear, guiding purpose and as much passion and conviction about it as the first time you sat down and discussed it."

Employees need to be inspired to act with clarity toward the company's business goals and values. Because of this, it's crucial to ensure you're trusting and empowering people to set up programs and infrastructure to support those goals and values.

"High-performance cultures don't happen organically—they're carefully designed, architected and built with intention," Schneider said. "It's your intention. Your own company's intention. Your employees' intention. It's something that's particular to you."

Rule 2: Talk About It—Constantly

The concept of values must be constantly discussed with co-workers. Schneider said it's important to get feedback and have a good sense of peoples' attitude in the office.

"You need to talk to other people—not just to executives or human resources—but also to middle management because they are probably the biggest group that actually shapes culture. They bridge the culture, since they have access both to upper management and those on the front line," Schneider said.

It's not about asking, "Is this a fun place to work?" Rather it's about knowing the temperature of the different groups in a company. The marketing department might have a completely different subculture than the closing department or IT people.

"You need to discover how the goals of each individual directly tie into the overall performance goals of the organization," Schneider said, adding that it's important to make sure this alignment is recognized and understood by everyone.

Rule 3: Train, Evaluate, Repeat

Companies can't simply make changes to the employee handbook and expect good things to happen. Cynthia Blair, founding member of Blair Cato Pickren Casterline LLC, said a good way of ingraining culture with staff is to set up an engagement survey. This is an easy way to dive into this assessment. Questions can ask:

- How happy do team members feel about coming to work every day?
- What things excite them most?
- What could improve their overall happiness at work?

"These are good considerations for making culture adjustments if needed," Blair said.

Senior leadership and management are typically an organization's culture beacons. If they don't respect and uphold the company culture, neither will the rest of the staff.

"Your team will adopt whatever values the senior leadership projects, no matter what you want them to have," Blair said. "That's why it's so important to train your leaders and managers on your culture."

Setting a plan for accountability, team-building, training and development will help changes to the company subculture take root within six months. Within 12 to 24 months, a company should see overall changes to internal recruiting, brand integrity and hopefully attrition rates.

Rule 4: Build Values Into Your Hiring

The final rule is to build your values into the hiring process. Blair said companies should hire people who live by the core values "you want your culture to embody." Next, leadership must authentically exemplify the core values a company promotes.

"You should take an honest assessment of your onboarding process and understand if it communicates the company values, as well as promote and support them," Blair said. "So often we have an urgent need to fill a position, there's the thought that it's better to hire a warm body than nobody. But if you want your culture to be reflective of your company, you've got to build values into your hiring process."



Nominate Someone for an ALTA Values Award

Do you know someone in the industry who exudes ALTA's Our Values of leading, delivering or protecting? If so, nominate them for ALTA's Values Award. Winners will be recognized during a ceremony at the upcoming ALTA ONE, have the chance to create a video to be shown at ALTA ONE, and receive a digital badge for their use on a company website and email footer; the overall award winner will earn a scholarship to the 2018 event

Rules include, but are not limited to:


- Entrants must provide a 100-word maximum story referring to an event that occurred between October 2017 and August 2018; the story must show how the nominee personifies at least one of the ALTA Values: Lead, Deliver or Protect.
- Nominate yourself or a coworker currently employed in the title or settlement industry. Each person submitting a nomination may only nominate one person.
- Only individual nominations are allowed, but more than one person in a company may be nominated.
- Individuals may be nominated for more than one category.

Nominations, which must be received by Aug. 15, 2018, can be made at surveymonkey.com/r/ALTAvalues.

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VALUES

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DETERMINING YOUR COMPANY'S VALUES



VALUES ARE THE ESSENCE OF A COMPANY'S IDENTITY - ITS BELIEFS AND PRACTICES.
They serve as the core of a company's culture and brand.

Use this worksheet to discuss with your team their thoughts, ideas and action items as they relate to your business and its values.

1. Imagine the Values you would *most desire* your company culture to embody:

- What experience do you want your customers to receive from your team?
- What experience do you want your staff to have working with your customers?
- What do you want your staff and customers to see as the value of our industry?
- What do you want your staff and customers to see as the value of our industry?
- Would WE LEAD, WE DELIVER, WE PROTECT have a role in strengthening your values, culture and brand?

2. What is the *reality* of the values your company actually lives on a daily basis?

- What do your customers think your company values are today?
- What does your staff think your values are today?
- How do you define your company's values and culture?
- What are the commonalities between your view and that of your staff and customers?
- What are the differences between your view and that of your staff and customers?

3. How can I move my company from where it is perceived today to where I want it to be with the engagement of my people? Working with your team, gather the following information:

- Identify the values our customers find most important?
- Identify the values our staff find most important?
- Make a list of the common values shared by our customers and our team.
- Engage in internal discussions:
 - How those values affect the business and the customers?
 - How do the values identified align with WE LEAD, WE DELIVER, WE PROTECT?
 - What values might we considering adding to WE LEAD, WE DELIVER, WE PROTECT that would make them more relevant to our customers and our company?
 - How can we be sure/make it easier for do deliver the experience we believe our customers want?

4. Based on the above, identify a draft set of values

- Have a small team sit with a handful of your customers to determine if the draft set of values resonate, and understand why or why not.
- Review the results with the full team

5. Refine/adjust to finalize your company's values, reevaluate after about a year.

For more information: alta.org/values

NEW!

Weekly Tools and Insights to Innovate and Grow Your Business

TitleTuesdays by DataTrace® are your weekly go-to for discussions on industry hot topics, best practice standards and the latest in DataTrace's innovative title solutions. Every Tuesday, a team of informative title and product experts will guide you on the latest industry trends and answer your burning questions.

Join us for a 30-minute webinar, and check back the last Tuesday of the month for the Title in 2 Series - featuring valuable, bite-sized insights to keep you up-to speed on the trends in the title industry.

Make Tuesdays your new favorite day of the week. See our current topics or register today at DataTraceTitle.com/TuesdaysALTA

Want more details, contact us at 800.221.2056.

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Email Scams Rank First in Online Fraud Losses

Federal Sting Recovers \$14 Million in Fraudulent Wire Transfers

2017 WAS A MILESTONE YEAR for the FBI's Internet Crime Complaint Center (IC3)—and it wasn't necessarily a good thing. On Oct. 12, 2017, at 4:10 pm, the IC3 received its 4 millionth consumer internet crime complaint.

The IC3 was established in May 2000 to receive complaints of internet crime. Over the last five years, the IC3 has received an average of more than 284,000 complaints per year. According to the FBI's 2017 Internet Crime Report, the IC3 received a total of 301,580 complaints with reported losses exceeding \$1.4 billion last year.

"We want to encourage everyone who suspects they have been victimized by online fraudsters to report it to us," said IC3 Chief Donna Gregory. "The more data we have, the more effective we can be in raising public awareness, reducing the number of victims who fall prey to these schemes, and increasing the number of criminals who are identified and brought to justice."

The top three crime types by volume reported by victims in 2017 were non-payment/non-delivery, personal data breach and phishing.

More importantly to the title and settlement services industry, Business Email Compromise (BEC)/

Email Account Compromise (EAC) was the top crime in 2017 with the highest reported total loss at more than \$675 million.

Criminals impersonating as sellers, Realtors, title companies or law firms during a real estate transaction are one of the most common BEC schemes identified by the FBI.

BEC is a sophisticated scam targeting businesses that regularly perform wire transfer payments. The Email Account Compromise (EAC) variation of BEC targets individuals who regularly perform wire transfer payments.

Both scams typically involve one or more fraudsters, who hijack legitimate business email accounts through social engineering or computer intrusion techniques to conduct unauthorized transfers of funds. Because the techniques used in the BEC and EAC scams have become increasingly similar, the IC3 began tracking these scams as a single crime type in 2017.

Fraudulent transfers conducted because of BEC and EAC have been routed through accounts in many countries with a large majority traveling through Asia.

BEC and EAC are constantly evolving as scammers become more sophisticated. In 2013, victims indicated the email accounts of chief executive officers or chief financial officers were hacked or spoofed, and fraudulent emails were sent requesting wire payments be sent to fraudulent locations. In 2014, victims reported personal email accounts were being compromised, and fraudulent requests for payment were sent to vendors identified out of their personal contact lists. In 2015, victims reported being contacted by subjects posing as lawyers or law firms instructing them to make secret or time-sensitive wire transfers.

In real estate transactions, fraudsters often assume the identity of the title agent or real estate agent handling the sale. The criminals forge the person's email and other details that appear specific and authentic. Next, posing as the real estate or title agent, the scammers send an email to the buyer, providing wire instructions to the criminal's bank account, not that of the title agency's legitimate account.

Major Sting

In June, federal authorities coordinated a major law enforcement effort to disrupt international BEC schemes designed to intercept and hijack wire transfers from businesses and individuals.

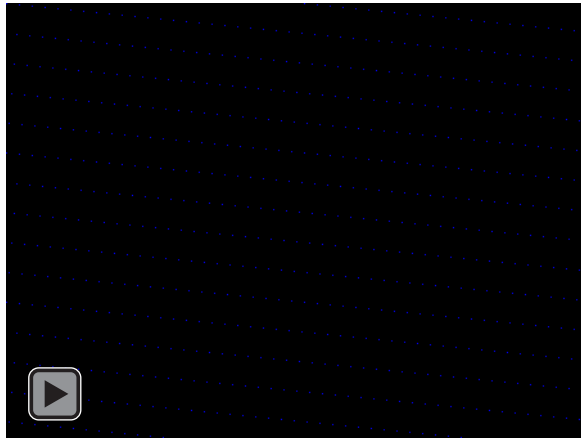
The six-month sweep called Operation Wire Wire resulted in 74 arrests (42 in the United States), as well as the seizure of nearly \$2.4 million and the disruption and recovery of approximately \$14 million in fraudulent wire transfers.

During the operation, U.S. law enforcement agents executed more than 51 domestic actions, including search warrants, asset seizure warrants and money mule warning letters. And local and state law enforcement partners on FBI task forces across the country, with the assistance of multiple district attorney's offices, charged 15 alleged money mules for their roles in defrauding victims.

Whether witting or unwitting, the role of money mules in BEC schemes is very important. These criminals receive money stolen during a hijacked transaction and transfer the funds as directed by the fraudsters. The mules usually keep a fraction of the money for their trouble.

"This operation demonstrates the FBI's commitment to disrupt and dismantle criminal enterprises that target American citizens and their businesses," said FBI Director Christopher A. Wray. "We will continue to work together with our law enforcement partners around the world to end these fraud schemes and protect the hard-earned assets of

Digital TitleNews Extra: Protect Your Money from Wire Fraud Schemes When Buying a Home



our citizens. The public we serve deserves nothing less."











U.S. Rep Asks Federal Reserve for Help

U.S. Rep. Randy Hultgren (R-Ill.) recently asked the Federal Reserve System to take a more proactive role in preventing wire fraud involving real estate transactions.

In a letter to Federal Reserve System Chair Jerome Powell, Hultgren asks the Federal Reserve to address five questions:

1. What awareness do you have about wire fraud as it relates to real estate transactions? Do you believe the issue is growing?
2. How is the Federal Reserve addressing the issue of wire fraud?
3. Has the Federal Reserve considered requiring financial institutions to apply payee matching when initiating a wire transfer?
4. Does the Federal Reserve have the requisite statutory authority to address wire fraud issues?
5. Has the Federal Reserve determined if the current wire transfer systems technologies will allow for payee verification? If no, why was the payee verification not included in the Federal Reserve's evaluation of the future of payments system?

"I have concerns that current Federal Reserve policies on wire fraud may not be adequate," Hultgren

<h2 style="text-align: center;">Top 10 Online Crime Types</h2> <p style="text-align: center;">(By Victim Loss)</p>	
From the 2017 Internet Crime Report	
\$676,151,185	 Business Email Compromise/Email Account Compromise
<p>This type of fraud targets victims using wire transfers as a method for transferring funds, including the homebuying process.</p>	
\$211,382,989	 Confidence/Romance Fraud
\$141,110,441	 Non-payment/Non-delivery
\$96,844,144	 Investment
\$77,134,865	 Personal Data Breach
\$66,815,298	 Identify Theft
\$60,942,306	 Corporate Data Breach
\$57,861,324	 Advance Fee
\$57,207,248	 Credit Card Fraud
\$56,231,333	 Real Estate/Rental

ALTA Resources

ALTA has produced several tools to help members and the industry prevent wire fraud.

- Rapid Response Plan for Wire Fraud Incidents:** The standard ALTA Rapid Response Plan for Wire Fraud Incidents has been developed by the ALTA Information Security Committee. Members can download and customize to their operation. On pages 19-22 you will find a special four-page rapid response pull-out section you can post in your office to help educate staff about wire fraud.
- Wire Fraud Video:** This two-minute video provides four tips on how consumers can protect their money and offers advice on what to do if they have been targeted by a scam. You can link to this video from your website, include it in your email and share on social media.
- Wire Fraud Infographic:** ALTA members can brand the infographic with their own information at the ALTApriints website (alta.org/altapriints) to help customers learn about wire fraud.
- Wire Fraud PowerPoint for Consumer Education:** Members can use this presentation to educate real estate agents and consumers about the dangers of phishing emails and wire transfer fraud. The presentation provides information on what to do if you've fallen victim to a scam and highlights 10 tips to prevent wire fraud.

wrote. “Evidence suggests that the Federal Reserve should consider taking a more proactive role in preventing wire fraud, especially as it relates to real estate transactions. For example, the United Kingdom’s Payment Systems Regulator has identified payee matching as a possible solution to address the growing issue of wire fraud in their jurisdiction.”

Hultgren pointed to congressional testimony about wire fraud given last year by ALTA Past President Dan Mennenoh ITP, NTP. During his testimony, Mennenoh suggested two areas to help prevent wire fraud. First, he said all parties involved in the real estate transaction need to help educate customers about the dangers and how to protect their data and money. He also suggested that financial institutions should match not only the account number but also the payee’s name when there is a wire transfer.

Wire Fraud Takes Aim at Home Construction

Criminals committing wire fraud are growing their range of targets as well, with the homebuilding industry increasingly in their crosshairs, according to a new white paper published by CertifID.

“Wire Fraud Begins to Hammer the Construction Industry” was recently written by anti-fraud technology developer Thomas Cronkright II and Lawrence Duthler, co-founders of CertifID. According to the paper, wire fraud may have been the culprit for as much as \$1 billion in losses in 2017, as supported by statistics made available by the National Home Builders Association via the Western Michigan Home Builders Association.

The white paper details three actual frauds perpetrated on home builders, illustrating how fraudsters prey upon the builders. Using a few sensitive, stolen details about a pending transaction, criminals send convincing yet false payoff letters, open bank accounts in the name of the targeted developer or employ a technique known as identity spoofing.

Cronkright cautions that wire fraud is “a threat to a much larger universe than the title and settlement industry,” as evidenced by the latest numbers on builder losses.

“While the title industry—thanks in large part to ALTA’s continued efforts to raise awareness—may be a key flashpoint for the earliest cases of wire fraud, all parties are vulnerable,” Cronkright said. “Today, we’re seeing where builders can be targeted. But lenders, originators, investors, even, if indirectly, Realtors, are all on the hook in the long run. We strongly believe all elements of the greater housing, real estate and mortgage industry need to join the fight against wire fraud as it continues to grow.” ■

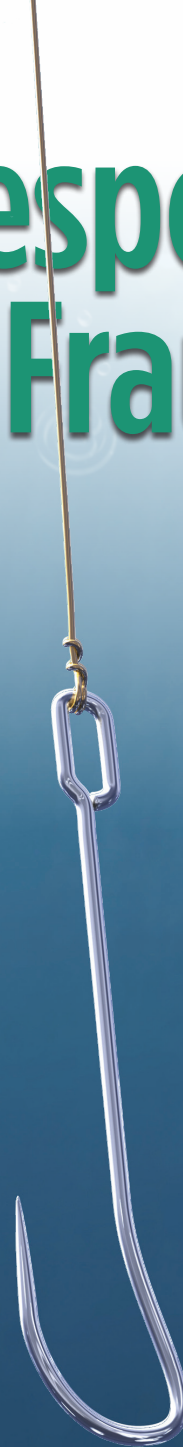
ALTA Rapid Response Plan for Wire Fraud Incidents

10-step Guide on What to Do and Who to Contact

Information security and wire transfer fraud are critical topics for the land title insurance and settlement industry. Wire transfer fraud is a threat to every title operation regardless of size, location or years in business. ALTA's priority is helping you protect your systems, plan for a rapid response in case of an incident, and prepare your employees, clients and customers to be aware and vigilant.

This is why ALTA's Information Security Committee created a Rapid Response Plan. The plan outlines 10 steps that companies should follow if they've been hit by wire fraud. In addition, there's a worksheet to help you develop your own rapid response plan.

You can pull out this special section and post in your office to help educate staff about the rapid response plan. Digital files also are available at alta.org/infosec.



ALTA Rapid Response Plan

Time is of the essence—every second and minute counts. Contact banks, transaction parties and law enforcement immediately upon discovery.

STEP 1 Alert company management and your internal wire fraud response team.

Contact your team according to a pre-arranged plan (group email; group text):

- Owner/Manager
- Accounting/Finance/Treasurer
- IT/IT Security
- Legal Counsel
- Others?

STEP 2 Report Fraudulent Wire Transfers to the Sending and Receiving Banks.

- Contact the sending bank's fraud department and request that a recall of the wire be sent to the receiving bank because of fraud. Provide the details for the wire.
- Ask the sending bank to initiate the FBI's Financial Fraud Kill Chain if the amount of the wire transfer is \$50,000 or above; the wire transfer is international; a SWIFT recall notice has been initiated; and the wire transfer has occurred within the last 72 hours.
- Also call the receiving bank's fraud department to notify them that you have requested a recall of the wire because of fraud. Provide the details for the wire and request that the account be frozen.
- If a client or consumer was a victim and your bank/accounts were not directly involved, your client or customer will need to contact the bank themselves but you may have helpful information to share, too. Coordinate quickly!

STEP 3 Report Fraudulent Wire Transfers and Attempts to Law Enforcement.

- Local Police/Sheriff: www.policeone.com/law-enforcement-directory/
- FBI Field Office: www.fbi.gov/contact-us/field-offices
- Secret Service: www.secretservice.gov/contact/field-offices/

STEP 4 Call the sending bank again to confirm that the recall request has been processed.

n for Wire Fraud Incidents

STEP 5 Inform the parties to the transaction (buyer, seller, real estate agents, broker, attorneys, underwriter, notary, etc.) using known, trusted, phone numbers for verbal verification.

If you're unsure about what to say, here's a sample: "There appears to have been [attempted] wire fraud associated with this transaction. We recommend that you review your email security and update passwords and take any other appropriate security measures immediately. For the remainder of this transaction, all communication will occur using known, trusted, telephone numbers."

STEP 6 Review your Incident Response Plan to determine if you need to update passwords, secure hardware and review email logs to determine how and when email accounts were accessed.

STEP 7 Consider contacting your insurance carrier(s) and outside legal counsel.

STEP 8 If funds were wired out of the U.S., hire an attorney in that country to help recover funds.

STEP 9 Document your response using a Response Worksheet.

- Customize this ALTA Rapid Response Plan for Wire Fraud Incidents
- Customize a Response Worksheet (available in [Excel](#) or [PDF](#))
- Assign each step to an appropriate person/entity
- Track progress through to completion or resolution
- Retain the Response Worksheet for future reference/update

STEP 10 File a complaint with the FBI's Internet Crime Complaint Center (IC3).

Visit www.ic3.gov and provide the following information:

- Victim's name, address, telephone and email
- Financial transaction information (e.g., account information, transaction date and amount, who received the money)
- Subject's name, address, telephone, email, website and IP address
- Specific details on how you were victimized
- For Business Email Compromise (BEC) events, copy email header(s)
- Any other relevant information that is necessary to support the claimant

ALTA Rapid Response Plan For Wire Fraud Incidents

— RESPONSE WORKSHEET —

Date/time of incident _____

Date/time incident was discovered _____

Incident discovered by _____

Amount _____

Transaction affected (file number) _____

Client/parties affected _____

Systems/devices affected _____

Response coordinator _____

Step 1	Alert company management — Notes:	Assigned to:
Step 2	Report to sending and receiving banks — Notes:	Assigned to:
Step 3	Report to law enforcement — Notes:	Assigned to:
Step 4	Confirm recall request was processed by sending bank — Notes:	Assigned to:
Step 5	Inform clients/parties affected — Notes:	Assigned to:
Step 6	Review Incident Response Plan for next actions — Notes:	Assigned to:
Step 7	Contact insurance carrier(s) and legal counsel — Notes:	Assigned to:
Step 8	Hire counsel in country where funds were wired — Notes:	Assigned to:
Step 9	Document your response — Notes:	Assigned to:
Step 10	File a complaint with the FBI — Notes:	Assigned to:



Step One...

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Anatomy of a Business Email Compromise Scheme

Malware Can Spread Through a Computer Network and Harvest Sensitive Information

IN JUNE, FEDERAL OFFICIALS ANNOUNCED A RECENT EFFORT to disrupt business email compromise (BEC) schemes designed to intercept and hijack wire transfers from businesses and individuals.

Operation Keyboard Warrior resulted in the arrest of eight individuals for their roles in a widespread, Africa-based cyber conspiracy that allegedly defrauded U.S. companies and citizens of approximately \$15 million since at least 2012.

Here's a look at how the BEC was carried out:

According to the indictment returned by the U.S. District Court for the Western District, the criminals allegedly used phishing scams to gain access to

several email accounts at a Memphis-based real estate company in June and July 2016. This is one of the dangers of using public email domains such as Gmail. Crye-Leike confirmed it was the targeted company but denied its servers were hacked "in any sale where buyers or sellers lost any funds." Crye-Leike's servers are maintained in Memphis and the firm has 115 offices with more than 3,000 licensed sales associates over a nine-state area.

Steve Brown, president of residential sales for Crye-Leike, told the *Daily News* in Memphis that the real estate company contacted the FBI when agents and customers noticed suspicious emails.

“This resulted in Crye-Leike assisting the FBI with its investigation into criminal cyberattacks targeting the real estate industry in the United States. We are very pleased that the FBI was able to identify suspects and take actions resulting in the recent news release relaying their success.”

Brown went on to say that “Crye-Leike immediately took all the necessary steps to block attacks and Crye-Leike has not discovered nor been made aware of any smuggling or theft of data from its servers.”

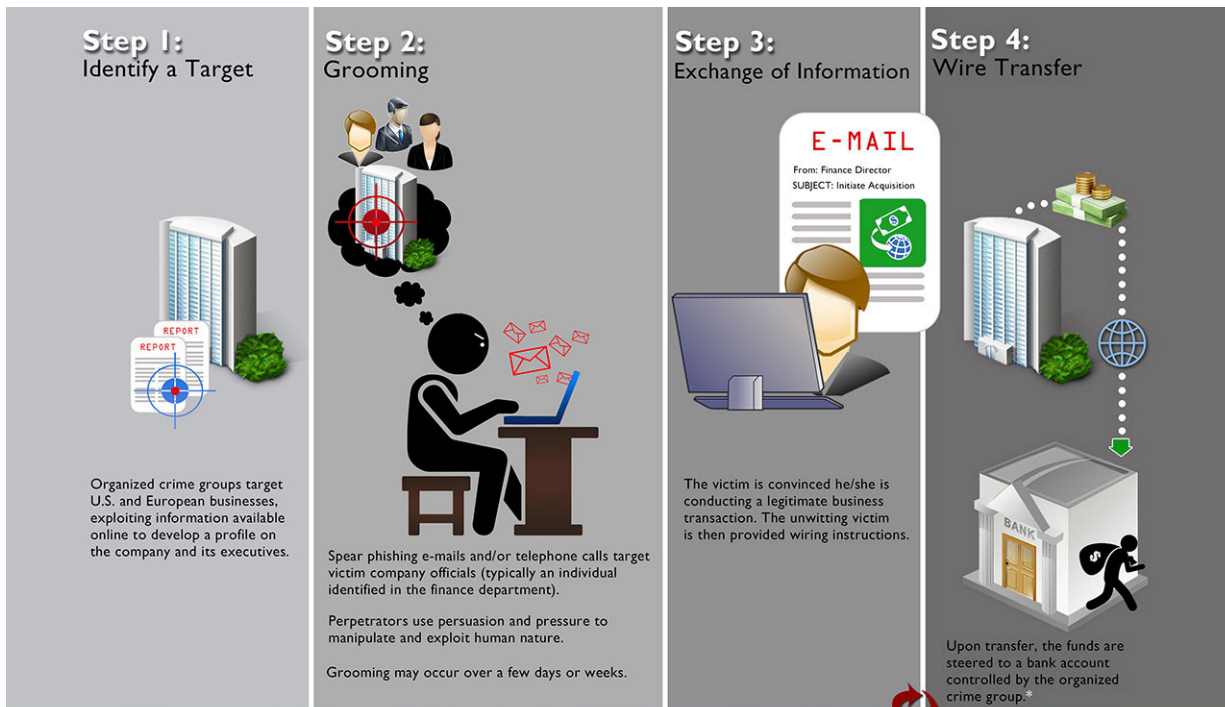
The indictment said the criminals used sophisticated anonymization techniques—including the use of spoofed email addresses and Virtual Private Networks—to identify large financial transactions, initiate fraudulent email correspondence with relevant business parties, change wiring instructions and then redirect closing funds through a network of U.S.-based money mules to final destinations in Africa.

Prosecutors in the case allege the compromise began with an email message that appeared to be legitimate. According to the indictment, “The bogus

email usually contains either an attachment or a link to a malicious website. Clicking on either will release a virus, worm, spyware or other program applications, also known as malware, that subsequently infects the employee’s email account and/or computer.”

After that, the malware can spread through a company’s computer network and harvest sensitive information. Using spoofed emails, the criminals behind a BEC can send what seem to be legitimate emails that include altered wiring instructions that direct money to a fraudulent account.

In addition to BEC, the Africa-based defendants are also charged with using various romance scams, fraudulent-check scams, gold-buying scams, advance-fee scams and credit card scams. The indictment alleges that the proceeds of these criminal activities were shipped and/or transferred from the United States to locations in Ghana, Nigeria and South Africa through a complex network of individuals who had been recruited through the various internet scams. The defendants are also charged with concealing their conduct by, among other means, stealing or fraudulently obtaining personal identification information and using that information to create fake online profiles and personas. ■



*Note: Perpetrators may continue to groom the victim into transferring more funds.

■ Business E-Mail Compromise Timeline

An outline of how the business e-mail compromise is executed by some organized crime groups

The ABC's of Avoiding BEC

Business Email Compromise and Wire Fraud Remain Constant Danger to Title and Settlement Industry

By Joseph Curran

DURING WWII THERE WAS A FAMOUS POSTER

that warned “Loose Lips Sink Ships.” The message was to remind civilians at home that revealing sensitive information about their jobs in the factories could help the enemy. Today, we fight a war against fraud in cyberspace yet, despite all the technological advantages of the intervening decades, our defenses are still only as strong as the weakest link.

Using tools and services widely available in the cybercriminal underground, hackers need a single compromised account to steal from a business. In the title industry, perpetrators monitor the real estate proceeding and pick the time to make a fraudulent request to change the payment type or redirect a payment from a legitimate account to one under their control. As reported by *Forbes*, thieves have been known to research how a CEO communicates and even his or her travel schedule to make it easier to trick employees to comply with fraudulent requests. FBI Special Agent Martin Licciardo said the best defense in that case is “walking into the CEO’s office or speaking to him or her directly on the phone. Don’t rely on email alone.” That logical advice might not seem quite so obvious if the company hasn’t built a culture based on adhering to best practices to avoid business email compromise (BEC).

Admit Your Business is at Risk

The first step is recognizing that BEC is a real and present danger facing the title industry.

Dispatches from the front lines:

- **Maryland, August 2017:** The FBI says fraudsters used forged emails to fool a settlement company into wiring them the proceeds of the sale of a couple’s home. Amount lost: \$411,548.
- **New York, June 2017:** A judge selling her apartment received an email she thought was from her real estate lawyer telling her to

wire money to an account. Amount lost: \$1 million.

- **Washington, D.C., May 2017:** Homebuyers sued a title company after funds were lost due to BEC. They also sued for close to \$5 million for an alleged violation of the RICO Act. The title company, which denies it had anything to do with the money going missing, said that it immediately contacted the FBI when the attack was discovered. Amount lost: \$1.57 million.
- **Colorado, March 2017:** A couple, who lost their life savings while trying to buy their dream retirement home, sued all of the companies involved in the transaction—including a title company—alleging that none of them did enough to protect sensitive financial information. Amount lost: \$272,000.

But could it happen to our business? Let’s imagine a criminal impersonates a trusted party in the real estate transaction by hacking into and using the email account of a borrower’s real estate agent or settlement attorney to send fraudulent wire transfer instructions to the borrower/buyer. Based on the borrower/buyer’s subsequent request, their financial institution executes an authorized wire transfer to an account the criminal controls.

Yes, unless you have built your defenses, you are under threat of attack.

Be Prepared

Understand the battlefield and make sure you are using the right weapons to combat BEC:

- Secure a company domain name and exclusively use company email accounts instead of free web-based email accounts in all your communications.
- Create intrusion detection system rules that flag emails with domains that are similar to your company’s. For example, legitimate email of abc_company.com would flag fraudulent email of abc-company.com.
- Create an email rule to flag emails where the “reply-to” email address is different than the “from” email address shown.
- Create rules that color-code emails from your employee/internal accounts, using a different color for those from non-employee/external accounts.

Rally the troops and commit to training employees, reviewing company policies and developing good security habits:

- Be careful posting to social media and the company's website information about job duties and descriptions, hierarchical information and out-of-office details that can give criminals the information they need to impersonate a trusted party.
- Train your team to carefully scrutinize all emails and not be afraid to use face-to-face or voice-to-voice communications when in doubt.
- Be wary of irregular emails sent by high-level executives, as they can be used to trick employees into acting with urgency.
- Review and verify emails requesting funds to determine if the requests are out of the ordinary.
- Confirm requests for transfers of funds by using phone verification as part of a two-factor authentication; use previously known numbers, not the numbers provided in the email request.
- Verify any changes in vendor payment location by following a call back procedure using contact information on file or having a secondary sign-off by company personnel.
- Similarly, stay updated on customers' habits, including the details and reasons behind payments.

Communicate Any Breaches Immediately

The following are recommended steps to take if and when you are a victim of outbound wire fraud:


- Ensure all employees have the information on whom to contact.
- Contact your banking team immediately via telephone and email to inform it of the fraudulent transaction.
- Provide a screenshot of the outbound wire if possible.
- Once informed, your bank will alert its fraud department and law enforcement.
- The bank will contact the beneficiary bank to alert of the fraudulent transaction, get a status update on the transaction and begin recall process.
- Your banking team should keep you fully informed of the status and any additional steps such as completing an Affidavit of Forgery, Hold Harmless Approval, etc.
- Once funds are secured, your bank can make restitution to the proper account.

The Internet Crime Complaint Center (IC3) notes that all participants in real estate transactions—including buyers, sellers, agents and lawyers—are at risk. The IC3 saw a 480% year-over-year increase in the number of complaints in 2016 filed by title companies that were the primary target of the BEC/EAC scam.

Be sure that you and your banking team remain vigilant and prepared to meet this growing threat. ■




JOSEPH CURRAN is senior executive vice president and managing director at BankUnited NA. He may be reached at jcurran@bankunited.com.




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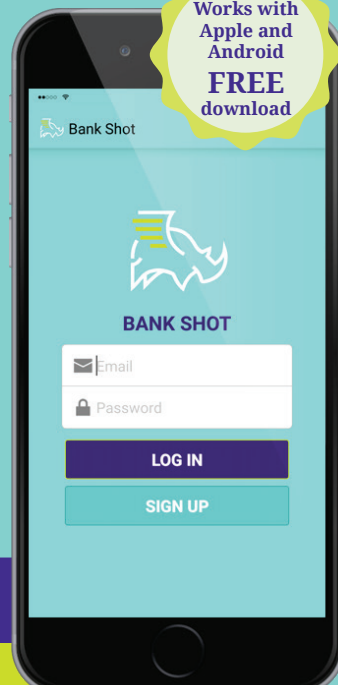


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NTP PROFILE



Daryl Olsen NTP

COMPANY: Alliance Title & Escrow Corp.

TITLE: Senior Vice President & Region Manager

CITY/STATE: Idaho Falls, Idaho

DATE OF DESIGNATION: 2017

INDUSTRY EXPERIENCE: 13 ½ years

‘It Is Important to Me to Always be Refining My Craft’

Why did you become an NTP?

It was a personal goal of mine to obtain this designation. It is important to me to always be learning, applying and refining my craft.

Why should others get their NTP?

Achieving the NTP is an honor. It shows one’s commitment to the industry, provides them with some appropriate recognition of their achievements and helps set an example for those in whom they lead—formally and informally.

How does being an NTP advance your career?

Knowledge is power! Anytime an individual can become more knowledgeable within their role, the more opportunities they can either create or take advantage of.

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

I believe every individual within the title industry ought to pursue this designation. It provides opportunities to become more well-rounded and proficient in their role, and it demonstrates their professional commitment to the industry.

What excites you about what you do or what is the most challenging aspect of your job?

I enjoy working with my team to create an outstanding customer experience for those individuals we have the opportunity to serve. Being a memorable part of a buyer or seller’s dream is incredibly rewarding.

Tell us something that others in the industry may not know about you.

I love to create things with my hands. My mental outlet is woodworking. The smell of freshly milled wood along with the satisfaction of taking an idea and forming it into something tangible and that other people enjoy is incredibly satisfying. ■

Earn Your NTP

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

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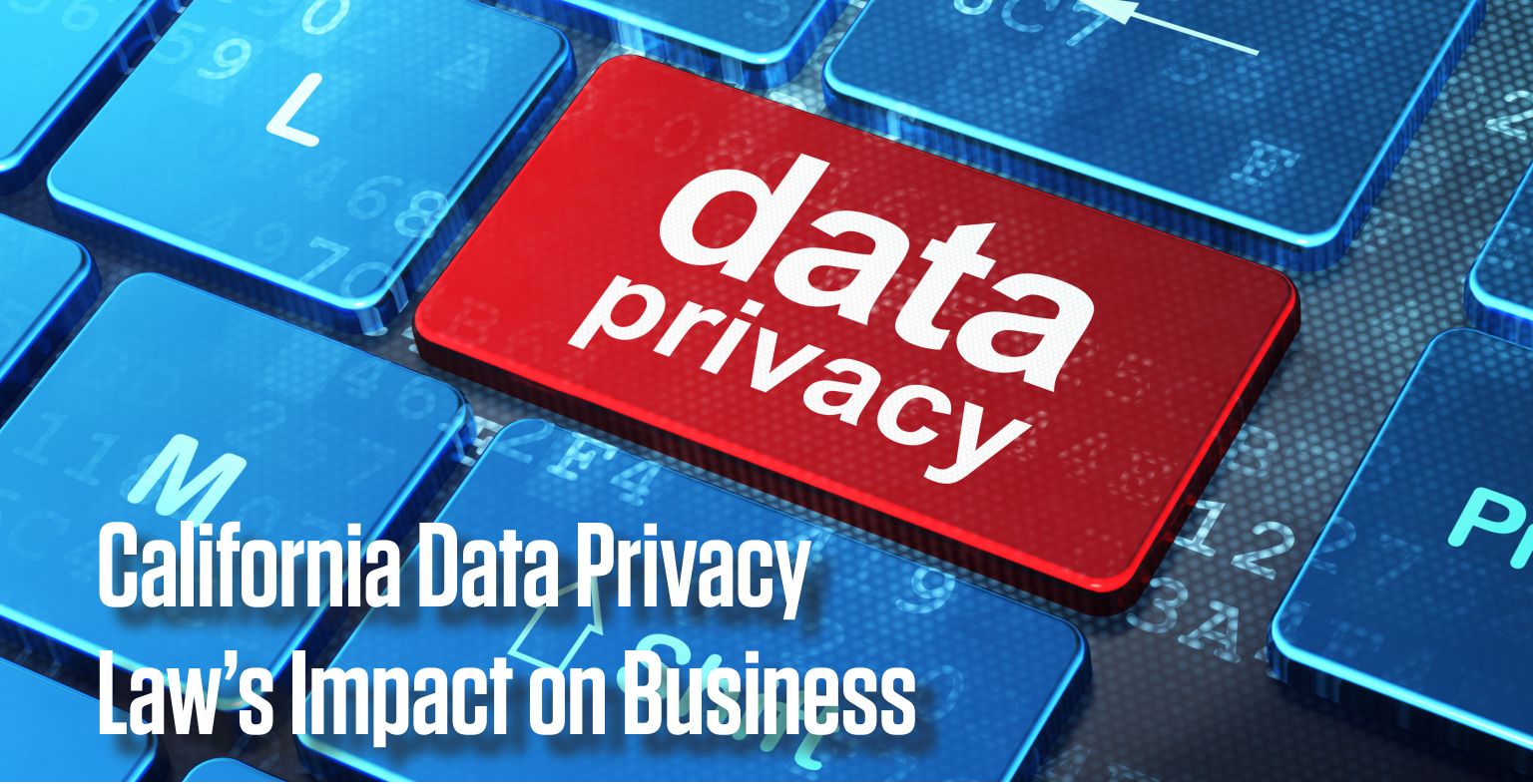
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California Data Privacy Law's Impact on Business

CALIFORNIA'S SWEEPING DATA PRIVACY LAW, WHICH WAS SIGNED INTO LAW IN JUNE WILL APPLY, to more than 500,000 companies in the United States when it goes into effect Jan. 1, 2020.

The California Consumer Privacy Act of 2018 (CCPA) gives consumers control over their personal information including the right to know what information companies are collecting about them, how it is used and if it is sold to third parties. Consumers will also have the right to prohibit companies from sharing their personal data.

According to the law firm Patterson Belknap Webb & Tyler LLP, the new rights fall into four main categories:

- 1. Right to Know:** Consumers may request disclosure of the categories and details about the specific information collected about them, their sources, purpose of collection and what information is shared with third parties.
- 2. Right of Deletion:** Consumers may request that a business delete any personal information it has collected about them, subject to several exceptions.
- 3. Right to Opt Out or Opt In:** Consumers may opt out of any sale of their information to third parties.
- 4. Right of Equal Service:** Covered businesses are prohibited from discriminating against consumers exercising any of their rights under CCPA, including through pricing and quality of goods or services, unless different treatment is "reasonably related to the value provided to the consumer by the consumer's data." Businesses, however, are free to offer reasonable financial incentives to consumers related to the collection, sale or deletion of their personal information.

Covered businesses include for-profit entities that:

- conduct business in California
- have at least \$25 million in annual revenues
- hold personal data of at least 50,000 people, households or devices; or that receives at least half of its revenue in the sale of personal data

Exemptions include healthcare data covered by the Health Insurance Portability and Accountability Act, consumer report data governed by the Fair Credit Reporting Act and personal information collected pursuant to the Gramm-Leach-Bliley Act.

According to Patterson Belknap Webb & Tyler, the law applies to entities covered by these laws if they collect and process other information about California consumers.

What information is affected? CCPA's definition of personal information is uniquely broad, including any information that identifies or relates to, directly or indirectly, a particular consumer. Examples include:

- **Unique Identifiers:** This includes a consumer's name, alias, postal address, unique identifier, internet protocol address, electronic mail address, account name, Social Security number, driver's license number and passport number.
- **Protected Classifications:** This covers protected classifications under California or federal law (such as race, gender, disability and others protected by antidiscrimination laws).
- **Commercial Information:** This includes records of property; products or services provided, obtained, or considered; or other purchasing or consuming histories or tendencies.
- **Internet Data:** This includes internet or other electronic network activity information, including but not limited to browsing history, search history, and information regarding a consumer's interaction with a website, application or advertisement.

The California Attorney General will have the right to enforce the law. There also is a private right of action for unauthorized access to a consumer's "nonencrypted or nonredacted personal information." There is a \$7,500 fine per violation if a company fails to address an alleged violation within 30 days.

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Inwest Title Acquires Competitor in Utah

Utah-based Inwest Title Services Inc. announced the acquisition of Heritage Title Insurance Agency of Logan.

“We are excited to add the skilled team at Heritage, and know their culture of excellence will mesh perfectly with our mission to provide superior service to our customers,” said Scott Cope, president of Inwest Title. “Additionally, this transaction is yet another opportunity to expand our geographic footprint allowing us to serve our clients across the entire state of Utah.”

Prior to the acquisition, Inwest Title had 13 offices throughout Utah.

First American Reports Loan Application Defect and Fraud Risk Drops

The frequency of defects, fraud and misrepresentation in the information submitted in mortgage loan applications decreased by 2.4 percent compared with the previous month, according to First American’s Loan Application Defect Index.

The decrease in defect and fraud risk is happening despite purchase transactions continuing to grow in market share compared to refinances. It’s forecasted that refinance transactions will make up 28 percent of total mortgages originated in 2018 and is forecasted to drop to 23 percent by 2020.

“It’s likely that all of the investment in more digitized, automated, and efficient mortgage manufacturing and underwriting technology that’s been made in recent years is beginning to pay off,” said Mark Fleming, First American’s chief economist. “Now the question is, how much lower will it go?”

The Defect Index for purchase transactions decreased by 4.6 percent compared with the previous month, and is down 7.8 percent compared with a year ago. Meanwhile, the frequency of defects, fraud and misrepresentation in the information for refinance transactions remained the same compared with the previous month, and is 4.4 percent higher than a year ago.

American Secure Title Purchases Landmark Title

Utah-based American Secure Title announced its acquisition of Landmark Title Company, a Salt Lake City-based title agency. The acquisition joins together two family owned agencies in the Utah market. Landmark Title will continue to operate under the same name, although the two agencies have begun to merge their operations, according to Chase Phillips, general manager for American Secure.

“The growth in Utah’s real estate industry right now is

wonderful for the entire state, and it’s exciting to be involved in that every day,” Phillips said. “We believe title agencies play a very important role in Utah’s growth and in helping homeowners and developers feel secure when they invest in real estate here. We’re so excited for our American Secure family to grow right along with the rest of the state. We believe it takes having the best people on staff to offer the best service to our clients. The staff at Landmark are known throughout our industry as being some of the very best in the state.”

WACO Title Continues Expansion in Arkansas

WACO Title announced the opening of two more offices in Missouri. The company opened another office in central Arkansas located in Russellville. This office is managed by Bart Shaw. In addition, the company opened an office in Cabot, Ark. This is the third location in the Little Rock metro area. Clay Partridge will serve as Little Rock area manager. WACO Title now has 23 offices throughout Arkansas and Missouri.

Black Knight Increases HOA Certificate Service Throughout Texas

Black Knight Inc. has expanded the availability of its National TaxNet homeowners association (HOA) certificates in Texas. HOA data is now available from Black Knight on properties located across the state to help clients reduce the time and costs associated with obtaining HOA information.

With the National TaxNet solution, Black Knight identifies whether a property is subject to an HOA or management company. If it is, the name of the organization and HOA contact information will be provided. The certificate also includes the billing cycle; dues status and amounts; delinquencies on the subject property; transfer, resale and maintenance fees; and payment distribution instructions.

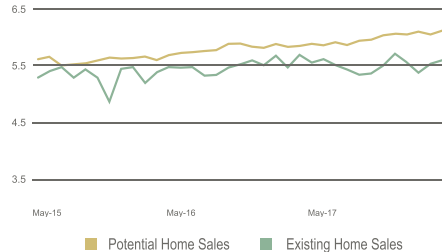
Housing Market Potential

Existing and Potential Home Sales* (in Millions, Seasonally Adjusted Annualized Rate)

5.46 SAAR
Existing Home Sales

6.07 SAAR
Potential Home Sales

-10.0%
Market Performance Gap



*Potential home sales measures what a healthy market level of home sales should be based on the economic, demographic and housing market environments.

Implementation of Financial Interest Form in Illinois Delayed

Attorneys' Title Guaranty Fund Inc. prevailed in its request for a stay of implementation against the Illinois Department of Financial and Professional Regulation (IDFPR).

The judge granted ATG's request for a stay of implementation of the revised disclosure of financial interest form (DS-1) until a hearing on the merits. The judge found compelling ATG's argument that attorneys should not be required to disclose their fees to third parties and that the IDFPR does not have the authority to regulate attorneys' fees.

The form, which is meant to disclose to consumers the fees related to title and settlement services, was set to go into effect July 1.

ATG believes the form contains terms that are confusing to consumers, exceeds the regulator's statutory authority, and shows serious bias against lawyer agents both in the disclosure form itself and in the instructions for completing it.

"We fully support transparency and consumer protection and have been aggressively trying to convince the regulators to file enforcement actions against the unscrupulous few," said Hank Shulruff, ATG senior vice president. "Instead of targeting those who are breaking the rules, they developed a form that contains provisions and requirements that are beyond the authority granted to the IDFPR by the Illinois Title Insurance Act."

ATG and other industry leaders including the Illinois Land Title Association have been working with the Title Insurance Division of the IDFPR to improve the amended DS-1 Disclosure for Producers of Title Insurance Business and Instructions for Completing the Disclosure of Financial Interest Form.

National Consumer House-Buying Power

How much home one can afford to buy given the average income and the prevailing mortgage rate

April 2018

\$356,770

House-Buying Power

-.4%

Year-Over-Year

Where House-Buying Power is Growing

Yearly Growth in House-Buying Power

States

1. Wyoming: **+3.01%**
2. Rhode Island: **+2.74%**
3. Maryland: **+2.69%**
4. New Mexico: **+0.94%**

Cities

1. Washington, DC: **+1.75%**
2. Providence, RI: **+0.19%**
3. San Francisco, CA: **+0.11%**
4. Baltimore, MD: **+0.01%**

Source: Mark Fleming, Chief Economist at First American Financial Corporation

Pavaso Adds Remote Online Notarization to E-closing Platform

Pavaso introduced a new feature to its Digital Close e-closing platform that enables users to conduct remote online notarizations (RON).

Pavaso's development of its RON tool provides its users the ability to conduct the entire closing (including notarization) using a single electronic portal through the Digital Close Enterprise e-closing platform. Currently, remote notarization is legal in Texas, Virginia, Montana and Nevada. Several more states, including Indiana, Minnesota and Tennessee, have passed laws or are expected to pass laws introducing remote notarization in the next year as well.

House Committee Passes Bill Exempting Charities from TRID

The House Financial Services Committee recently approved a bill that would exempt charitable organizations from using the Loan Estimate and Closing Disclosure required under the TILA-RESPA Integrated Disclosures (TRID) rule.

Introduced by Rep. Barry Loudermilk (R-Ga.), the Building Up Independent Lives and Dreams (BUILD) Act would roll back TRID requirements and allow charities that originate 0% interest rate mortgages to use the Good Faith Estimate, Truth-In-Lending and HUD-1 forms.

The committee passed the bill by a vote of 53-0. Rep. Brad Sherman (D-Calif.) has co-sponsored the bill.

While TRID applies to most closed-end consumer mortgages, it does not

apply to:

- Home-equity lines of credit
- Reverse mortgages
- Mortgages secured by a mobile home or dwelling not attached to land
- No-interest second mortgage made for down payment assistance, energy efficiency or foreclosure avoidance
- Loans made by a creditor who makes five or fewer mortgages in a year

Federal law does not require the use of the HUD-1 or the Closing Disclosure in all-cash transactions. While some states have laws requiring the use of a state-promulgated form in cash transactions, in general the HUD-1, the Closing Disclosure or any other settlement statement can be used in cash transactions. In addition, federally related mortgage loans generally exclude temporary financing and construction loans.

NATIC Unveils Partner Guide and Educational Resource for Agents

North American Title Insurance Co. (NATIC) has launched a new benefit to connect agents with trusted partners.

Called AgentMarketplace, the program's portal features industry provider companies that are partnering with NATIC to offer its agents products and services to help them grow their businesses and be compliant with industry standards, as well as with state

and federal laws and regulations.

The companies are organized under three categories:

1. **Best Practices:** includes companies with products or services to keep agents compliant ALTA's Title Insurance and Settlement Company Best Practices
2. **Business Solutions:** includes companies that assist title agents in both optimizing and meeting the demands of their daily operations
3. **Business Development:** includes companies that assist title agents with customer outreach and business growth strategies.


Recent Integrations

- **FirstClose**, a provider of technology solutions for mortgage lenders nationwide, announced a partnership with **Chicago Title Insurance Company**. Through the integration, FirstClose can provide financial institution clients with Chicago Title's property search, legal and vesting products and services. The property search report includes items such as the last grantee of record, a legal description of the property, a list of mortgages and liens on record, the permanent index number and the latest transfer deed on file. This report can be used with residential or commercial properties.



NEWS TO SHARE?

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



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.

How can we help you streamline?



With you...for what's next

FNTGLead.com



Deborah B. Boyd

AmTrust Title Appoints Florida Counsel

AmTrust Title Insurance Company named Deborah B. Boyd as its state counsel in Florida. With more than 30 years of experience in the title insurance industry, Boyd will focus on business development and creating underwriting solutions for AmTrust Title and its

Florida agents. Prior to joining AmTrust Title, Boyd was vice president/senior commercial underwriting counsel for Fidelity National Title Group.

FNTG Promotes National Agency Director of Education and Marketing Strategy

Fidelity National Title Group has promoted Linda Grahovec NTP, ITP, IEP to national agency director of education and marketing strategy. In this role, Grahovec will lead FNTG's agent-facing initiatives involving communications, educational offerings, and various marketing and engagement projects. Prior to this role, she served as regional director of education and marketing for the Midwest region of FNTG Agency, as well as vice president of National Communications for FNTG Agency.

Investors Title Names VP of Commercial Services Division

Tabatha Cruden has joined Investors Title as vice president of its commercial services division as well as regional title counsel. In this role, she will focus on commercial and residential real estate business development and underwriting.



Tabatha Cruden

Houston-based Riverway Adds to Commercial Team

Riverway Title today announced the addition of industry veteran R.L. "Burr" Buckalew and his staff to its national commercial division. He will serve as executive vice president and senior commercial

escrow officer responsible for closing commercial real estate transactions. Buckalew began his 44-year career in the title insurance industry working for Lawyers Title Insurance Corporation in Dallas. He also led a group of investors to purchase Lawyers Title Company of Houston in 1998, and later became the sole owner of the company.

Title Data to Appoint New President, CEO

Kevin Gugenheim will take over as president and chief executive officer of Title Data Inc. (TDI) effective Nov. 1, 2018. TDI Chairman James Johnson announced that Gugenheim will replace James Sibley, who will retire Nov. 1 after 31 years with the company. The company's board elected Gugenheim executive vice president effective July 1. Previously, Gugenheim served as executive vice president of corporate operations and strategy of Fidelity National Title Group.

Pavaso Names Executive Vice President of Operations

Pavaso has appointed Cheryl Baillis as executive vice president of operations. In this role, she will be tasked with combining increased operational efficiencies with industry-leading innovation. As e-closings and digital mortgages continue to become the norm in real estate transactions, Baillis will leverage her practical experience and knowledge to the benefit of the client as well as the consumer.

NATIC Hires State Agency Manager for Alabama and Mississippi

North American Title Insurance Co. (NATIC) has hired Jennifer N. Jones as state agency manager for Alabama and Mississippi. Prior to serving as Arkansas agency services manager for Stewart Title Guaranty Co., Jones was with Members Title Co. in Birmingham, Ala.

STRENGTH STABILITY FOCUS

With the rest of the industry consolidating rapidly, the AmTrust Title philosophy remains the same...

// COVERING EVERY ANGLE



AmTrust Title
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AmTrustTitleGroup.com

Building a Big Tent

HAVING A BIG-TENT MENTALITY IS CHALLENGING.

Welcoming companies with different business models, requires you to understand the different philosophies, motives and expectations. It requires patience to work through differences when there are strong reactions to challenges, laws and regulations in the market. Michelle Korsmo's legacy at ALTA will be the creation of an extremely big tent!

By embracing ALTA's mission of improving the skills and knowledge of those in the industry, advocating for member concerns and standardizing products for industry use, Michelle tirelessly worked to serve all companies in the industry, focused on their common issues, to help prepare them to be successful in a changing marketplace.

Michelle's leadership helped us navigate through challenging conversations—not to change our minds but to share ideas and to find the best path forward for the industry. This inclusion has resulted in a strong community and foundation.

Effective leaders don't drift from one place to another. Michelle had a plan to impact key segments of the industry that would in turn influence others. Michelle and her team worked closely with the state land title associations and reached out to other trade groups involved in the mortgage and real estate transaction. ALTA has embraced the various methods of conducting business. Our tent is diverse. From single-person shops and small law firms to publicly traded companies and entities that conduct business nationwide, ALTA members operate in every U.S. county leading, delivering and protecting.

Michelle worked with her team and ALTA's Board of Governors to chart the course for the industry's continued success. Because of this, we're prepared to confront challenges. We're positioned to help drive innovation in the title and closing space. We're excited for what's next.

Members of the Board and I wish Michelle future success in her new position. Although she will be missed, our association is strong as a result of her leadership.

Our big tent stands tall!



STEVEN G. DAY NTP
ALTA president



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