

TITLE News

APRIL 2019

AMERICAN LAND TITLE ASSOCIATION

Work On- Not In-Your Business

Strategies
to Move
Your Agency
Forward



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- Protecting Consumer Money
- Zealous Gen Z
- Celebrating an Industry Icon

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Triangle of Accountability

IT'S BEEN MORE THAN SIX YEARS SINCE online retailer Zappos ditched the traditional siloed department structure and transitioned to holocracy: a flat, self-managed organization.

In this system, traditional top-down reporting lines are replaced by work Circles (think teams, not departments) that operate next to, and on top of, each other. Instead of jobs, people have roles.

Zappos wants each of its employees to have “the minimal number of constraints that enable maximum freedom, but also maximum accountability.”

As Zappos developed this strategy, it learned that giving employees autonomy was good, but there needed to be guard rails. While the company held true to its core purpose of “Delivering Wow,” Zappos realized it needed a system that helped its employees work on what they’re passionate about, but also brings value to coworkers and customers.

To accomplish this, Zappos created the Triangle of Accountability. One side keeps employees grounded to the company’s core principles and behaviors that define the organization. The second side reminds employees of the customer-focused mindset embraced by Zappos, which is relentlessly focused on solving problems and innovating on behalf of the customer. The final side of the triangle is focused on budgeting and balancing the employee’s profit and loss. Instead of having a top-down approach to budgeting, budget conversations and transactions happen between Circles.

Zappos says this allows any employee or Circle to do whatever they want as long as they deliver on each side of the triangle.

Implementing a holocracy at your company may not be a possibility, but you’ll never know how making changes to your culture, structure or processes could improve your operation if you’re stuck working in your business rather than working on it. As you’ll read in this edition’s cover article, to run a successful business and enable it to grow, owners must spend time thinking about the big picture rather than getting mired answering phone calls and responding to email.

It may take practice, but every minute spent on tasks that can be delegated is a minute you could’ve otherwise spent on planning and strategizing. This will not only allow you to build the best business possible, but also empower your employees to take more responsibility and be more accountable.



JEREMY YOHE

ALTA vice president of communications

ALTA Board Approves Revision to Best Practices

ALTA's Board of Governors on Feb. 21 approved a motion to revise the Title Insurance and Settlement Company Best Practices to include a requirement for companies to be listed in the ALTA Registry.

Based on the amendment, Pillar 1 of the Best Practices will include the following requirement:

- Establish and maintain a unique ALTA Registry Universal ID (ALTA ID) using the ALTA Registry platform for each settlement office location (subject to those business entity types supported by the ALTA Registry).

The revision was recommended by ALTA's Best Practices Executive Committee.

The changes will affect the Best Practices Framework and Assessment Procedures.

ALTA's Best Practices is designed to assist lenders in managing third-party vendors and title companies. Pillar 1 requires title companies to maintain licenses for doing business

in the title industry. This includes state insurance licenses, doing business requirements and ALTA policy forms licensing. This helps lenders determine they are working with legitimate title and settlement providers.

The ALTA Registry is a free, searchable online database of underwriter-confirmed title agencies, settlement companies and underwriter direct offices. Lenders use data from the ALTA Registry to obtain underwriter-verified information about a title agent's legal entity name, location and contact information.

Adding a requirement that an agent maintains its listing in the ALTA Registry furthers the purpose of Pillar 1. This requirement would assist lenders in conducting vendor due diligence, helping them determine they are obtaining a valid title policy from an authorized agent and a verified location.

ALTA anticipates making additional modifications to the Best Practices later this year.

Ellie Mae Integrates With ALTA Registry

ALTA and Ellie Mae, a cloud-based platform provider for the mortgage finance industry, recently entered into a data-sharing integration to provide ALTA Registry data through Ellie Mae's Encompass digital mortgage solution. The integration will enhance security through improved title and settlement vendor identification.

The FBI estimates \$12.5 billion in global losses caused by business email compromise (BEC) between October 2013 and May 2018 with \$2.9 billion stolen from 41,058 U.S. victims across all 50 states. The growth of wire fraud due to BEC has

highlighted the need for secure and easy-to-use alternatives to email-based communications with title and settlement professionals.

Using the unique ALTA ID from the ALTA Registry is one of many steps Ellie Mae is taking to provide secure alternatives to email, which is especially critical on purchase-based transactions. With fraud on the rise, an opportunity exists for lenders to enhance security while simultaneously improving efficiency.

ALTA 2019 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 \$153,000 from 154 donors so far in 2019. Check out who has supported the industry at alta.org/tipac.



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ALTA Says PACE Programs Need Safeguards to Protect Consumers

The Consumer Financial Protection Bureau (CFPB) on March 4 issued an Advance Notice of Proposed Rulemaking (ANPR) to get feedback on residential Property Assessed Clean Energy (PACE) financing.

Comments are due 60 days after the ANPR is published in the Federal Register.

PACE loans are a controversial type of financing that allows homeowners to pay for energy-efficient retrofitting through their property tax assessments. These loans often take lien priority over the first mortgage lien.

ALTA said that when buying a home, Americans need to know if they are going to be responsible for someone else's debts.

"PACE programs allow local governments to help individual homeowners finance energy efficiency upgrades through loans repaid via property taxes," said Cynthia Durham Blair NTP, president of ALTA. "Unfortunately, many homebuyers are surprised when they get their tax bill because these super liens are not recorded in local property records and sellers don't disclose them. ALTA looks forward to providing comments to the CFPB. PACE programs need effective safeguards that will promote energy efficiency property upgrades, while also protecting consumers."

S. 2155, the regulatory reform law enacted in 2018, requires the CFPB to apply the Truth in Lending Act's ability-to-repay requirements and civil liability provisions to PACE loans. The CFPB requested examples of PACE loan documentation, current origination standards and practices, the parties to which a PACE loan TILA's civil liability provisions should apply, unique features of PACE loans and potential implications of regulating PACE loans under TILA.

100 Title Professionals Have Earned ALTA's NTP Designation

ALTA recently awarded National Title Professional (NTP) designations to Bill Ronhaar WTP, NTP; Mary Jo Edmiston MTP, NTP; and Zachary A. Ruroden ILTA CLTP, NTP.

With these three, ALTA has now awarded the national designation to 100 leaders across the country.

Ronhaar is president and chief underwriting officer of Whatcom Land Title Company in Washington state. He is a three-time past president of the Washington Land Title Association.

Edmiston is the executive vice president of Boone Central Title Co. in Columbia, Mo. She served as president of the Missouri Land Title Association from 2016-2017.

Ruroden is president of Iowa-based companies Fritcher Abstract Co. Inc. and G.T. Murphy Abstract Co. Currently president-elect of the Iowa Land Title Association, he will be installed as the president in May 2019.

The designation has several elements, including industry and compliance prerequisites and training requirements. To apply for the NTP designation and for more information, go to alta.org/ntp.

CALENDAR

2019 ALTA CONFERENCES

ALTA ADVOCACY SUMMIT

May 6-8
Washington, D.C.

COMMERCIAL NETWORK

June 10-12
Ojai, Calif.

INNOVATION BOOT CAMP

Aug. 12-13
Chicago, Ill.

HOMEOWNER OUTREACH PROGRAM TRAINING

Aug. 14
Chicago, Ill.

ALTA ONE

Oct. 21-25
Austin, Texas

2019 STATE CONFERENCES

ARKANSAS

May 2-4
Memphis, Tenn.

IOWA

May 5-7
West Des Moines, Iowa

MONTANA

May 15-17
Helena, Mont.

NEW MEXICO

May 16-17
Albuquerque, N.M.

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YOUR BUSINESS

*Strategies to Move
Your Agency Forward*

By Jeremy Yohe

GETTING BOGGED DOWN AND BURIED in the day-to-day routine and responsibilities is one of the key reasons company owners and managers often lose sight of the big picture. During the typical work day, owners and managers typically handle many tasks such as handling phone calls, emails, finances, spreadsheets, project planning, creative tasks and putting out fires. Lather, rinse, repeat.

All these activities come with the territory. All are essential or your business will suffer. Working *in* your business means performing tasks necessary to keep the business running. These include functions such as title searches and exams, setting up and conducting closings, and managing employees.

“These are the nitty-gritty items of working in the title business,” said Brieanne McDaniel, principal of Title Insurance Consultants. “If you are finding yourself producing the work, interfacing with clients more than you are focused on strategy, you’re probably working in your business.”

On the flip side, working on your business involves taking a step back and looking at things from a slightly different perspective. It’s concerned with not just the whos, the whats and the whens—but the whys. And the hows.

“Working on your business allows you to improve office work flow, improving the quality of products and services, expanding your business, creating responses for strategic challenges and opportunities,

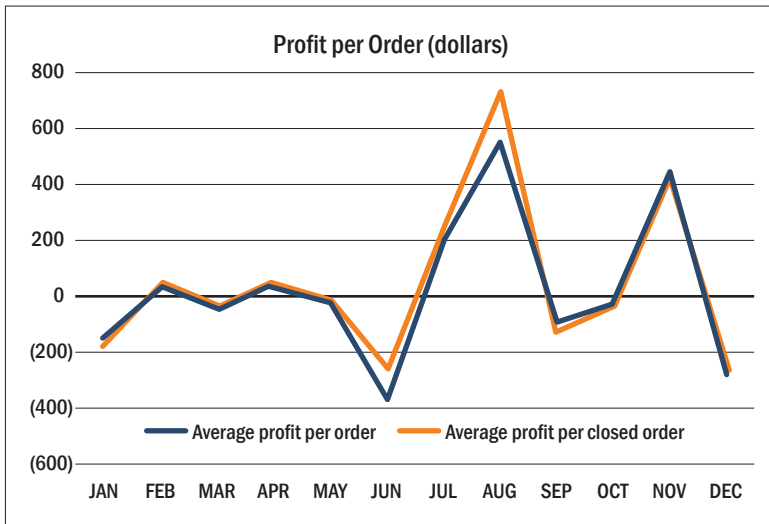
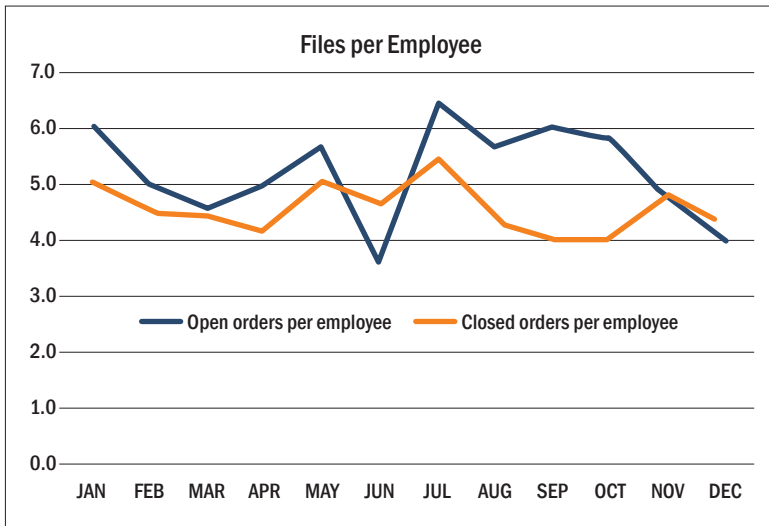
and developing an exit strategy,” said Kay Underwood, principal of Title Insurance Consultants. “Do you find yourself getting so buried in your day-to-day routine and responsibilities that you lose sight of the big picture? That’s the difference between working in your business—efficiently handling those everyday tasks—and working on your business—improving and expanding your operation with an eye on long-term viability and success.”

Ethan Powsner, vice president of compliance, technology and market development for Fidelity National Title Group, said there are many things leaders in the title industry can implement to give them time to think strategically and make sure things happen “instead of being the dog wagged by the tail.” He suggested that working on your business allows companies to be better prepared to handle predictable problems like employee turnover, increased or new competition and, ownership and brand changes, as well as unpredictable issues such as cyberfraud, business interruption due to external causes and regulatory changes.

“As an example, when there is bad weather such as ice storms and a number of businesses have to think

Yellow cells = You enter the data | Gray cells = Automatically computed

ITEM/CATEGORY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Total number of employees	4	4	5	6	6	7	7	6	6	5	4	4	64
Open orders (policies, not searches)	24	20	23	30	34	25	45	34	36	29	19	16	335
Closed orders (policies paid for)	20	18	22	25	30	32	38	26	24	20	19	17	291
Total title and closing revenue	\$28,926	\$32,151	\$30,742	\$34,932	\$32,867	\$23,342	\$41,664	\$51,219	\$29,530	\$30,931	\$41,409	\$29,608	\$ 407,321
Total expenses	\$32,504	\$31,399	\$31,698	\$33,768	\$33,315	\$32,523	\$32,417	\$32,200	\$32,682	\$31,588	\$32,963	\$33,909	\$ 390,966
Profit	\$ (3,578)	\$ 752	\$ (956)	\$ 1,164	\$ (448)	\$ (9,181)	\$ 9,247	\$19,019	\$ (3,152)	\$ (657)	\$ 8,446	\$ (4,301)	\$ 16,355
ANALYSIS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Open orders per employee	6.0	5.0	4.6	5.0	5.7	3.6	6.4	5.7	6.0	5.8	4.8	4.0	5.2
Closed orders per employee	5.0	4.5	4.4	4.2	5.0	4.6	5.5	4.3	4.0	4.0	4.8	4.3	4.5
Average revenue per employee	\$ 7,232	\$ 8,038	\$ 6,148	\$ 5,822	\$ 5,478	\$ 3,335	\$ 5,952	\$ 8,537	\$ 4,922	\$ 6,186	\$ 10,352	\$ 7,402	\$ 6,364
Average expense per employee	\$ 8,126	\$ 7,850	\$ 6,340	\$ 5,628	\$ 5,553	\$ 4,646	\$ 4,631	\$ 5,367	\$ 5,447	\$ 6,318	\$ 8,241	\$ 8,477	\$ 6,109
Average profit per employee	\$ (895)	\$ 188	\$ (191)	\$ 194	\$ (75)	\$ (1,312)	\$ 1,321	\$ 3,170	\$ (525)	\$ (131)	\$ 2,112	\$ (1,075)	\$ 256
Average profit per open order	\$ (149)	\$ 38	\$ (42)	\$ 39	\$ (13)	\$ (367)	\$ 205	\$ 559	\$ (88)	\$ (23)	\$ 445	\$ (269)	\$ 49
Average profit per closed order	\$ (179)	\$ 42	\$ (43)	\$ 47	\$ (15)	\$ (287)	\$ 243	\$ 732	\$ (131)	\$ (33)	\$ 445	\$ (253)	\$ 56



about what they're going to do without power for a few hours," Powsner said. "It's important to think through a plan beforehand."

Metrics

Two of the main things Powsner said title agency owners talk to him about are staffing and training. With many employees retiring, companies are faced with finding and training new employees. In addition, owners are thinking about succession plans.

"I'm getting calls from agents looking to get out of business," he said. "The first question is 'How much is my agency worth?' The second question is 'Who can I sell it to?'"

The value of a title agency is determined by several factors, but the focus should be on the total amount of business, profits and profit margin. Whether a company is dealing with the continuous cyclical

challenges of the industry or deciding to sell, managers need to become adept at working on their business.

"The first thing to learn is to change looking at the profit and loss statements as being rear view mirrors," Powsner said. "Turn them into strategic tools. Don't work from your gut and how you feel about the business. Don't look every month at the P&L and say, 'We have enough money to pay the bills this month and don't have to dip into savings even though it's winter.' You need to be more systematic."

In order to do this, Powsner recommends keeping track of certain metrics month-by-month for the full year:

- Open orders (orders for policies, Powsner suggests not including searches)
- Closed orders (orders you're paid for)
- Number of employees (full-time employees, hours worked and divide by eight)
- Revenue = title premiums and closing fees
- Total expenses
- Profit = gross revenue minus expenses

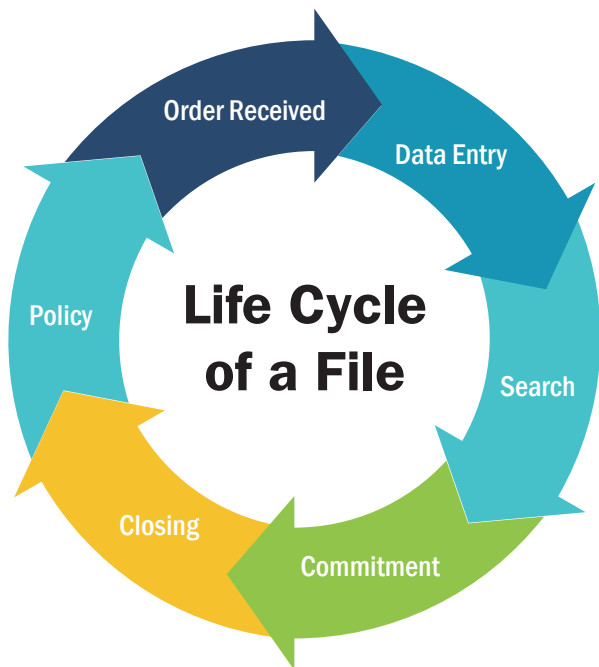
"The process is where the value takes place—the process of measuring each month and comparing the results against goals and adjusting your sales efforts accordingly. It's looking at the data and working with it," Powsner said. "The beauty of working on metrics is that you can detect and react to trends earlier in the process. If you see that title orders decrease after July and never really come back up, by tracking monthly you can see this pattern earlier instead of reflecting on it in October or November."

Operations

Underwood also is amazed at the number of title agencies that don't have a handle on their average income per order or closed orders per employee. In addition to metrics, Underwood said owners and managers need to examine what's happening on the front lines, the amount of times an employee touches a file and how paperless the process is.

"Very often what management and ownership thinks is happening, doesn't match up with reality," she said. "You'd be surprised to learn about the areas of improvement when you start to actually look at the functions of what front-line employees are doing. It seems there's at least one person in each organization who receives a document via email, prints it off and scans it back in to themselves. It's a very small thing to watch for, but it's very telling."

Following the flow of a file is the best way to get an understanding of what employees are doing. This involves knowing how orders are received, how they're entered into the title production software, how searches are ordered, commitment preparation,



closing and disbursement, recording, policy issuance and remittance.

“You’ll probably see a lot of room for improvement and efficiency by following the flow of a file,” Underwood said. “It can be difficult to be objective, and often it takes a third-party to document this for you.”

Technology

In addition to knowing the life of a file, managers and owners must consider how technology interacts with their production strategy. The absence or lack of technology is one of the things employees blame when they’re unable to reach their productivity target. According to the Staples Business Advantage Workplace Index, three out of four respondents “say their employers don’t give them access to the latest technology to do their job efficiently.”

“Technology can help optimize performance to increase efficiency,” McDaniel said. “Specifically, title production software can make functions easier if a company is using its capabilities to the fullest.

Questions to ask about your company’s technology:

- When did you last evaluate your system, and does it even mirror what’s happening on the floor?
- Does it give you the information that you need?
- Can it help you become paperless?

McDaniel said to make sure the latest version of production software is being used. Software upgrades typically occur for security and compliance reasons. Often, though, when title production software is upgraded it comes with additional functionality.

“Many times, I’m seeing front-line employees using work-arounds because the software doesn’t follow the actual office processes,” McDaniel said. “That kills efficiency and morale.”

According to McDaniel and Powsner, title production systems can track the metrics needed to analyze items

such as open/closed orders, closed orders per employee and profit per closed order. If it doesn’t, ask the provider to see if there’s a feature of the software that’s not being utilized.

“My guess is the person who helped implement the software isn’t even there any longer,” McDaniel said. “Have you worked with the team to make sure it helps and not hinders them? It’s possible it’s time for a version upgrade to get added features that increase efficiency. Can you get reports to steer your company? Work with your team to determine what information is helpful to them.”

Over time, order flow can change due to regulatory or staffing changes. Any alterations to the process, need to be made in the software system as well. Communicating technology changes to your team is vital to ensure updates are used.

Moving from a paper-based office to one that’s mostly a digital operation also will provide significant savings. McDaniel has seen title companies increase efficiency by 25 percent by eliminating paper from the process.

Some quick and easy technology changes that can save staff time include upgrading internet speed, purchasing a new server, using efax and making sure you have a full suite of PDF tools—such as Adobe Acrobat or Foxit Phantom PDF—that allow employees to easily convert documents, so they don’t need to print and scan. Little things like these can unlock time for staff to give extra attention to customers.

Sales

Developing a strategy for metrics, operations and technology all translate into having an effective sales plan. The first thing to address is how to get the entire staff involved and identify who is primarily responsible for sales.

To start this process, Cynthia McGovern, CEO of Orange Leaf Consulting, says leaders in the title industry should:

- Get everyone on your team involved.
- Identify who is primarily responsible for sales.
- What makes them successful?
- How do you track results?
- What roles do your other team members play?

“I believe every job is a sales job,” McGovern said. “If you can influence another human to think positively or negatively about your company, then you are in sales. Many people don’t consider themselves a salesperson. They just need a little encouragement to get over the ‘ick factor.’ Part of what ends up happening and why we don’t work on the sales side of the business is that we shy away from it because the closer has a big desk and we can’t rock the boat. That big desk is a big opportunity to turn those relationships into more business.”

“Unless this person sees every interaction as a sales opportunity, you may be leaving sales on the table.”

To work on sales, managers should help employees find their words instead of using a script. This can be accomplished by spending time to help them feel comfortable talking with customers. Phrases such as “Hey, I like working with you. Is there anything else I can open for you today?” are simple conversation starters.

McGovern says title companies and law firms often struggle finding time for this. The initial kickoff takes time and employees need to be coached through it.

“When you get busy, this typically falls by the wayside,” she added. “In order to truly consistently work on your business, you must have resolve in leadership to make sure this doesn’t go away when you get busy.”

McGovern encourages companies to define their strategies and tactics for success by following the six Rs:

- **Retain:** Don’t start by reinventing the wheel—make the one you’ve got better. Look at your existing client base. They’re the ones who have gotten you where you are. What do you need to do to keep them? And, more to the point, how can you keep them happy? Developing and honing your retention strategies to keep your existing accounts should be Job One. You know how much work it takes to get one new customer vs. keeping one current one. “Retain” should be first on your list.
- **Renew:** Don’t stop at just maintaining your current client base. It’s just as important to keep growing their business. Keep them coming back for more—but not just more of the same. “When working on your business, if you’re not watching how your team is behaving and interacting with customers on the phone, you may actually be scaring people away. If your staff is answering the phone and sounds super busy, and the team is exacerbated when talking to clients, your customers won’t want to send you any more business because they don’t want to overwhelm you,” McGovern said.
- **Refer:** Your current clients can also be your best resource when it comes to seeking new ones. Do you regularly ask for referrals from your current clients? Make this part of your plan. Satisfied customers tell your story best. “Let them help you—use them as a sounding board for other possible clients. And build a schedule for these conversations, ideally three or four times a year,” McGovern said. “The majority of title agents get their business from real estate agents. They also are sales people, so they understand the value of referrals. Have your staff ask two clients a month if they know anyone you should be working with.”
- **Revive:** Don’t let those one-time clients vanish into

the night. For any of dozens of different reasons, some customers may disappear from time to time. Don’t take it personally—it’s usually them, not you. “Simply put, circumstances change. They may have moved in another direction, shifted their focus or priorities, or, heaven forbid, tried another vendor. But none of these reasons should stop you,” according to McGovern. “Keep that list of former clients handy and make a regular effort to review it.

- **Recruit:** Now it’s time to prospect, and there are many ways to do this. But most of them start with targeting—compiling lists of potential clients who are likely candidates for what you’re offering. “Recruiting new customers tends to be the most obvious strategy of all, but that doesn’t make it the easiest,” McGovern said. “Far from it—it’s most likely to be the thickest chapter of your plan. She says there are a couple of ways to approach this. First, if you’re the non-directing agent on a residential deal, think about giving the real estate agent a call and ask if there’s anything you need to know about their client—maybe they will be out of the country.
- **Real:** In B2B sales and marketing, title companies often service the needs of someone else who, in turn, is servicing the final customer. “Don’t ever lose sight of that person. The real customer is the one we all depend on to keep everybody in business,” McGovern said. “In all of your growth strategies, never forget the need to visualize the experience of that real customer—because if they don’t win, nobody else does, either.”

Powsner says it doesn’t matter which of these areas a company decides to tackle and implement first, as none is reliant on the other. “After you see the resultant guaranteed improvement, implement another of the ideas,” he said. “Incrementally you will see your agency improve.”

Working on your business is taking a 10,000-foot view, and then a deep dive into where you want to go, what you’re trying to accomplish and how to get there.

“Are all of these little nuts and bolts that you’re assembling in the course of your daily routine still aligned with your mission, your vision and your strategic plan?” McGovern asked. “Are they still the best way to take you where you need to go? You’ll never know unless you take time out to work on your business. Sometimes we’re so busy running as fast as we can that we forget to flap our wings and try to fly.” ■



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



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It's no longer business as usual for real estate transactions. Email, fax and FedEx are history, just like the Pony Express. Gone are the days of a one-off "electronic this" or "digital that" tied together by a manual process. Instead, it's an all-out sprint toward digital transformation. And RamQuest is taking the lead.

Learn why fully electronic order processing is becoming the norm at our FREE webinar, May 9th. Register: RamQuest.com/Transform



one

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Protecting Customer Money

Last June, a transaction handled by Pennsylvania-based White Rose Settlement Services Inc. was going smoothly. Then, an attorney client's email was hacked a week before the \$9 million deal was scheduled to close. Due to the quick action of company President Shonna Cardello and her team, the money was recovered.

In addition, in November 2017, another client lost \$54,000 due to fraud, but Cardello's team was able to recover the funds within two months. Also, in January 2018, the company's escrow checks were found for sale on the dark web to anyone for any amount. Cardello quickly closed the account to prevent any losses.



WE
LEAD

We Lead: We are the authority in real estate transactions. We innovate for the benefit of our customers.

WE
DELIVER

We Deliver: Our customers trust us to do the right thing, the right way—before, during and after the transaction. We sweat the small stuff to assure that land transfer is accurate, swift and secure.

WE
PROTECT

We Protect: We protect the property rights of those we serve. We reduce risk so our customers have peace of mind.

“Shonna and her team jumped into action to guard and defend against the attempted fraud,” said Robin Kelsh, executive director of the Pennsylvania Land Title Association. “Shonna didn’t hesitate to lead her staff and other parties involved to remedy these and many other instances. She delivers to her clients daily and adamantly protects her customers to ensure a positive outcome for all.”

Cardello was one of three ALTA members honored at the 2018 ALTA ONE conference with an inaugural ALTA Our Values Award.

The awards program showcases the title insurance industry’s Our Values initiative, which serves as the industry’s cultural compass and highlights the core ideals ALTA members embrace.

Cardello won the We Protect Award for her efforts to protect her clients from wire fraud.

“I’m honored to have received this recognition and to work with an incredible staff,” Cardello said. “Together, we work to protect and educate our clients, ensuring we exceed their expectations every step along the way.”

Our Values Profile

Name: Shonna Cardello **Title:** President **Company:** White Rose Settlement Services Inc.

How would you describe your company’s culture?

Staff is the most important. Take care of your staff because they take care of the clients.

How does the organization support these values?

I try to make sure the staff feels appreciated through individual praise and tangible acknowledgements to fit their needs. We invest in training and education, so my co-workers can be the best version of themselves.

What makes you proud to work at your company?

My co-workers who go above and beyond for our clients and the loyalty of clients who continue to use the company. The success we’ve had over 23 years through hard work is simply amazing!

What role do company values play in hiring and performance reviews?

A huge role. We hire to fit our culture and values. I can train someone in title, but I cannot train them to have a positive attitude, be loyal, embrace ethical behavior and be determined to succeed.

continued on next page

Our Values Profile, continued

What is a common way your staff exhibits the company culture during a closing?

We try to never say no to client requests—unless they're asking for something that's illegal. We prefer to see if we can accommodate the clients' requests. My co-workers excel at following the letter of the law, while trying to remain client focused.

Which of We Lead, Deliver or Protect speaks to you the most as a title professional and why?

Protect has always spoken to me. I will fight for the underdog and those who cannot or don't know how to fight for themselves. I feel a great responsibility to the community I work in to ensure that my clients are protected, can prosper and will be happy homeowners!

How did you get into the industry?

I have my paralegal degree and worked for attorneys for a few years before I opened a title company with my partners. I am driven by success, not money, so I was excited for the surprise opportunity.

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

I love first-time homebuyers and their excitement! When the days are tough, the enthusiasm of buyers gives me the strength to continue.

Why is the title industry a great career opportunity for those entering the workforce?

The title industry will entice you and capture your heart! To become a title agent and be your own boss provides an abundance of opportunities. The world is your oyster, but you must be willing to put in the work. I suggest you start at the entry level to learn and understand the entire process. Once you have a comprehension of the industry, you will quickly climb the ladder.

What advice do you have for professionals starting their career in the industry?

Be a sponge. Learn as much as you can from the pillars of the industry. Always be open to new ideas and feel free to interject your ideas.

Who has been your professional mentor and why?

My grandfather has taught me the importance of hard work and ethics. He was a small business owner and volunteered with many organizations. I continue to lead by his example.

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

I can shoot a pistol with deadly accuracy and twirl fire batons, but not at the same time.

ALTA Our Values Awards

We Lead. We Deliver. We Protect. ALTA is celebrating our members who live these values in the best possible ways with the ALTA Our Values Awards. These awards are given annually to individuals who have put one or more of ALTA's core values—leading, delivering and protecting—into action. In its second year, the awards program will include a fourth award for one entire ALTA member office or operational team that exemplifies Our Values.

We want to know how you, your friends or your coworkers go to extraordinary lengths to personify Our Values. ALTA is accepting nominations through June 7. Submit nominations at surveymonkey.com/r/ALTAvalues.

Winners will be recognized during ALTA ONE, Oct. 22-25, 2019, in Austin, Texas.

Can You Keep a Secret?

We Hope Not!

Don't let the extraordinary ALTA professionals in your life go unnoticed: Nominate someone exceptional for the **ALTA Our Values Awards** today! Celebrate your friends and colleagues who showcase what it means to lead, deliver and protect in the best possible ways. Up to four awards are up for grabs: three for individuals and one for an entire ALTA member office or operational team.

Winners will be recognized during ALTA ONE, Oct. 22-25, 2019, in Austin, TX, and receive scholarships to the event, awards to display, digital badges for a company website and the street cred that's deserved.

Deadline to submit nominations is June 7.

Submit your nominations at
www.surveymonkey.com/r/ALTAvalues.



American Land
Title Association

Protecting the American Dream Since 1907



Wisconsin's Knight Barry Title Hopes New Pensacola Office is First of Many in Florida

CAROL D. EUBANKS ISN'T PLANNING TO LEAVE THE TITLE INDUSTRY ANYTIME SOON

—a fact that, at first glance, made her agency, Partnership Title Company in Pensacola, Fla., an unlikely acquisition candidate. But after learning more about Wisconsin-based Knight Barry Title Group, Eubanks took the opportunity to become our first office in the Sunshine State.



“What Knight Barry Title is about and what they have done up in Wisconsin, Michigan and Minnesota, that’s just incredible,” said Eubanks, who added that every person she has met with at Knight Barry Title has been “very knowledgeable and very easy to get along with.”

That team includes me (Craig Haskins, the chief operating officer) and our CEO Jeff Green. Green has owned Knight Barry Title since 1979 and is my stepfather. Based in Milwaukee, Knight Barry is a proud family-owned operation that now has 60 office locations across four states.

To Eubanks, joining Knight Barry Title is a win-win for her and four other employees, all of whom are staying on with her. (We are very glad about that.) The 65-year-old Eubanks, who said she plans on working for at least a couple of more years, pointed out that with Knight Barry Title, she and the rest of her team will get better benefits (more insurance options, a 401(k) program, etc.) than Eubanks could offer them on her own. Eubanks grew up in Pensacola and has 40 years of experience in the land title insurance business there. She opened Partnership Title in 2008.

Eubanks was introduced to Knight Barry Title through an underwriter representative. The acquisition became official on March 1, 2019, and Partnership Title changed its name that day to officially become Knight Barry Title’s first office in Florida.

Our first expansion into Florida represents both a continuation of the company’s growth from 2018 and a whole new, largely unwritten, chapter. Last year, I spearheaded two separate acquisitions—one of which moved the company’s physical presence into Minnesota. We are always on the lookout for the right growth, in Florida and across the country. Our company had been looking all over Florida for two years, but until connecting with Eubanks and Partnership Title, we hadn’t found the right fit.

When you’re buying a title company, you’re investing in the great staff already there. It’s a different name on the sign now, but we won’t disrupt any of the customers and have them think that this big title company from Milwaukee is trying to change things. Yes, there’s a different logo on the closing docs now, but there also are more choices of products and processes. When it comes to the staff our customers will deal with, the same people in Pensacola run the show.

Eubanks is excited for the opportunities for her and her team, as well as what coming to her home state means for the entire Knight Barry Title brand. She noted that as part of the deal, Knight Barry is

expanding the office by leasing some adjacent space to add another closing room and private offices.

“I think we’re teaching them and they’re teaching us,” Eubanks said. “I think it’s going to be a great experience. We’re kind of going to be their baby. Florida is just so different than any other state. I think it will be a lot easier for them to grow around the state after this.”

The search for more Florida opportunities is ongoing. We have scoured some of the big markets for potential offices, but we are willing to go anywhere in the state for the right deal. In addition to being open for more acquisitions with business owners who are either looking to retire in the next few years or someone like Eubanks who sees value in joining a larger, but still independent company, Knight Barry Title is open to working with a well-connected closer or manager who is ready to organically create a new office.

Even though her company wasn’t the first place we considered, Eubanks said Knight Barry Title couldn’t have picked a better place to launch our first Florida office than her hometown. Pensacola sometimes flies under the radar—ironic, because it’s known for aviation and the U.S. Navy’s Blue Angels—but Eubanks loves her city’s booming downtown, which is right on the water. She also pointed out that Pensacola has some of the best beaches anywhere in the world.

Like a lot of the cities (mostly Midwestern) in which her new company already operates, Pensacola is very close-knit. For her part, Eubanks has said she expects customers, real estate agents and, yes, competitors to welcome Knight Barry Title to town. Personally, she has no qualms about no longer being on her own because of the resources, support and stability this new relationship is bringing for her and her employees.

“I think it’s going to be great. It’s going to really be an honor (to be the first Florida office),” Eubanks said. “Pensacola has a really small-town feel. I think we’re going to be embraced by the Realtors and even the other title companies.”

Knight Barry Title’s activity on the merger and acquisition front is getting attention across the land title industry. I was honored to speak on a panel addressing the topic at ALTA ONE last October, talking about how rapidly changing technology and new compliance demands may have some industry veterans looking for an exit strategy.



CRAIG HASKINS is the chief operating officer for Knight Barry Title Group overseeing 60 offices across four states. He can be reach at craig@knightbarry.com.

Zealous Gen Z

Many in This Group Saving Early to Be Homeowners by Age 25



GENERATION Z IS AMBITIOUS ABOUT HOMEOWNERSHIP, and it shows through their savings habits. According to realtor.com, Gen Z-ers (ages 18 to 24) interested in homeownership are two times more likely than previous generations to be saving or plan to be saving for a home by age 25—and two of five Gen Z-ers are aiming to become homeowners by that age.

These insights are the result of a survey realtor.com conducted in conjunction with Harris Interactive, which included responses from 3,372 Americans across Generation X (ages 35-50), millennials/Generation Y (ages 25-34) and Generation Z, to better understand the generational differences in relation to homeownership and aspirations.

“Gen Z-ers don’t just want to become homeowners; they want to do it at a younger age and we found that they’re saving or planning to save for it accordingly,” said Danielle Hale, chief economist at realtor.com. “Their desire for homeownership may be similar to that of millennials and Gen X-ers, but graduating into one of the best labor markets in generations might give them the boost they need. Only time will tell if Gen Z-ers are able to achieve their ambitious goals.”

Generation Z’s homeownership fervor closely resembles that of millennials and Generation X, as 79 percent are certain they want to (or already do) own a home, compared to 82 percent for both Gen Y and Gen X. A larger share of Gen Z-ers are open-minded and may be interested in pursuing homeownership sometime in the future (17 percent), compared to millennials (13 percent) and Gen X-ers (11 percent). Accordingly, Gen Z-ers who answered “yes” or “maybe” to desiring homeownership are more than twice as likely to have started or plan to start saving for a home before age 25 (74 percent), compared to what Gen Y (33 percent) and Gen X (33 percent) actually reported accomplishing.

Overall, only 4 percent of Gen Z-ers are sure that they don’t want to own a home, on par with the results for Gen Y (5 percent) and Gen X (6 percent). The expenses associated with homeownership are the biggest deterrent across all generations, especially for Gen Z-ers (48 percent vs. millennials at 31 percent and Gen X-ers at 42 percent). The second most-cited reason Generation Z didn’t want to be a homeowner was that they were not yet ready to settle down in one place (25 percent).

Need Help Educating Consumers?

ALTA’s Homeowner Outreach Program (HOP) has many resources to help you explain the benefits of title insurance to consumers, real estate agents and others. Items such as flyers, social media ads and blog content can be used to market your business. Check out the material at alta.org/hop.

In addition, you can register for the upcoming HOP Leader Training (Aug. 14 in Chicago) to learn how to effectively use the resources. To view the schedule and register, go to meetings.alta.org/hop.

Customization is king, especially for Generation Z

Generation Z are least likely to become or plan to become a homeowner for investment purposes (29 percent) or tax benefits (16 percent). Instead, they cite wanting to customize their space (61 percent) as the top reason for homeownership, and tied with millennials for wanting to raise their family in a home they owned (55 percent).

Why do/did you want to become a homeowner?*

	Gen Z (18-24)	Millennials (25-34)	Gen X (35-50)
I want to customize my space	61%	54%	47%
It's how I want to raise my family	55%	55%	46%
Financially able to afford a home	37%	43%	39%
Real estate is a good investment	29%	38%	39%
I want to live the American Dream	29%	37%	35%
Want to put down roots in a particular community	27%	34%	32%
There are tax benefits to homeownership	16%	23%	29%

*Asked only of those who answered "yes" or "maybe" to desiring homeownership

A little help from the parents isn't off the table

Gen Z-ers are the most optimistic about getting financial assistance from their parents to reach their homeownership goals, with 56 percent saying "maybe" or "yes" to expecting or receiving financial help from family. Interestingly, Parents of Generation Z are the least likely to have received family assistance from relatives. Gen X-ers were least likely to expect or have received help from their family (59 percent no), and millennials are split down the middle (50 percent no, 50 percent yes/maybe). With a head start on savings and potentially greater access to family support, this up-and-coming generation could be better prepared to invest in real estate.

Did you/do you expect financial assistance from your family or relatives?

	Gen Z (18-24)	Millennials (25-34)	Gen X (35-50)
Yes	18%	24%	22%
Maybe	38%	26%	19%
No	45%	50%	59%

realTOR.com
ZEALOUS GEN Z
The Homeownership Dream

Everybody is dreaming of a dream home

4 out of 5 Americans are or want to be homeowners

GEN Z	GEN Y	GEN X
18-24 YRS OLD	25-34 YRS OLD	35-50 YRS OLD

79% of GEN Z are or want to be homeowners
 Right on Par with Gen X & Gen Y **82%**

37% of GEN Z have bought or want to buy a home before age 25
VS
14% to **15%** of GEN X & Y

SMART SAVERS

74% OF GEN Z-ERS have started or will start saving for a home before 25 years of age
2X More than GEN X & GEN Y

Top 3 Reasons for Homeownership Across Generations

- 1** Customization is King
- 2** My Style of Raising a Family
- 3** I've Got the Money



Fraudulent Title Companies Handling Mexico Timeshares

Companies Encouraged to Review, Protect Business Profile

SCAM AHEAD

LICENSED TITLE COMPANIES IN MISSOURI HAVE BEEN WARNED by the state's insurance regulator about a scam in which fraudulent title agencies are handling transactions involving Mexico timeshares.

According to the Missouri Department of Insurance, people are posing as inactive or expired licensed title insurance agencies or title insurance agents and fraudulently soliciting, handling conveyance documents and funds related to Mexico timeshare properties.

Marjorie Thompson, a special investigator for the Missouri Department of Insurance, reported that valid licensed insurance companies' addresses are used in the transactions, but with an expired licensed title agency name on the documentation.

The first pillar of ALTA's Title Insurance and Settlement Company Best Practices provides guidance in how to ensure title professionals have the proper licensing as required to conduct business.

Title companies are encouraged to randomly check the names and addresses of business entities on the internet, inform staff and report any concerns to state regulators.

Tips to Protect Your Business Online

Do not share financial documents, sensitive personal information or account numbers via email or other non-secure web-based services. If you must provide this sensitive information over a website, ensure that the site is secure. A secure website is indicated with "https" in the website's URL.

Business Records Filed With Secretary of State

If you have registered your business with your secretary of state, you should do the following:

- Maintain the "Good Standing" or "Effectiveness" of the business
- Note your reporting or renewal month on a calendar
- File your reports or renewals on a timely basis
- If available, sign up for email notification for your entity or trade name
- Sign up for Secure Business Filing if available
- Periodically check your entity's or trade name's history

Monitor Activity

The best method to detect possible business identity theft is to monitor activity around your business. You should:

- Monitor your business's credit report and, if possible, sign up for a credit monitoring service
- Subscribe to your secretary of state's business entity email notifications service, if it has one
- Sign up for email alerts for your accounts
- Monitor your accounts and bills. If an unexpected bill, charge, credit card or account shows up or a regular bill doesn't arrive, contact the billing company



MAKE YOUR MARK BY STANDING OUT

How do you stand out from the competition? By working with the right partner. Through underwriting expertise, technology, marketing support and education, we supply our Trusted Providers[®] with the tools and information that help them lead in their markets. We can do the same for you.

Download your eClosing guide: stewart.com/ALTA191



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80

CELEBRATING AN INDUSTRY ICON



Stewart Morris Sr. Honored for
80-year Milestone With Company

EVEN AT 98 YEARS OLD, STEWART MORRIS SR. CAN STILL BE FOUND IN HIS OFFICE, meeting, engaging with customers and motivating leaders.

Morris worked his way from office boy to president and co-chief executive officer of Stewart Information Services Corp. His son, Stewart Morris Jr., a 40-year employee, is now senior chairman of Stewart Title Guaranty Company, while Stewart Morris has moved to chairman emeritus of Stewart Information International, vice chairman and advisor to the board of Stewart Title Guaranty. The company recently honored Morris for his 80 years of service to the company.

“Given the countless stories about him, Stewart is a man who is to be experienced rather than described,” said Matt Morris, chief executive officer of Stewart Information Services Corp. “His wisdom, wit and walk have largely defined the Stewart culture, and we are extremely grateful for his legacy and his continuous investment in the Stewart Title family.”

In 1943, Stewart received his Bachelor of Arts degree from the University of Texas and his law degree from Southern Methodist University. He married Joella Morris, who also graduated from SMU. The same year he graduated from the U.S. Navy Reserve Midshipman’s School at Columbia University. He served in the Navy during World War II as a lieutenant junior grade on LST 38 in seven invasions in the South Pacific. In 1980, the Houston Texas native received his honorary doctorate from Houston Baptist University. In 2006 Morris and his wife Joella each received honorary doctorates from Washington & Lee University, one of the oldest universities in the United States.

Morris has devoted his entire business career to the management, growth and expansion of the subsidiary companies known as Stewart Title. Morris followed his father William Carloss Morris, who died in 1950, when Stewart Title had only eight offices and a few agents in Texas. Morris has observed the company grow to serve all 50 states and 13 foreign countries, now with offices and agents in over 9,000 locations. Morris was inducted into the Texas Business Hall of Fame in October 1995.

To improve the lives of inmates upon release, Morris became interested in donating computers to the InnerChange Freedom Initiative program. Inmates of Jester II Unit in Richmond, Texas, used the donated computers for job training. Morris led the effort to have several other companies donate computers.

Famous for being involved in his community, for over 50 years Morris has served as trustee and secretary of the Oldham Little Church Foundation, which financially assists over 200 small churches each year. Some of his other honors include:

- National Jewish Center for Immunology and Respiratory Medicine Trustees Dinner of Houston, past honoree
- National Jewish Center (headquartered in Denver), past national trustee
- Star of Hope Mission, past trustee
- Fort Bend County War on Drugs, past honoree
- National Trust for Historic Preservation, past advisory trustee
- Harris County Heritage Society, past director

- Galveston Historical Foundation, past director
- Carriage Museum of America, past chairman
- Carriage Association of America, honoree life trustee
- Houston Baptist University, founding father and twice past chairman of trustees
- Second Baptist Church, Trustee Emeritus, deacon
- Southern National Bank, past senior chairman
- Memorial Hermann Hospital Foundation’s annual dinner, past honoree
- SMU Law School, distinguished alumni
- Houston Exchange Club, past honoree

Morris and his wife Joella were the contributors to the new Joella and Stewart Morris Cultural Arts Center at Houston Baptist University where the Museum of Southern History, The Decorative Arts Museum and the American Bible Museum are located.

Morris sponsored terrestrial photogrammetry of Mt. Vernon, the home of George Washington, providing precise film of interior and exterior from which detailed plans could be generated, should physical disaster occur. Morris and two other sponsors provided financing for the complete disassembly and restoration of Mount Vernon’s North Palladian windows. Morris participated in the 200th anniversary of the reenactment of George Washington’s funeral and has financed the restoration of the stables and carriage coach house at Mount Vernon.

Morris received The Paul Carrington Chapter No. 5, 2004 Sons of the American Revolution “George Washington Service Award.” The George Washington Service Award is the most prestigious award given by the Paul Carrington Chapter. It is conferred at the celebration of the birthday of our country’s first president to a person who has manifested the highest quality of public and private life as exemplified by the Father of the Country.

Morris received the 28th Fellow of the University from the University of Chester. This award is given to individuals for their community engagement, Christian ethos, betterment of others, service for the greater good and expanding knowledge.

Morris is a past member of the Thomas Jefferson Monticello Memorial Cabinet and is a major donor for the ongoing restoration of Poplar Forest, Jefferson’s hideaway plantation.

Morris restored and endowed the 1842 Morris House on the front campus of Washington & Lee University, which contains the Washington and Lee suites for visiting dignitaries. He and his wife Joella led the Galveston Stewart Title home office 1881 building restoration. They purchased the 16 granite columns from the Galveston County court house and erected them on the campus of Houston Baptist University, symbolizing the 10 Commandments.

Morris has logged 6,300 hours as an aircraft pilot, flying from Central America to the Arctic Circle. Today, Morris drives “Four in Hand”—four-high courage gray horses with a carriage from his collection of 50.



Big 4 Underwriters Close Out Strong 2018

Income Remains Positive as Housing and Mortgage Markets Slow

Here's a recap of how the publicly traded underwriters performed:

Fidelity

Fidelity National Financial reported that its title segment generated pre-tax earnings of \$102 million during the fourth quarter of 2018. This compared to \$248 million in pre-tax earnings during the same period in 2017.

"The fourth quarter was a solid finish to a strong year for our title business," said Fidelity Chairman William P. Foley II. "Additionally, fourth quarter total commercial revenue of \$324 million was a company record, as was full-year 2018 total commercial revenue of \$1.1 billion. We expect another strong performance from our commercial operations in 2019. We did experience some softness in the residential purchase market in the fourth quarter, as closed purchase orders declined by 6 percent versus the prior year. In response to that slowdown in the purchase market, we reduced staffing in our field operations

by approximately 564 positions, or 5 percent, during the fourth quarter."

Fidelity opened 379,000 direct orders during the fourth quarter of 2018 and closed 301,000 orders. This compared to 445,000 direct orders opened and 357,000 orders closed during Q4 2017. Fidelity reported that its average revenue per direct title order increased to \$2,803 during Q4 2018 from \$2,425 during the same period in 2017.

Fidelity paid \$58 million in claims during the fourth quarter of 2018. This is down from \$63 million in claims paid during Q4 2017. For the year, Fidelity paid \$223 million in claims compared to \$231 million in claims paid in 2017.

Overall, Fidelity reported \$875 million in pre-tax income in 2018 compared to \$955 million in pre-tax income in 2017.

"We are optimistic that the strong economy, relatively stable mortgage rates, potentially slower home price appreciation, and the possibilities of increased residential supply, will provide the

backdrop for a restart of the strength in the residential purchase market that we saw for much of 2018,” Raymond Quirk, Fidelity’s chief executive officer, said during the company’s earnings call.

Fidelity continues to work through the regulatory process to acquire Stewart Information Services. In February, the New York Department of Financial Services (NYDFS) rejected Fidelity’s application to acquire Stewart Title Insurance Company, a New York-domiciled title insurance company that is licensed only in New York. In a regulatory filing, Fidelity and Stewart reported they are “evaluating the appropriate course of action in light of the NYDFS’ determination.” The companies may meet with the regulator to better understand its concerns.

During Fidelity’s earnings call, Foley said the company plans to talk with the regulator about alternatives to move the deal forward in New York.

“What we need to do is get the FTC to keep on following through and need to show them why this is a good transaction, not only for Stewart Title, but for FNE, and also for the consumer,” Foley said. “And that’s where we are looking—that’s really our focus right now. So we’re not totally concerned about New York, to be honest with you.”

First American

First American Financial Corp. reported that its title division generated \$136.4 million in pre-tax income during the fourth quarter of 2018. This compares to \$165.6 million in pre-tax income during the same period in 2017.

“The company had a strong finish to a record year in 2018, achieving annual earnings per share of \$4.19 and a return on equity of 13.1 percent,” said Dennis Gilmore, chief executive officer at First American Financial. “For the year, total revenue was relatively flat, with growth in our commercial business and rising investment income largely offsetting the decline in refinance transactions. We continued to manage the company at a high level of efficiency, enabling our title segment to deliver a record pre-tax margin of 12.4 percent.”

For 2018, First American generated \$655.0 million in pre-tax income compared to \$642.4 million in 2017.

During the fourth quarter, First American’s direct branches opened 202,400 orders and closed 176,500 orders. This compared to 231,500 direct orders opened and 204,200 orders closed during Q4 2017. First American reported that its average revenue per direct title order increased to \$2,824 due to the shift in the order mix to higher-premium residential purchase and commercial transactions and the increase in the number of large commercial transactions in the current quarter.

First American paid \$44.8 million in claims during the fourth quarter of 2018. This is down from \$45.3 million in claims paid during Q4 2017. For the year, First American paid \$173.5 million in claims compared to \$175.3 million in claims paid in 2017.

Looking to 2019, First American expects its commercial business to remain strong, but anticipates continued pressure on its residential business.

“We have adjusted our cost structure accordingly and, as a result, we expect to meet our long-term financial objectives for the year,” Gilmore said. “As part of our growth strategy, during the year we will continue to focus on developing innovative solutions that improve the customer experience and increase our efficiency. These include the expansion of our digital closing services, further automation of our title production process, and utilization of artificial intelligence to expand and leverage our extensive data assets.”

Old Republic

Old Republic International reported that its title segment posted pre-tax income of \$61.1 million during the fourth quarter of 2018. This compared to \$64.2 million in pre-tax income during the same period a year ago.

The company reported that 2018 year-over-year comparisons of revenues from title premiums and fees reflect a slowdown in housing and mortgage lending activity during the year. By contrast, claim costs trended higher as favorable development of prior years’ claim reserve estimates edged down.

Old Republic paid \$3.2 million in claims during the fourth quarter of 2018. For the year, the company paid \$48.3 million in claims compared to \$20.8 million in claims paid in 2017.

Overall, Old Republic reported \$219.3 million in pre-tax income in 2018 compared to \$237.1 million in pre-tax income in 2017.

Stewart

Stewart Information Services reported that its title segment posted pre-tax income of \$29.5 million during the fourth quarter of 2018. This compared to \$27.0 million in pre-tax income during the same period a year ago.

“We are encouraged by our fourth-quarter results, which resulted in an improved pre-tax margin as we maintained direct title revenues and reduced expenses in the face of a challenging housing market,” said Matthew W. Morris, Stewart’s chief executive officer.

Stewart opened 73,000 direct orders during the fourth quarter of 2018 and closed 59,686 orders. This compared to 88,574 direct orders opened and 71,418 orders closed during Q4 2017.

Stewart paid \$12.3 million in claims during the fourth quarter of 2018. This is down from \$25.9 million in claims paid during Q4 2017. For the year, Stewart paid \$71.5 million in claims compared to \$96.5 million in claims paid in 2017.

Overall, Stewart reported \$875 million in pre-tax income in 2018 compared to \$955 million in pre-tax income in 2017.

“Looking at 2019, interest rate concerns appear to be stabilizing, and we remain focused on completing our merger with FNE,” Morris said. “I appreciate the continued efforts of our employees to deliver solid operating results as we work through this process.”

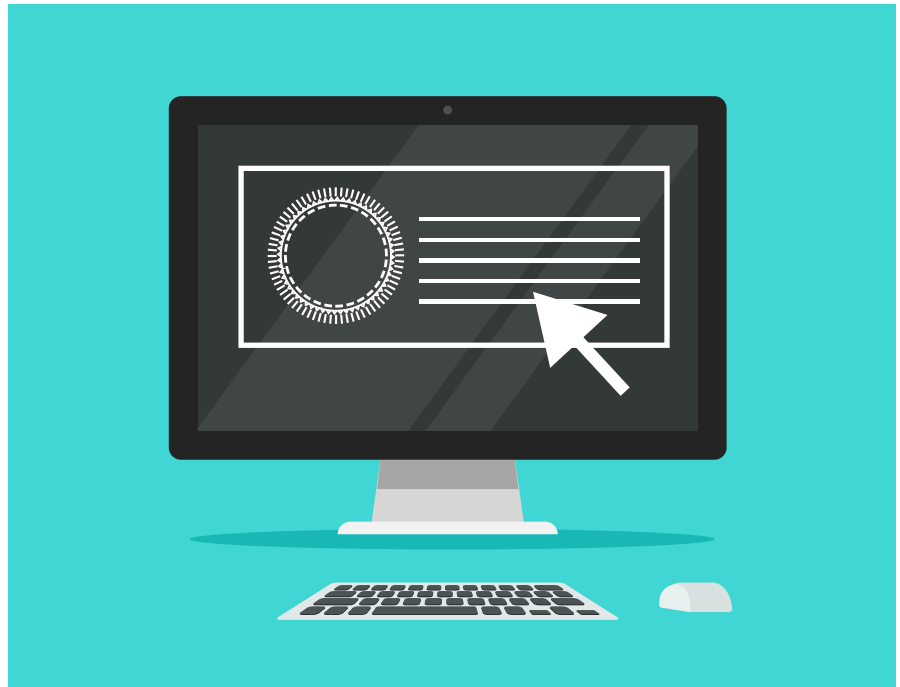
Utah Passes Remote Online Notarization Bill

Utah became the latest state to pass legislation that permits remote online notarizations (RON). Utah's HR 52 modifies the Notaries Public Reform Act to allow a notarization to be performed remotely.

The bill follows the key principles of the ALTA-MBA model legislation. Utah joins Indiana, Michigan, Minnesota, Montana, Nevada, Ohio, Tennessee, Texas, Vermont and Virginia with laws explicitly allowing the practice.

RON allows notaries to conduct notarizations using audio-visual technology over the internet instead of being physically present. Unlike other states, Utah's lieutenant government promulgates regulations as opposed to the secretary of state.

Another 19 states have pending RON bills. To monitor other RON bills, check out ALTA's state legislation tracking map at alta.org/advocacy/state-advocacy.cfm.



Fidelity Completes Its First Remote Online Notarization Transaction in Texas

Fidelity National Financial recently completed its first digital real estate closing utilizing a remote online notarization (RON) and digital signature process. This was the first such transaction for FNF in Texas, where state law allows escrow officers commissioned as online notaries public to perform fully digital closings using a combination of video technology and digital signatures. A Texas FNF affiliate used secure, RON technology to connect the property sellers in Austin with an escrow officer in Pearland. To complete the transaction, several documents were digitally signed by the sellers and notarized remotely.

"As consumers' lives become increasingly mobile, we are evolving our service to include a broad range of digital tools that allow us to meet them wherever is most convenient," said Jason Nadeau, chief digital officer for Fidelity. "Remote online

notarization is just one part of this wider toolset, and allows sellers and buyers to close on a real estate transaction when and where it best suits their schedules. Moving the already complex process of a real estate transaction closing online requires the coordination of many different moving parts and, as expected, our Texas team pulled it off seamlessly for our customer."

The digital tools employed by FNF for this transaction used electronic methods to ensure the identity of the property sellers and created a full set of compliant, digitally signed documents. Following the closing, an archived video version of the remote closing experience was uploaded to FNF's secure, web-based system for the delivery and storage of escrow and title documents, becoming part of the official record tied to this transaction.

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American Mortgage Consultants Acquires String Real Estate Information Services

American Mortgage Consultants (AMC) has acquired String Real Estate Information Services, a provider of title search outsourcing services.

AMC CEO Michael Franco said the deal is as part of ongoing efforts to support all the services secondary-market clients need to conduct transactions. The financial terms of the transaction were not disclosed.

“The acquisition of String further enhances AMC’s ability to offer a comprehensive set of title quality control services to participants in the secondary mortgage market with the addition of title search services and other mortgage business process outsourcing capabilities,” Franco said.

String, which employs approximately 650 people in the United States and India, will continue to operate under its original name. Prashant Kothari, String’s president, will retain his position in the deal.

“The combination of String’s proficiencies with the market presence, relationships and technology of AMC will bring unique capabilities and talents for the benefit of our clients,” said Kothari, who formed String in 2004.

Federal Title Expands Into Maryland

Washington, D.C.-based Federal Title & Escrow Company has expanded into Maryland.

The need for the new office was attributed to the company’s growing number of settlements in the Washington, D.C., Maryland and Virginia areas.

“We are delighted to announce the opening of our new Rockville office,” said Todd Ewing, CEO of Federal Title & Escrow. “The new office is located in close proximity to many up-and-coming housing developments, which will give clients even better access to our services.”

DO YOU KNOW WHAT TO LOOK FOR IN YOUR CLOSING, TITLE AND ESCROW SOFTWARE?

When searching for a new provider, you need to make sure to evaluate everything a company has to offer, not just its sale pitch.

Here is a checklist of seven questions you should use when searching for the best vendor for you and your company.

Here’s **7** things to consider before purchasing title software.

- 1** What are the included features/integration possibilities?
- 2** How does the company harness the power of automation?
- 3** Is the company dedicated to the protection of you and your customers’ data?
- 4** Is the company more than just a software supplier?
- 5** Can you test the product first?
- 6** Is the company reputable?
- 7** Is the software a good value?

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Qualia Launches Live Reconciliation Service

Qualia now offers dedicated specialists to help guide and advise title companies on their reconciliations, so they remain audit-ready and best practice compliant at all times

The service, which is available in select states for a limited time and will expand over the coming months, is offered within Qualia’s reconciliation and accounting platform. Qualia said the service ensures that agents don’t spend unnecessary time on bookkeeping and banking operations. Instead, they can focus on their core competencies to support business growth.

“Workloads have exploded in recent years leaving agents more susceptible to mistakes as well as escrow scams and fraud, underscoring the need for more efficient and secure reconciliation and accounting practices in the title industry,” said Qualia CEO Nate Baker. “Qualia’s reconciliation specialists will help minimize potential risks while offering peace of mind that reconciliations are executed properly, timely, consistently and with the highest accuracy.”

PropLogix Launches New Third-party Vendor Payment Option

In response to recent clarifications for title agents from the Florida Department of Financial Services (DFS) on third-party vendor fees, PropLogix has launched PropPay. Much like a buyer would pay for an inspection prior to closing, PropPay allows the buyer or seller to pay for municipal lien searches before closing.

Rather than the title agent ordering a municipal lien search and passing through the fee on the closing disclosure, which the Florida DFS guidelines warn against, PropPay puts the vendor (PropLogix) in direct contact with the buyer or seller once the title agent

Housing Market Potential

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

4.93 SAAR

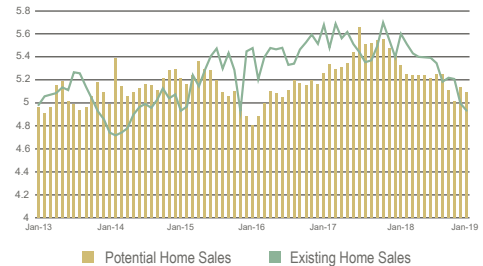
Existing Home Sales

5.10 SAAR

Potential Home Sales

-3.27%

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.

National Consumer House-Buying Power

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

January 2019

\$374,330

House-Buying Power

-1.6%

Year-Over-Year

Where House-Buying Power is Strongest

Top States and Cities

States

1. New Jersey: **\$504,310**
2. Maryland: **\$482,375**
3. Connecticut: **\$479,222**
4. Hawaii: **\$471,981**
5. Massachusetts: **\$470,450**

Cities

1. San Jose, CA: **\$714,843**
2. San Francisco, CA: **\$642,136**
3. Washington, DC: **\$626,024**
4. Boston, MA: **\$538,467**
5. Seattle, WA: **\$527,523**

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

initiates the order. The buyer or seller is sent a request for payment and when complete, a copy of the final report is delivered to the title agent for review as well as the party that paid for the search

WACO Title Launches Closing Trainee Program

In January, Arkansas-based WACO Title launched a Closing Agent Training Program to remedy a job market shortage of trained closing agents.

During the one-year program, trainees master a wide range of industry-specific topics, including technology training. Upon completion, the trainees become WACO closing agents in markets throughout Arkansas and Missouri. Six new closing agents have been hired from the inaugural class.

“The need for qualified closing agents has always existed in the industry,” said

Amanda Brumbelow, director of closing operations for WACO Title, “Traditionally, in most parts of the country, closing agents are trained by other associates by performing the daily tasks required to close a transaction. It may take several years for someone to learn the ins and outs of the closing transaction. The closing training program offers recent college graduates an opportunity to fast-track their career in this industry.”

Illinois Real Estate Title Center Acquires First Community Title Services

Illinois Real Estate Title Center LLC recently acquired First Community Title Services Inc. (FCT), a subsidiary of Heartland Bancorp Inc.

The Title Center, which is an agent

of Investors Title Insurance Co., now has nine locations with the addition of FCT’s Bloomington, Champaign and Pekin locations.

Leading The Title Center are Terry Prillaman, vice president and general counsel, and David Coltrin, assistant vice president and operations manager and the former title services manager of FCT’s Pekin office.

“This merger extends the exceptional service delivered by both organizations to all existing and prospective clients while allowing us to retain and attract exceptional talent and provide associates with exciting career opportunities,” said Dana Lyons, vice president of multi-state marketing for Investors Title and former agency manager for The Title Center.

Lyons will continue to work with The Title Center through Investors Title Management Services, which manages and oversees The Title Center and also served as an advisor for the transaction.



Are you looking for that competitive edge?

North American Title Insurance Company’s suite of business development tools and services gives agents an advantage in their markets. As a business partner, we offer our title agents exclusive access to:

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- Personalized service and transparency

Let us show you how a Simple move to a highly engaged underwriter can be a game-changer in your business. Contact us at 800.374.8475. Or visit www.natic.com/true_partner.

North American Title Names Regional Presidents

North American Title Co. (NATC) named presidents for its eastern and western regions following the sale of the company to States Title Inc. in January.

Michael A. Montalvo will serve as president of the eastern region and oversee operations for the more than 50 branch offices. Meanwhile, Chad Nichols was named president of NATC's western region. He will manage 40 branch offices in the region.

Montalvo most recently served as central region president, managing NATC's operations in Colorado, Illinois, Minnesota and Texas. Prior to that, he was Illinois division president. He began his career in the title industry in 1991 as a scheduling clerk with the Professional National Title Network. During his 14 years there, he gained experience in title and escrow, eventually managing several different departments and finishing his tenure in sales and marketing.

Nichols brings two decades of experience in the industry, having most recently served as national sales manager for NATC. Launching his title industry career in 1999, he was promoted to a sales manager position for a national title company. He later served in various positions for two additional title companies, including county manager and senior vice president, before joining NATC in 2009.

Stewart Names National Director of Lender Sales

Stewart Title appointed Rich Kuegler to the role of national director of lender sales. In his new role, Kuegler will be responsible for sales and business development strategy for Stewart's lender channel, with a focus on improving the customer experience in title/settlement and appraisal management solutions. Kuegler has worked in the real estate lending space for more than two decades and has held business development and executive positions with Clear Capital, DataQuick and TransUnion Settlement Solutions. Before joining the mortgage industry, he worked as a manufacturing process engineer and served with distinction as an officer in the U.S. Navy.

States Title Appoints VP of National Operational Services

States Title Inc. has named Doug Aunkst vice president of national operational services. In this role, he will manage centralized national production and facilities support for the company's North American Title Co. division. Aunkst has worked for North American Title for nearly 24 years, serving most recently as vice president, region controller in California, where he handled financial analysis, strategic planning, escrow and title policies and procedures, and offshore vending. Prior to that, he was an escrow operations manager. From 1995 to 2002 he served as senior vice president and chief operating officer for Continental Escrow Co., which was purchased by North American Title in 1998.

AmTrust Title Promotes Shapiro to General Counsel

AmTrust Title Insurance Company recently promoted Felice K. Shapiro to general counsel for AmTrust Title and First Nationwide Title. She is responsible for all underwriting decisions for both companies. Most recently, Shapiro served as executive vice president and chief underwriter for AmTrust Title and was responsible for overseeing all legal and underwriting decisions for the direct and agency sides of the business.

Prior to joining AmTrust Title in January 2016, she was executive director and counsel of TIRSA, a rating agency for title insurance. She also spent more than 17 years at Old Republic Title Company where she held the role of senior counsel and vice president.



Shapiro

ALTA PROVIDES HIRING RESOURCES

ALTA has developed many tools and resources to aid members in the hiring process. Log in and access the material at alta.org/human-resources.



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CYNTHIA DURHAM BLAIR NTP
ALTA president

LET'S BE HONEST, BEING A PROFESSIONAL in the title insurance industry right now can seem scary. Issues such as real estate wire fraud, personal information privacy, data security, cyber insurance coverage and your liability can be overwhelming. You might feel like you have a lot of questions but very few answers.

You're not alone. Many title and settlement professionals have shared their concerns about cyber security and wire fraud with me, other board members and ALTA staff. While these are major problems for our industry, they're also issues we at ALTA are continuously working on to create better solutions and education opportunities.

Next month, the FBI plans to release its 2018 Internet Crime Report, which will include updated data on wire fraud incidents and losses. In last year's report, the average loss from a business email compromise (BEC) scheme was \$130,000—this compares to the average bank robbery loss of \$3,800 and average ransomware loss of \$722. The FBI estimates that less than 15 percent of all BEC attacks are reported, so we expect losses and incidents to continue their unfortunate upward trajectory. This is why title and settlement agents should report every wire fraud incident—whether there's a loss or not—to the FBI at ic3.gov.

To help title professionals protect their business, ALTA developed all new Innovation Boot Camps focused on wire fraud education. The first Boot Camp was held April 16-17 in Raleigh, N.C. The final Boot Camp of 2019 will be held Aug. 12-13 in Chicago.

I highly recommend you attend this last Boot Camp, where you'll learn:

- ☒ The latest cyber fraud and liability trends
- ☒ How to develop a wire fraud rapid response plan
- ☒ Top technology solutions
- ☒ How to address the data privacy debate
- ☒ Training strategies for staff and Realtor partners that work
- ☒ How to raise consumer awareness about wire fraud
- ☒ What cyber insurance coverage is best for you?
- ☒ How to create a cyber fraud protection strategy

For those needing education credit, six hours of CE/CLE will be available in many states.

In addition to providing live training and education, ALTA is bringing the real estate, lending and title industries together to protect consumers from wire scams. We're excited about this endeavor and hopeful a unified effort will intensify efforts to raise awareness and safeguard consumers and the industry.

The market is changing and so is the way we do business.

As we look to the future, we must keep pace with technology in order to provide exceptional service to our customers. We've incorporated several improvements to the resources that are available on our website. So, whether you are one of our valued agents or just searching for more information, visit our fresh new website to see the tools we can offer.

How can our tools help your company keep pace with technology?



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