

# TITLENews

JULY 2019

AMERICAN LAND TITLE ASSOCIATION



Piecing Together the  
Business Insurance

# puzzle

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DON'T MISS THIS MONTH'S  
DIGITAL ISSUE OF

# TITLENews

The digital edition of **TITLENews** includes a webinar recording that offers tips and advice to title and settlement agents when getting insurance policies to protect their business from things such as cyber fraud and phishing schemes.

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# TITLENews

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## Awareness is the Best Medicine

### THE LATEST STATISTICS GATHERED by the FBI's Internet Crime Complaint

Center (IC3) for 2018 show internet-enabled theft, fraud and exploitation continue to be a pervasive problem for American businesses. According to the report, these crimes were responsible for a staggering \$2.7 billion in financial losses in 2018.

Reports of fraud came from every U.S. state and territory and involved victims from all walks of life. Within the title industry, there were about 11,300 reports of wire fraud incidents resulting in the loss of nearly \$150 million last year. Donna Gregory, chief of the IC3, said the report indicates the frequency of these crimes, highlights the substantial financial toll and shows a victim can be anyone who uses a connected device. Awareness is one powerful tool in efforts to combat and prevent these crimes. Reporting is another. The more information that comes into the IC3, the better law enforcement can respond.

Last year, the IC3 created its Recovery Asset Team, which has found success recovering funds lost in business email compromise scams. So far, the team has recovered more than \$192 million in funds—a recovery rate of 75 percent. To improve the chances of a successful recovery, it is imperative that victims contact their bank immediately upon discovering a fraudulent transaction. It's also critically important to report the crime to the FBI at [ic3.gov](http://ic3.gov).

One success story happened in Colorado, where a victim wired \$56,000 for a home purchase to a thief after receiving a spoofed email request from the lender. The Recovery Asset Team worked with the Denver Field Office and the victim's bank to freeze the funds transfer and return \$54,000 of the stolen money. In another example, \$50,000 was recovered for a New York homebuyer who thought the wire transfer instructions came from the closing agent during a real estate transaction.

While reporting is one side of the equation, awareness is another major factor, which is why ALTA launched the Coalition to Stop Real Estate Wire Fraud in June. We're hopeful our coalition will provide an additional avenue to reach consumers about the dangers of wire fraud and give them a platform to share their story if targeted. You can check out the website and join the coalition at [stopwirefraud.org](http://stopwirefraud.org).

The most important prevention tips include keeping hardware and software up to date and protecting all your technology through the use of anti-virus programs and strong passwords. The other steps include learning how to recognize suspicious messages and requests, and researching and verifying the legitimacy of every offer, person, message or opportunity encountered online.

Criminals are smart. They know buying a home can be confusing and comes with a lot of paperwork and digital back and forth between the parties. ALTA will continue to develop resources and tools to help you fight against this fraud and educate your customers.



**JEREMY YOHE**

ALTA vice president of communications

## Spoofer Membership Email Appears to Come From ALTA

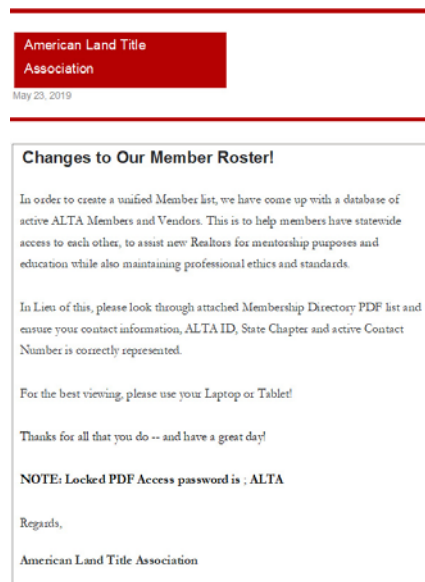
ALTA is alerting its members to delete a phishing email that appears to come from the association and has the subject line, “Changes & Updates to Member Directory.”

The email, which appears to come from the American Land Title Association, asks members to review an attached PDF of the membership directory and ensure the information is correct. ALTA has contacted the company that hosts the sender’s domain and also Rackspace—the mail server/hosting company from which the email was sent.

ALTA encourages you delete the email. Do not open the PDF, as it could contain malware that may infect your computer. In addition, you should block the domain of the email or the IP address that it came from. Once the scammers catch on, they will likely switch email domains, so be on the lookout for similar messages from different email addresses and domains.”

You can be sure that your information

is safe. This is a phishing email and our system was not breached.



## DOJ Directed to Issue Wire Fraud Report

At ALTA’s request, the House Appropriations Committee directed the Department of Justice to issue a report to Congress on its efforts to combat wire fraud. This is part of Congress’ annual appropriations process that directs how government agencies spend money.

On pages 15 and 16 of the report, the committee directs the U.S. Department of Justice to provide a report detailing ongoing activities to both combat and raise awareness of wire fraud in real estate.

“The report should detail any joint activities conducted with the Department of Justice, Federal Bureau of Investigation, Federal Trade Commission and other relevant agencies,” the committee wrote in its report. “The report should also include recommendations to Congress on any legislative changes that would enhance these efforts.”

In the report, the committee recommends that more than \$1.2 million be appropriated for FinCEN. The committee also urges FinCEN to continue working with federal regulators and financial institutions to encourage innovative approaches— including artificial intelligence and machine-learning technology—to detecting and combating money laundering and terrorist financing.

While Congress mandated these reports to come out no later than 90 days after the legislation is enacted, agencies frequently are delayed on drafting these reports. If you have any questions, contact Emily Tryon at [etryon@alta.org](mailto:etryon@alta.org).

## Membership by the Numbers

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

- New Members: 44
- New Associate Members: 1
- New Attorney Members: 18
- Total Members: 6,142
- State With Most New Members: Florida

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



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## Register for the Last Boot Camp and HOP Leader Training of the Year

ALTA is hosting two very important events in the same place and time for your ultimate convenience!

The final ALTA Innovation Boot Camp of the year, scheduled for Aug. 12-13 in Chicago, can help you and your business prepare to face problems like cyber fraud and data privacy head on. Issues such as real estate wire fraud, personal information privacy, data security, cyber insurance coverage and your liability can be overwhelming. The Boot Camp provides CE and CLE credits in more than 20 states.

Additionally, ALTA's one-day Homeowner Outreach Program (HOP) Leader Training equips you with the tools to explain the benefits of title insurance to consumers. On Aug. 14 in Chicago, you also will learn how to effectively utilize the marketing materials provided on [ALTAprints.com](http://ALTAprints.com) to gain new customers and grow market share.

Join us for the two events that will help you protect the customers you have and provide you with creative ideas to reach the ones you don't.

### ALTA Innovation Boot Camp

- Aug. 12-13 | Chicago
- The Westin Chicago River North
- [meetings.alta.org/bootcamp](http://meetings.alta.org/bootcamp)

### HOP Leader Training

- Aug. 14 | Chicago
- The Westin Chicago River North
- [meetings.alta.org/hop](http://meetings.alta.org/hop)

## Help Us Save a Tree, or Two

As the cost to print and mail *TitleNews* continues to increase and becomes a larger percentage of ALTA's budget, we'd like you to consider opting out of the print copy. If you no longer wish to receive a hard-copy of *TitleNews*, simply select opt out. You will continue to receive the digital edition every month. You can also review and manage the information you receive from ALTA at [alta.org/membership/manage-subscriptions.cfm](http://alta.org/membership/manage-subscriptions.cfm).

### 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 \$428,773 from 636 donors so far in 2019. Check out who has supported the industry at [www.alta.org/tipac](http://www.alta.org/tipac).

# CALENDAR

## 2019 ALTA CONFERENCES

### 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

### UTAH

July 31-Aug. 3  
Park City, Utah

### PACIFIC NORTHWEST

Aug. 1-3  
Stevenson, Wash.

### MINNESOTA

Aug. 9-11  
Brainerd, Minn.

### MISSOURI AND KANSAS

Sept. 4-7  
Kansas City, Mo.

### OHIO

Sept. 8-10  
Columbus, Ohio

### COLORADO

Sept. 11-13  
Vail, Colo.

### ARIZONA

Sept. 11-13  
Prescott, Ariz.



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# Piecing Together the Business Insurance Puzzle

Digital TitleNews Extra:  
Shopping for Insurance Policies

**WIRE TRANSFER FRAUD AND CYBERATTACKS** are top of mind for most title company owners. According to the FBI, there has been a 1,100 percent rise in these crimes from 2015-2017. However, only 58 percent of title companies nationwide have cyber liability insurance policies, according to a nationally representative survey conducted last year.

The survey of over 650 title agents nationwide was conducted in February 2018 by ALTA's Data & Analytics Work Group, a group of agent and underwriters from the two section executive committees. It asked agents about their experience with different insurance coverages, including errors and omissions (E&O), fidelity bonds and cyber insurances. Coverage for cyber attacks is in stark contrast to the number of agencies that have E&O insurance. More than 95 percent of title companies have this type of coverage, according to a separate ALTA survey.

Cyber insurance can't protect a business from cybercrime, but the right policy can provide a financial backstop in the event of a breach or email compromise. Cyber liability insurance protects the insured agent

from damages arising from a data breach and exposure of non-public personal information by cyber theft and other cybercrimes. This coverage often includes managing the response to a breach, such as notifying regulatory agencies and affected consumers.

Larger title companies are more likely to have cyber policies. The survey found that 83 percent of companies with more than 50 employees reported having cyber insurance, while only 40 percent of title agents with less than 10 employees have this type of coverage.

Additional survey highlights:

- **Smaller agents are more likely to get their cyber coverage as part of their E&O policy.** Roughly half of agents with over \$1 million in revenue obtain a

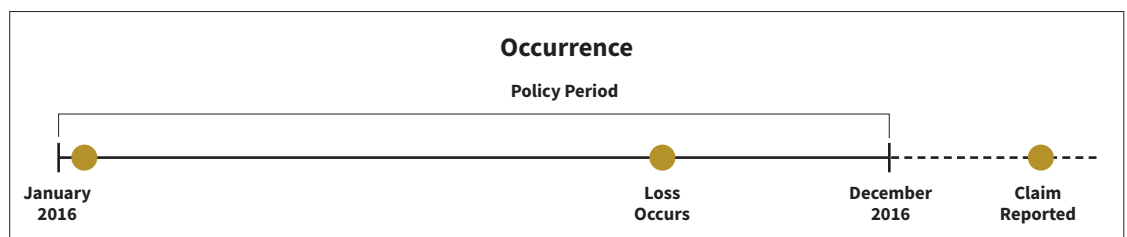
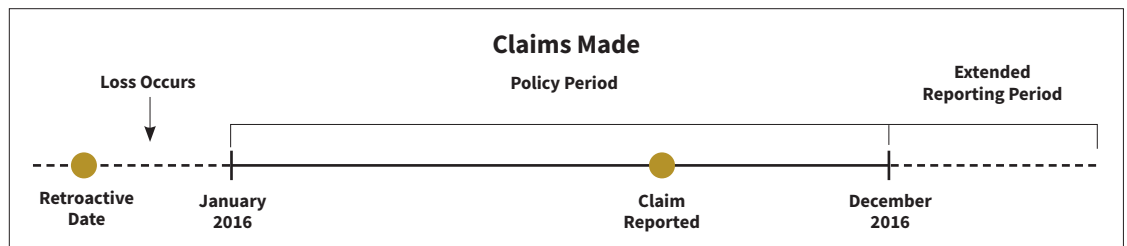
specific cyber liability policy, with the inverse being true for agents with less than \$1 million in revenue.

- **Agents with less than \$1 million in coverage, tend to select a deductible of \$10,000 or less.** Deductibles above \$10,000 don't become common until agents start buying over \$2 million in coverage.

When it comes to protecting a business from wire transfer fraud, coverage becomes less common. Only 25 percent of agents nationally have a social engineering endorsement or specific funds transfer fraud coverage, the survey found. Purchase of this coverage rises above 50 percent for agents with over \$7 million in gross revenue or more than 50 employees.

## Types of Policies

Cyber coverages continue to change on a yearly basis. It can be valuable to discuss new options with your broker prior to your policy renewal. When looking at different kinds of insurance, it's important to verify whether the coverage is occurrence-based versus a claims-made policy. Occurrence policies cover claims arising out of damage or injury that took place during the policy period, regardless of when claims are made. Most commercial general liability (CGL) insurance is written on an occurrence form.



Meanwhile, claims-made policies cover incidents that you report during the active policy period—or an extended reporting period—and occur after a policy’s retroactive start date. Claims through this form of coverage must meet both criteria for coverage to apply.

“Most companies have a bundle of insurances and you want to make sure coverages are consistent and integrated,” said Bill Burding NTP, general counsel and executive vice president of Orange Coast Title Co.

## E&O Not Good Enough

Simply having an E&O policy isn’t enough these days. While it may be the only requirement for some underwriters, title agencies should bundle various policies to get complete protection.

E&O policies, also known as professional liability or malpractice, cover unintentional errors or omissions of information while performing professional services for others for a fee. While it covers mistakes an employee could make, there is no third-party coverage. According to Nicole Plath, CEO of Fortune Title Agency, some E&O policies offer cyber-crime endorsements, but offer very limited liability coverage. The policy’s declaration page will show the different forms and endorsements;

Plath said losses due to social engineering are typically excluded from this coverage, even though they arise due to unintentional errors by employees. Burding added that once upon a time, E&O policies were all encompassing, but now have “many carve outs and are pretty watered down.”

“An E&O policy is not same policy that was available a decade ago,” Burding said.

## Fidelity Bonds

Other policies that agencies could bundle together are fidelity bonds, which cover dishonest acts, such as theft, committed by employees. Fidelity bonds don’t provide any third-party coverage. Meanwhile, crime policies offer the coverage of a fidelity bond but often also cover third-party crime, data breach coverage, computer system fraud, cyberattacks, data processing service operations, voice-initiated transfer fraud, fax transfer fraud, destruction of data or programs by a hacker, destruction of data or programs by a virus, telephone toll call fraud and unauthorized home banking electronic funds transfer.

“One of the things about a crime policy is that they require a callback verification with respect to wire transfers,” Plath said. “This is something that you want to pay attention to and negotiate the policy’s language.”

Common language in these policies reads like this:

*Loss by the insured resulting from the insured authorizing, delivering or transferring funds upon reliance on a fraudulent instruction provided that instruction purportedly came from an employee, a client or a vendor.*

Plath said negotiated language could read like this:

*Loss by the insured resulting from the insured authorizing, delivering or transferring funds upon reliance on a fraudulent instruction provided that instruction purportedly came from a legitimate party to the escrow transaction.*

“The language was too specific and not broad enough for who we could be working with during a transaction,” Plath said. “Language is negotiable. You really want to read through what it says with your broker.”

When working with her broker, Plath negotiated better terms for the call-back verification. Typically, policies require a call-back to verify all wire instructions.

“For companies that have long-term clients and sending wires many times a day, it’s not a realistic scenario,” she said. “We have wire templates set up, so unless there’s a change there isn’t really a need to call the client three times a day.”

Plath had the contract language modified so her company only had to perform a call-back if the transaction involved a new escrow account, was a new customer or there was a change from the previously agreed-upon instructions.

“You need proof you’ve done this. So, make sure your call-backs are documented,” Plath added.

## Cyber Policies

A cyber policy is the next level of protection for title companies. This coverage protects against risks such as loss of funds due to fraudulent money transfers or phishing scams, extortion/ransom attacks, privacy breaches, computer viruses or hacking resulting in the damage/disruption of computer systems.

A traditional cyber policy will help cover:

- claims made by clients or employees
- regulatory proceedings, fines and penalties relating to privacy laws
- costs to notify affected individuals/and/or provide credit monitoring to affected individuals
- costs to restore data and computer programs damaged by hackers/viruses
- business interruption and expense due to a breach
- reimbursement of lost funds

Burding said coverage provided by cyber policies also has been peeled back as well over the last few years. While a company may have a \$5 million cyber

# Cybersecurity Insurance Isn't Enough to Fight Wire Fraud

By Amanda Farrell

**CYBERSECURITY INSURANCE** is recommended for businesses of all sizes in every industry that handles sensitive personal information like social security numbers, credit card information and date of birth. Playing it safe with this information means that businesses shouldn't assume that their company doesn't have a vulnerability because it's not obvious. According to experts, if you store data at your location, you have a vulnerability. If you have email, you have a vulnerability, and if you have distracted or untrained employees, you have a vulnerability.

Social engineering is the most common way in which a title agent or other principal in a real estate transaction is duped by cyber criminals, yet most basic plans don't cover it.

## One mistake can sink a title company

I recently heard a story of a mid-size title agency that had an impeccable reputation, followed ALTA Best Practices and maintained stellar relationships with Realtors and lenders. Thanks to a perfect storm of personal and professional stress, an employee who had been fully trained in wire fraud prevention made a mistake.

After a late night of arguing with her husband and waking up the next day to drive through a snowstorm to get to work to get through eight closings, she sent the funds from the sale to another account at the request of the seller via email. The following business day, a terrible revelation was made.

She received a call from the seller asking where their money was at. The email she received from the "seller" was indeed a cybercriminal who had been watching the transaction (because the Realtor involved was not using a VPN) and sent an email with instructions to send the money into their account. By that time, the cybercriminal had absconded with \$140,000 and recovering the cash was impossible.

Horrified by the mistake, the title company filed a claim with their cyber insurance company. After reviewing the details of the case, they rejected the claim, stating that the system wasn't hacked, and the company should contact their E&O insurance provider. Unsurprisingly, the E&O insurer denied the claim and passed the buck back to the cyber insurance company.

As a result of this one incident, the title agency owner ultimately decided to sell her company. The liability and risk of continuing to operate seemed insurmountable.

## Understand what is and isn't covered by

## cybersecurity insurance

While fund transfer frauds, also known as hacks or system compromises, are covered under every cybersecurity insurance policy, social engineering schemes are distinctly different. It is considered a "third-party phishing scheme," where the company or agent has voluntarily given the money, unknowingly to a fraudster. Because this type of scheme falls within a gray area, title companies will need to carefully assess if their commercial crime insurance can cover them or get specific social engineering attack coverage through their cyber insurance broker.

Now, this oversight in coverage isn't meant to deter title companies or law firms from carrying this type of insurance. It's important to understand that cyber insurance is a burgeoning industry and there are lots of variations in how different companies underwrite, package, and categorize cyber risk exposures and coverages.

## Solutions to fight wire fraud schemes

Be sure to have the basics covered. Some tips to fight cybersecurity include:

- Install and regularly update anti-virus and anti-malware software on all your company's computers
- Use a firewall for your internet connection
- Use a VPN when accessing business information on a public wi-fi
- Make backup copies of important business data and information
- Use strong passwords with phrases, numbers, and special characters
- Control physical access to your computers and network components
- Require unique user accounts for each employee



Keep computer operating systems and browsers up-to-date (missing a patch opens your system up to hacking)

Train employees on how to spot a phishing attempt

Mark and report emails as phishing or spam to help take down the sender domain faster and prevent others from falling prey

Work with lenders, Realtors, and vendors who use proper safeguards

Set up wire transfer protocols like a rotating daily code or synced FOBs to execute all requests

Communicate with principals via encrypted emails

Call to verify wiring instructions using the known phone number before sending funds

The problem with these tips is that they don't address the issue of social engineering. To keep fraudsters from succeeding 100 percent of the time, humans must be infallible. We're not. We all make mistakes. We all have bad days, and we all have the innate tendency to trust. We all get frustrated with the slowdown caused by following the proper protocols while simultaneously feeling the pressure to move faster. It's unfortunate there's often little to no help for title companies that fall prey to cybercriminals even just once.

Fortunately, there are companies (such as CertifID, Vialok and SafeChain) that focus specifically on developing tech tools to stop wire fraud. However, these tools will only work if they are implemented properly and used consistently. All parties in the real estate transaction must work together to prevent and combat the threat of wire fraud.

As Tom Cronkright of CertifID stated, "We are the custodians; we're the protectors and guardians of the transaction." Title agents and agent-attorneys have the unique and lofty position of fighting on the front lines of wire fraud prevention. Cybercriminals are waging a war against consumers and real estate professionals, and there are no days off in the foxhole. ■



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### Social Engineering per Claim Coverage

	My Agency Looks Like This	Percent that have Social Engineering Endorsement	Percent less than \$50,000	Percent \$50,000-\$99,999	Percent \$100,000-\$249,999	Percent 250,000+
GEOGRAPHY	I operate in one state	22	7.5	3	4	7
	I operate in 2-4 states	35	5	7	9	13
	I operate in more than 4 states	63	10.5	0	21	32
ANNUAL REVENUE	Less than \$250,000	16	7	2	4	3
	\$250,000-\$499,999	21	9	4	4	4
	\$500,000-\$999,999	28	6.25	7.25	4	10.5
	\$1 million-\$2.49 million	35	6	2.5	10	16
	\$2.5-\$6.99 million	44	9	7	9	20
	\$7 million-\$9.99 million	25	0	25	0	0
	\$10 million-\$14.99 million	66	0	0	0	55
	\$15 million-\$49.99 million	67	11	0	22	33
\$50 million or more	100	0	0	0	100	
EMPLOYEES	Less than 10	20	7.5	3	4	5
	10-49	38	6	8	9	16
	100-249	66	11	0	11	33
	250-499	66	0	0	33	33
	500-999	100	0	0	0	100
	1,000+	100	0	0	0	100
OFFICES	1	21	7	4	4	5
	2-4	39	9	5	10	16
	5-9	37	5	0	0	32
	10+	58	5	0	11	42

policy, if it gets hit by a phishing scheme, coverage will typically only be \$250,000. Plath’s broker said this will soon drop to \$50,000.

### Social Engineering

With insurance companies shifting to cyber policies that longer provide adequate coverage for consumer-targeted phishing, the insurance industry has developed social engineering policies that insure against situations when the consumer or title agency gets tricked into wiring proceeds to a fraudulent account. Until recently, these policies couldn’t be purchased for more than \$250,000, but the maximum coverage has increased to \$5 million.

There are two types of social engineering policies: one that requires a call-back and one without a call-back policy. Like the cyber coverage, the social engineering call-back is cheaper and requires a company to speak with the consumer. If this conversation happens, is documented and the consumer still sends the wire, any losses are covered. If no call-back occurs or someone is not available, then coverage is lost.

“It is important that you read the social engineering policy and do an insurance checkup at the very minimum of every year,” Burding said. “Just saying you have social engineering coverage without reading the fine print isn’t enough. I recommend

getting the non-call-back policy (which is about 10-15 percent more). A mistake could be very expensive. Social engineering is today’s fraud.”

Burding said the carve outs from E&O policies have resulted in the myriad of various coverages. Insurance policies tend to cover the last set of claims that come in.

“It’s a reactive way of insuring,” Burding said. “The cyber policy was wonderful four years ago, but it’s not where the damages are coming from these days. Now they are coming from social engineering. While a cyber policy is important, it’s covering the types of fraud that happened a few years ago.”

Burding said because of the various carve outs, typical E&O policies should be significantly less expensive because they’re covering less. Additionally, the cost for cyber policies was exorbitant a few years ago. Burding advises negotiating with your broker to get reductions when bundling policies.

“When we reviewed our policies, we got significant reductions in crime, cyber and E&O,” he said. “We had to pay more for social engineering, however the savings from the other polices allowed us to pay for social engineering coverage. The important thing to remember is to get a bundle of policies to ensure you have comprehensive coverage.” ■

### Tips When Selecting Insurance Brokers:

- **Experience in the title industry:** brokerages fees don’t vary much, so getting someone who has limited knowledge of this business is not the same as getting someone who knows your business. (ALTA Marketplace, [alta.org/marketplace](http://alta.org/marketplace))
- **Ability to negotiate:** need to know how to modify coverage terms; there is a handful of agencies that have that type of clout and can also know what types of changes to make; changes of as few as three words can greatly affect coverage.
- **Determining coverage amounts:** helps you stack policies accordingly
- **Leveraging multiple policies:** helps you get breaks on other policies that have diminished returns.
- **American and European markets:** need someone who can access varying coverages out of Europe. Understanding of General Data Protection Regulation.

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# ALTA Forms National Coalition to Help Prevent...



*Goal Is to Raise Awareness and Educate Consumers About the Danger*

**IN 2018**, there were at least 11,300 victims of real estate wire fraud who lost a total of \$150 million. According to the FBI, this number is even higher because only a small percentage of all wire fraud incidents is reported.

While the title industry continues to layer safeguards into the into the escrow and closing process, security gaps among other parties involved in the transaction continue to leave money vulnerable. According to a report, one in five consumers clicks links in phishing emails, while half of consumers click on links in personalized spear phishing emails. These social engineering schemes often lead to wire fraud. Despite efforts over the past few years by various groups—including ALTA—half of surveyed consumers are not concerned about wire fraud even though 75 percent of the same people were warned by their real estate agent, title company or bank during the transaction. In addition, 76 percent have never seen coverage of the issue on the news and are likely only hearing about it at the closing.

To help raise awareness and educate homebuyers, and real estate and mortgage professionals about the risk and urgency of the problem, ALTA in June launched the national Coalition to Stop Real Estate Wire Fraud ([stopwirefraud.org](http://stopwirefraud.org)).

“ALTA has worked for years to push awareness among members, shared best practices and recommended changes in policy to protect consumers against wire fraud,” said Cynthia Durham Blair NTP, ALTA’s president. “Without seeing, hearing and reading about the local impact and real-life stories of fraud victims, regulators and Congress are unlikely to act. A coalition

will help transform this from an issue only known to industry to one that is widely covered in local and national press.”

The coalition—which will include corporate partners, trade associations and consumer advocates—will deploy an integrated and coordinated communications strategy to break through to the targeted audience. A multi-channel approach will include earned and paid media efforts to raise awareness with consumers and key audiences in the real estate community. To launch, ALTA has identified three markets as the most favorable to millennial, first-time homebuyers: Birmingham, Ala.; Pittsburgh; and Virginia Beach, Va.

“We will provide concrete steps that people can take to prevent the risk of wire fraud when buying a home,” Blair said. “We want to identify and empower those who have been victimized to tell their story and advocate for solutions.” ■

## Coalition to Stop Real Estate Wire Fraud

[stopwirefraud.org](http://stopwirefraud.org)

### Goals:

- Raise awareness
- Provide steps to prevent risk
- What to do if you’ve been robbed
- Allow victims to share their story
- Tips for professionals







# ClosingCorp Reports 2018 Average Closing Costs

**CLOSING COSTS FOR A SINGLE-FAMILY PROPERTY IN 2018** averaged \$5,779 including taxes—and \$3,344 excluding taxes—according to the latest data from ClosingCorp.

ClosingCorp cost calculations include lender’s title, owner’s title, appraisals, settlement fees, recording fees, land surveys and transfer taxes. To determine the average single-family home sale ranges, ClosingCorp uses home price data from CoreLogic to create a \$100,000 price range.

“The average home price is a number, but not necessarily a real property with a real closing,” said Dori Daganhardt, senior vice president of data strategy at ClosingCorp. “To get a sense of what is really going on in the market, we compared real cost data on more than 1.5 million purchase transactions that went through our SmartFees platform in 2018. We also used ‘market-specific’ rates and fees charged by the most active settlement services providers in each geographic area, not just network averages.”

The 2018 report shows the jurisdictions with the highest average closing costs, including taxes, were:

1. District of Columbia (\$24,613)
2. New York (\$13,581)
3. Delaware (\$13,309)
4. Washington (\$12,667)
5. Maryland (\$11,395)

The states with the lowest closing costs, including taxes, were:

1. Missouri (\$1,887)
2. Indiana (\$2,002)
3. South Dakota (\$2,149)
4. Iowa (\$2,248)
5. Nebraska (\$2,267)

The jurisdictions with the highest average closing costs, excluding taxes, were:

1. District of Columbia (\$5,694)
2. New York (\$5,586)
3. Hawaii (\$5,318)
4. California (\$5,284)
5. Washington (\$4,701)

The states with the lowest closing costs, excluding taxes, were:

1. Missouri (\$1,887)
2. Nebraska (\$1,919)
3. South Dakota (\$1,995)
4. Indiana (\$2,002)
5. Iowa (\$2,011)

“Because closing costs are based on sale price and taxing jurisdictions, the rankings of high and low-cost states tend to be relatively static,” said Bob Jennings, chief executive officer of ClosingCorp. “However, that doesn’t mean that various jurisdictions aren’t continually contemplating increases and adjustments. Our research showed more than one-third of all counties considered an adjustment to their taxes in 2018, and adjustments in more than 200 counties actually went into effect. These include some interesting twists. For example, four New York counties let their local mortgage tax expire and then reinstated the same tax; and the city of Baltimore introduced a ‘yield tax,’ which is essentially a ‘tax on tax.’ We expect to see even more adjustments in 2019, including a new law which increases the mansion tax on a sliding scale for transfers where the consideration is in excess of \$2 million in New York City—already one of the cities with the highest closing costs.”

**Average Closing Fees for Purchase Transactions by State — 2018**

Single Family Homes			
State	Avg. Sales Price	Total Fees	Total Fees w/o Taxes
DC	\$635,882	\$24,613	\$5,694
NY	\$404,232	\$13,581	\$5,586
HI	\$653,056	\$6,665	\$5,318
CA	\$619,760	\$6,765	\$5,284
WA	\$419,949	\$12,667	\$4,701
IL	\$239,381	\$5,523	\$4,454
PA	\$201,151	\$9,950	\$4,050
UT	\$335,908	\$3,960	\$3,960
MA	\$490,706	\$5,924	\$3,820
NV	\$315,727	\$5,489	\$3,801
TX	\$265,709	\$3,770	\$3,770
MD	\$317,246	\$11,395	\$3,667
NJ	\$351,894	\$6,026	\$3,658
FL	\$274,399	\$6,459	\$3,585
OR	\$343,952	\$3,921	\$3,568
AZ	\$282,976	\$3,561	\$3,561
CO	\$407,611	\$3,570	\$3,496
CT	\$332,471	\$7,003	\$3,416
DE	\$275,621	\$13,309	\$3,322
AK	\$297,837	\$3,197	\$3,197
VA	\$322,157	\$5,842	\$3,150
LA	\$189,478	\$3,445	\$3,120
ID	\$262,473	\$3,066	\$3,066
NM	\$235,878	\$2,964	\$2,964
RI	\$300,849	\$4,563	\$2,940
OH	\$160,627	\$3,347	\$2,877
VT	\$224,912	\$5,750	\$2,756
MT	\$284,927	\$2,741	\$2,741
GA	\$223,487	\$3,600	\$2,733
MI	\$168,338	\$3,983	\$2,696
OK	\$149,426	\$3,010	\$2,649
TN	\$201,012	\$3,746	\$2,581
WY	\$265,469	\$2,523	\$2,523
ND	\$212,024	\$2,501	\$2,501
WV	\$148,524	\$3,367	\$2,490
MS	\$216,372	\$2,475	\$2,475
ME	\$255,030	\$3,563	\$2,461
MN	\$243,333	\$3,790	\$2,446
KS	\$229,980	\$2,532	\$2,428
NH	\$261,075	\$6,183	\$2,405
AL	\$165,726	\$2,580	\$2,361
SC	\$221,549	\$3,276	\$2,352
NC	\$229,557	\$2,850	\$2,316
KY	\$166,317	\$2,311	\$2,162
WI	\$184,501	\$2,595	\$2,143
AR	\$160,704	\$2,530	\$2,027
IA	\$167,681	\$2,248	\$2,011
IN	\$182,594	\$2,002	\$2,002
SD	\$164,427	\$2,149	\$1,995
NE	\$182,409	\$2,267	\$1,919
MO	\$198,199	\$1,887	\$1,887

Source: ClosingCorp



## CFPB to Provide More Info to Companies Under Investigation

**T**he Consumer Financial Protection Bureau (CFPB) announced changes to policies regarding Civil Investigative Demands (CIDs) to ensure they provide more information about the potentially wrongful conduct under investigation.

The bureau said the CIDs will provide more information about the potentially applicable provisions of law that may have been violated. CIDs will also typically specify the business activities subject to the CFPB's authority. In investigations where determining the extent of the bureau's authority over the relevant activity is one of the significant purposes of the investigation, the CFPB said staff may specifically include that issue in the CID in the interests of further transparency.

The new policy considers court decisions about notifications of purpose and is consistent with a 2017 report by the Bureau's Office of Inspector General that emphasized the importance of updating Office of Enforcement policies to reflect such developments. The new policy is also consistent with comments the Bureau received in response to the Requests for Information it issued in 2018, seeking feedback about various aspects of its operations, including its use of CIDs in enforcement investigations.

The Consumer Financial Protection Act of 2010 authorizes the bureau to issue investigational subpoenas known as CIDs when looking into potential violations of law. The act provides that each CID "shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation." CIDs issued by the bureau set out this information in a section known as the "notification of purpose."

On April 17, CFPB Director Kathy Kraninger spoke publicly for the first time about her vision for the bureau. Four parts of Kraninger's speech stood out regarding the Real Estate Settlement Procedures Act (RESPA):

- 1. Empowering Consumers and Turning Financial Education into Action:** Although the inaccurate disclosure of title fees under TRID still needs to be fixed, overall the Loan Estimate and Closing Disclosure is a good step. They're a better tool than the old HUD-1 and TILA disclosures.
- 2. Ensuring Clear Rules of the Road:** Frequently we hear from ALTA members about the need for clear rules of the road for RESPA. ALTA is in close touch with staff from the National Association of Realtors and Mortgage Bankers Association, American Escrow Association and RESPRO and we hear similar concerns from all of our members: the need for clear guidance on RESPA that industry can understand, especially with regard to marketing and new companies that bring innovation to the real estate buying experience.
- 3. Ensuring a Culture of Compliance through Supervision:** It seems that we are hearing more from ALTA members about concerns they see around RESPA compliance in their markets. Do you always see a culture of compliance by all market participants?
- 4. Holding Bad Actors to Account and Deterrence Through Enforcement:** While many in the financial services community saw enforcement under previous CFPB Director Richard Cordray as onerous and heavy-handed, this is where we are not likely to experience a lot of energy from Kraninger. In the words of one observer, the "speech reinforced our expectations for the bureau: a dramatically diminished enforcement profile."

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# Timing of and Preparation for Selling a Title Business

## Investment Banker Offers Tips to Maximize Value

By Eugene E. Urcan

*“Selling a business isn’t simple, but most business owners have more options than they realize.”*

For many business owners, their wealth is tied up in the businesses they own, which can become a problem when it comes time to sell or retire. As an investment banker, I have observed too many owners who aren’t prepared for the day when they’ll need to cash out. Some haven’t done their homework regarding the value of their business, while others haven’t properly prepared their business to switch hands. Selling a business isn’t simple, but most business owners have more options than they realize. Not properly timing and preparing your business for sale could mean serious financial consequences for both the entrepreneur and the company. So, it is helpful to understand the pros and cons of timing the sale of your business and how to prepare your company for sale.

Whatever brings an entrepreneur to the point of selling a business, the sale will be one of the most significant business actions one will take. Unlike the decisions made while running a business, selling it is an action you will take only once. You get a single chance to put a price tag on years of effort. Once you sign the sales documents, it’s over. Before moving forward with a sale,

it is important to understand the steps involved and preparation needed. Now is a great time to determine what you want from the sale. By planning carefully, obtaining professional advice, and negotiating a satisfactory price and acceptable terms, you can help make the sale a success.

### **When Is the Right Time to Sell My Company?**

The question we are most frequently asked is, “Is now the right time to sell my company?” Obviously, there is no simple answer to this question. What surprises many business owners is that a successful sale of a business has less to do with market conditions and more to do with the current state of the business being sold. Businesses that show a strong track record of steady or increasing sales and profitability will always sell faster and for a better price than those that are in a decline. If a business is up or steady, this is a better time to sell. No matter the global or macroeconomic factors surrounding a company, if a business is up, the demand will be high and so will the sales price. To this end, below are some key issues



that founders and management may need to assess when deciding whether or not to sell a business.

- 1. Market-specific Factors:** First of all, you will want to assess the overall market situation and see where your business fits in. Specifically, this involves looking at valuation trends for similar companies and the overall industry with any eye toward the “attractiveness” of your business. If sales are booming and profits are great, it might be a good time to sell. However, if your business is in the early stages and you expect to see significant growth soon, it may be best to hang on to your business. Within the context of your region, state and metropolitan area, you’ll want to consider how active the deal market is, how much capital is available from strategic buyers and sponsors, investors’ appetite to enter your industry, and whether your product or service will be marketable in the coming years.
- 2. Company-specific Factors:** Analyzing a company’s growth prospects, internal resources, competitive positioning, and industry valuation metrics can help determine whether a

firm’s value may be peaking. Buyers pay significant premiums for companies in industries that are perceived to have strong growth potential. As such, it is best to monetize an investment before growth begins to slow or entry in the industry begins to wane. Lastly, it is important to consider liquidity alternatives in the pre-planning stage, as this may help in determining the type of transaction you will want to consider (e.g., sale of the company, recapitalization).

- 3. Shareholder-specific Factors:** Non-valuation considerations such as the liquidity needs of other investors, desire to maintain a continuing management role, and personal wealth and lifestyle issues may lead a firm to consider liquidity events independent of what valuation trends may indicate. When such non-valuation factors are driving the decision-making process, it is useful to understand that shareholder liquidity is not strictly an all-or-nothing proposition. Under the right conditions, transaction structures such as recapitalizations can be used to allow a portion of a firm’s shareholders to sell their holdings while other shareholders retain their interests.

## Preparing a Business for Sale

We often see business owners who have decided to sell their companies but find that many aspects of the business are not ready for sale. This lack of foresight leads to money being left on the table. There are many things that can be done to increase the value of a business and decrease the risk for an eventual buyer. Below are several key steps that can be taken to help ensure a successful and profitable sale:

- 1. Business Valuation:** Obtain a realistic idea of what your business is worth from an objective, outside source. A professional valuation will give you a basis for gauging buyer offers and will give you an idea of what you can expect to net from a sale.
- 2. Get Your Books in Order:** The more formal your statements, the easier the due diligence will be for a prospective buyer. Generally, we recommend at least three years of financial information.
- 3. Understand the True Profitability of Your Business:** Adjust financial statements for unusual or one-time non-recurring items. Adjust financial statements for personal expenses.
- 4. Consult Your Financial Advisor:** Speak to your tax advisor for help planning your financial future. Understand your personal and corporate tax situation. Know and understand what your “actual” payout will be, post-tax.
- 5. Organize Your Legal Paperwork:** Review your incorporation papers, permits, licensing agreements, leases, and customer

and vendor contracts, etc. Make sure you have them readily available, current and in order.

- 6. Know Your Reason for Selling:** Buyers are always curious as to why a seller wants to exit a business. Be prepared to articulate your reasons.
- 7. Get Your Advisory Team in Place:** Retain attorneys and accountants who are proficient in mergers and acquisitions. Hire an investment banker to represent you and help you through the selling process.
- 8. Focus on the business during the sale process,** as buyers always want updates to financial information.

## Conclusion

In this environment of the savvy investor, it is more crucial than ever for owners to plan ahead to maximize the value of their company. If the past several years have provided any lesson to sellers, it is that company valuations are at the mercy of the marketplace and business owners will want to be ready to take advantage of market timing.



**EUGENE E. URCAN** is founder and managing partner of Urcan & Co. He provides mergers and acquisitions, capital markets, valuation and strategic consulting services across a broad range of industries. He can be reached at [gu@urcanco.com](mailto:gu@urcanco.com).

**With SoftPro LIVE, a customizable communication portal, you can provide all authorized parties with secure access to track the status of your closings anytime, anywhere. Elevate your closing experience and save time for everyone with automatic emails, messages and the ability to share documents with your customers – 24 hours a day, seven days a week!**



### KEY STANDARD FEATURES

- Post documents electronically to a secure website where your customers can view them.
- Provide your customers with appropriate access for the orders with which they are associated.
- Automate tasks and track the status of your closing with real-time updates.
- Send automated, customized email notifications regarding order status and tasks.
- Send two-way messages with your customers that flow directly into SoftPro.
- As an option, create your own custom SoftPro LIVE website and domain, branded specifically for your company.



### CUSTOMIZABLE WEB ORDER ENTRY

As an optional add-on, you can receive and accept new orders securely and directly from your SoftPro LIVE website – anytime, day or night. There's no need to re-key any information, so you'll minimize errors and maximize efficiency.



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SoftPro LIVE is also available for Android and iOS smartphone and tablet devices. Download the appropriate SoftPro LIVE app to access contact information, documents and orders when you're on the go. Includes satellite or street views of properties, powered by Google Maps.

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## South Carolina Latest to Pass Predictable Recording Fee Legislation

South Carolina on May 16 became the latest state to pass predictable recording fee legislation. South Carolina House Bill 3243, the Predictable Recording Fee Act, aims to streamline the filing of documents in the register of deeds offices across the state by creating predictable fees for many commonly recorded documents.

Currently, many documents have a flat fee plus a variable fee determined by total page count. The pages must be counted first to submit the document, then counted again by county employees to ultimately calculate the total cost to file a document. The new legislation eliminates the page count in favor of fees based on document type.

In a message to its members, the Palmetto Land Title Association (PLTA) said this “common sense legislation will benefit consumers, lenders, businesses, attorneys and those who record documents in the South Carolina Clerk of Courts’ offices and Register of Deeds offices.”

“As real estate practitioners, we are finally able to more seamlessly comply with TRID regulations, inform clients more accurately of their final closing costs, and keep our IOLTA accounts tidier,” the PLTA continued in its message.

The new predictable fee legislation takes effect on Aug. 1, 2019.

Since 2016, the PLTA and its legislative committee members have dedicated many hours towards the drafting and advocacy efforts necessary to get this piece of bi-partisan legislation passed.

In addition to PLTA, other groups supporting the legislation



include ALTA, the South Carolina Association of Clerks of Court and Register of Deeds, the Association of Counties, the South Carolina Association of Realtors, the South Carolina Bankers Association, the Mortgage Bankers of the Carolinas, the South Carolina Bar Association and the American Resort Development Association.

There are now 19 states with predictable recording fees: Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Mexico, North Carolina, North Dakota, South Carolina, South Dakota, Utah, Wisconsin and Wyoming.

You can learn more about predictable recording fees at [alta.org/business-tools/recording-fees.cfm](http://alta.org/business-tools/recording-fees.cfm)

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## First American Title, Taylor Morrison Complete 500 Hybrid E-closings

First American Title Insurance Company and national builder Taylor Morrison Home Corporation recently completed 500 hybrid electronic closings using First American’s eClosing solution. The hybrid e-closings took place in Arizona, California, Colorado, Florida and Texas.

In a hybrid e-closing, homebuyers can review and e-sign many real estate transaction closing documents from a computer at home or on a mobile device in advance of the closing appointment, while some documents must be wet signed in person at the appointment.

“After more than 500 completed hybrid e-closings, we’re consistently seeing closing appointments reduced to an average of 20 minutes and home buyers are grateful for the ability to preview documents in advance and to have a shorter, more convenient signing event,” said Joe Tavarez, president at First American Title’s Homebuilder Services Division. “Equally important, lenders appreciate the ability to offer home buyers the convenience of a hybrid e-closing with minimal process changes and no additional fees. We expect to aggressively ramp up hybrid e-closing transaction volume in the months ahead.”

## Tohickon Settlement Services Celebrates Red Nose Day

Staff at Tohickon Settlement Services in New Hope, Pa., donned a brilliant fashion accessory in support of Red Nose Day on May 23.

Since its debut in 2015, Red Nose Day has raised nearly \$150 million and impacted more than 16 million children in the United States and around the world by funding initiatives to keep children safe, healthy and educated.

This year's national campaign culminated May 23. Groups and individuals of all ages in offices, schools, churches, stores, on the street and all around the town topped their proboscises

to bring awareness to the deep damage child poverty does to societies and to garner financial support for the mission.

"Child poverty bars too many children in our country and around the world from realizing their full potential for health, happiness and success," said Brendan Nolan, president and CEO of Tohickon Settlement Services. "If wearing a red nose for one day can help raise awareness and funds for this ambitious and much needed initiative, we're all for it."

Tohickon also put its best nose forward with a donation of \$2,500 to the campaign.



## First American Responds to Info Security Incident

First American Financial reported there is no preliminary indication of large-scale unauthorized access to customer information after it shut down external access to a production environment with a reported design defect that created the potential for unauthorized access to customer data.

In a filing with the Securities and Exchange Commission, First American reported it is "working diligently to address the defect and restore external access," and the company has hired a forensic firm to help assess the extent to which any customer information may have been compromised.

"We deeply regret the concern this defect has caused," said Dennis J. Gilmore, chief executive officer at First American Financial. "We are thoroughly investigating this matter and are fully committed to protecting the security, privacy and confidentiality of the information entrusted to us by our customers."

While the "investigation is in its early stages, at this time there is no indication that any large-scale unauthorized access to sensitive customer information occurred," according to First American.

First American plans to provide updates on its investigation exclusively on its website. If the investigation shows that any confidential information has been compromised, the company will notify and provide credit monitoring services to the affected consumers. First American will soon provide a mechanism through its website that will give consumers who believe their confidential information has been compromised the ability to report this to the company.

On May 24, the company learned about the design defect in one of its production applications that made possible unauthorized access to customer data.

"At First American, security, privacy and confidentiality are of the highest priority, and we are committed to protecting our customers' information," First American said in a statement. "The company took immediate action to address the situation and shut down external access to the application. We

are currently evaluating what effect, if any, this had on the security of customer information."

## Report: Time to Close Shrinks

Possibly due to the use of technology, transactions are closing faster, according to Ellie Mae's latest Insight Report. The average time to close decreased to 40 days in April, down from 42 in March, Ellie Mae reported. The average time to close a refinance decreased to 33 days, while the time to close a purchase dropped to 43 days.

Jonathon Corr, president and CEO of Ellie Mae, said technology is helping reduce the time to close.

"We are seeing closing times drop across the board as our lenders leverage technology for a more efficient and streamlined loan origination process," he said. "And as the 30-year note rate continues to decline and closing rates remain high, we expect to see an active spring home buying cycle."

Ellie Mae reported that closing rates for all loans decreased slightly to 74.8



percent in April. Refinance closing rates decreased to 70.7 percent and purchase closing rates decreased to 77.4 percent in April.

## Covius to Acquire Portion of Chronos Business

Denver-based Covius Holdings, a provider of technology-enabled solutions for the financial services industry, has entered into a definitive asset purchase agreement to acquire certain businesses from Chronos Solutions.

The business lines included in the deal are Chronos' credit, flood, income and tax verification services, government services, REO management and disposition, online foreclosure auction and homeowners association (HOA) tracking units.

The acquisition will complement Covius' extensive offerings in document management, loan modification and loss mitigation, title, compliance management,

lien tracking, valuations, due diligence and business process workflow services. When the transaction has closed, the combined company will have a broad range of products spanning the mortgage, real estate and financial services lifecycle and a customer base of more than 5,500 clients.

The transaction, which is subject to required approvals and consents, is expected to close within one to two months.

## TitleOne Acquires Sandpoint Title, Expands Coverage in North Idaho

Idaho-based TitleOne recently acquired the assets of Sandpoint Title Insurance Inc.

Founded in 2000, TitleOne serves Ada, Canyon, Blaine, Boise, Bonner, Bonneville, Butte, Gem, Kootenai, Minidoka, Cassia,

Twin Falls, Jefferson, Jerome, Gooding and Lincoln counties with 15 locations and more than 225 employees.

Sandpoint Title Insurance will transition to the TitleOne brand and become part of the company's national network of title and settlement services companies.

"We saw a strategic opportunity to increase our footprint and become the leading title company in the region," said Jason Vickrey, president of TitleOne. "We are excited about a collaboration of two teams with a rich history centered on culture and customer service. Adding the Sandpoint Title business to the TitleOne family will expand our servicing capability into more counties in North Idaho and allow us to expand our tools and services with those customers."

Sandpoint Title was founded in 1983, employing 14 and serving the market in Bonner County, Idaho. Tom Williams, Sandpoint's former owner, is a 40-year veteran in the industry. Tom and Lonnie Williams, both former principals of Sandpoint Title, continue with the business.



## 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:

- Content marketing and educational resources
- Cutting-edge business development tools
- An unparalleled one-hour underwriting response time guarantee
- A STAR Agent Network suite of marketing collateral
- Our AgentLink web portal
- Personalized service and transparency

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Tom will continue in an advisory role, while Lonnie will manage the business' day-to-day operations as vice president and team leader.

## First American Title, Taylor Morrison Complete 500 Hybrid E-closings

First American Title Insurance Company and national builder Taylor Morrison Home Corporation recently completed 500 hybrid electronic closings using First American's eClosing solution. The hybrid e-closings took place in Arizona, California, Colorado, Florida and Texas. In a hybrid e-closing, homebuyers can review and e-sign many real estate transaction closing documents from a computer at home or on a mobile device in advance of the closing appointment, while some documents must be wet signed in person at the appointment. "After more than 500 completed hybrid e-closings, we're consistently seeing closing appointments reduced to an average of 20 minutes and home buyers are grateful for the ability to preview documents in advance and to have a shorter, more convenient signing event," said Joe Tavarez, president at First American Title's Homebuilder Services Division. "Equally important, lenders appreciate the ability to offer home buyers the convenience of a hybrid e-closing with minimal process changes and no additional fees. We expect to aggressively ramp up hybrid e-closing transaction volume in the months ahead."

## Recent Integrations

- **First National Title Insurance Company** (FNTI) has integrated with **Qualia**, allowing its agents to generate policy jackets and closing protection letters (CPLs) directly through the software platform.

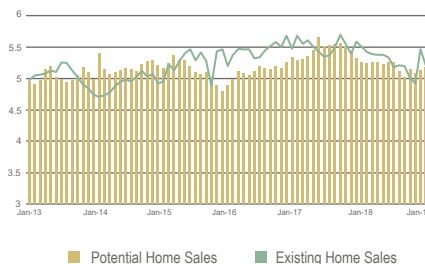
# Housing Market Potential

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

**5.21** SAAR  
Existing Home Sales

**5.17** SAAR  
Potential Home Sales

**+0.8%**  
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

March 2019

**\$383,739**

House-Buying Power

**+5.2%**

Year-Over-Year

## Where House-Buying Power is Strongest

Top States and Cities

### States

1. New Jersey: **\$511,294**
2. Maryland: **\$490,026**
3. Connecticut: **\$482,231**
4. Massachusetts: **\$476,768**
5. Hawaii: **\$473,594**

### Cities

1. San Jose, CA: **\$729,030**
2. San Francisco, CA: **\$652,334**
3. Washington, DC: **\$633,647**
4. Boston, MA: **\$543,260**
5. Seattle, WA: **\$533,951**

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



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# Movers & Shakers



Bandiera

## First American Names Vice President of Information Technology Strategy

First American Title Insurance Co. has hired Paul Bandiera as vice president of information technology strategy. Bandiera previously served as president of a large title and escrow software company and brings 18 years of experience leading retail title and settlement software applications, as well as corporate strategy for a national title insurer.

Jersey state counsel and be responsible for shaping the company's underwriting and business practices. He will also be responsible for facilitating closings by responding to underwriting inquiries from customers and creating solutions to title issues. Crowley joined Stewart as claims counsel in 2015, bringing to the position more than 10 years of industry experience.



Crowley

## Stewart Title Promotes Crowley to Associate Senior Underwriting Counsel

Stewart Title recently promoted John Crowley to associate senior underwriting counsel. In his new position, Crowley will continue to serve as the New

## TitleWave Adds Operations Manager

TitleWave Real Estate Solutions announced that Corey Hulbert has joined the company as operations manager for its western operations. Hulbert has over 22 years in the industry and most recently served as EVP of title and escrow operations at a title company. He has held multiple roles within the industry, including vice president of business development for a tax and property reporting company.

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## Fighting Back Against Wire Fraud

**FOR MANY INDIVIDUALS,** buying a home can be stressful, confusing, and filled with a lot of paperwork to read, send and sign. In recent years, we've seen the rise of a sophisticated type of fraud by a sophisticated type of cyber criminal who preys on those facts.



**CYNTHIA DURHAM BLAIR NTP**  
ALTA president

In this type of fraud, a cyber criminal poses as a real estate agent, title agent, bank employee, lawyer or some other professional involved in the home buying process and send fake account details to scam the home buyer out of earnest money deposits and cash to close.

Regardless of whether the criminal saw a social media post a consumer made or hacked into a company's computer system, they knew the consumer was ready to buy a house and ready to send money. And the criminal knew how to insert themselves into the process.

As we've seen, victims then send wire transfers to the criminals' accounts—often huge sums of money. FBI data show that in 2018, 11,300 victims across America lost a combined \$149 million due to real estate wire fraud—that's a 166-percent increase in the total money lost compared to 2017. And that's only the tip of the iceberg—the FBI estimates that only 12-15 percent of this fraud is reported.

That's why ALTA decided to launch the Coalition to Stop Real Estate Wire Fraud this year. Our Coalition will raise awareness and educate consumers—especially potential homebuyers—about how to protect themselves during the homebuying process. We also want to provide concrete steps that people can take to prevent fraud, as well as identify and empower those who have been victimized to tell their stories and advocate for solutions.

It's important to educate all consumers about the threat of wire transfer fraud, but first-time homebuyers are especially vulnerable to this crime. To help reach this demographic, we've targeted Birmingham, Ala.; Pittsburgh, Pa.; and Virginia Beach, Va., because they are markets where the share of millennial homeownership increased the most from 2016 to 2017. I'd like to direct you to our new coalition website where you can learn more about this type of fraud, read more about the partnership, share your stories and experiences with wire fraud, and most importantly, learn how consumers can protect themselves. The website can be found at [stopwirefraud.org](http://stopwirefraud.org).

Wire fraud is a national epidemic. It's vital that we all work together to help protect consumers. We can be the difference between a first-time buyer losing their life savings or getting the keys to their starter home! Let's continue to be the industry that leads, delivers and protects!



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The logo features the text "ALTA ONE" in a bold, white, sans-serif font. "ALTA" is positioned above "ONE". The text is centered within a circular frame composed of two concentric white rings. The background of the entire graphic is a dark, textured surface with vibrant, abstract splatters of color, including teal, orange, red, and yellow, resembling a cosmic or artistic theme.

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