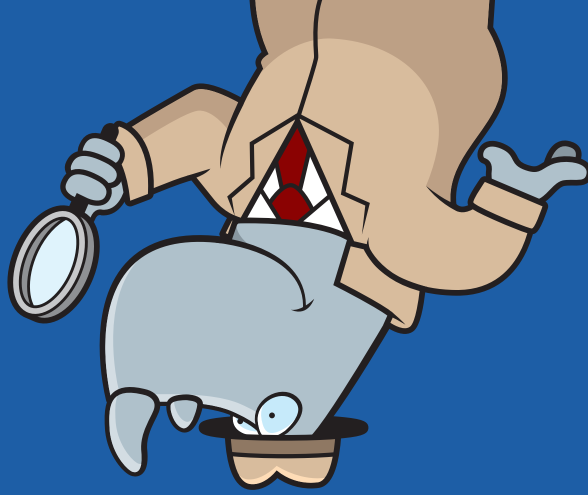
OCTOBER 2019

TITLE News

AMERICAN LAND TITLE ASSOCIATION

Business Continuity

Have a Plan



So, you think you *know* Rynoh?

Take a closer look.

>10 Million Closings Monitored	**2.8 Trillion** Transaction Dollars Protected	**20+ Integrations** Closing Software Agnostic

More than automated reconciliation. *More* than a 'Morning Report.'
More than the average cloud-based software.

Rynoh is the industry's most trusted absolute financial protection provider offering real-time reconciliation, continuous monitoring, and custom reporting supported by constant innovation and superior client service; now available for real estate escrow, construction escrow, and operating accounts. Still think you know Rynoh?

We welcome the opportunity to surprise you with something new.

RynohLive®
Absolute Financial Protection

iN This Issue

VOLUME 98 | NUMBER 10 | OCTOBER 2019

COVER STORY

FEATURES

DEPARTMENTS

AMERICAN LAND TITLE ASSOCIATION

TitleNews is published monthly by the American Land Title Association. United States and Canadian subscription rates are $100 a year for members and $300 a year for nonmembers. For subscription information, call 800-787-ALTA.

Send address changes to *TitleNews*, American Land Title Association, 1800 M Street, Suite 300 S, Washington, D.C. 20036-5828.

Anyone is invited to contribute articles, reports and photographs concerning issues of the title industry. The Association, however, reserves the right to edit all material submitted. Editorials and articles are not statements of Association policy and do not necessarily reflect the opinions of the editor or the Association.

Reprints: Apply to the editor for permission to reprint any part of the magazine. Articles reprinted with permission must carry the following credit line: "Reprinted from *TitleNews*, the monthly magazine of the American Land Title Association."

Members Call Toll Free: 800-787-ALTA
Members Fax Toll Free: 888-FAX-ALTA
Visit ALTA Home Page: alta.org
Email Feedback to: service@alta.org

TITLENews

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

PUBLISHER + EDITOR IN CHIEF
Jeremy Yohe

DIRECTOR OF DIGITAL AND PRINT MEDIA
Shawn Sullivan

PUBLISHER'S Desk

The $27 Billion Loss

JEREMY YOHE
ALTA vice president of communications

TODAY'S BUSINESSES FACE A WIDE ARRAY OF THREATS. Traditional risks such as natural catastrophes can have a huge impact on a company; it's reported that weather events have led to $26 billion in business losses since 2017. In addition, technological advances create new threats such as ransomware attacks and data breaches. These cyberattacks are another disruption business owners fear. According to the integrated business continuity company Agility Recovery, more than half of all organizations experienced a disruptive event over the past five years. In fact, 40 percent of businesses never reopen following a disaster as the cost per hour of downtime for a small business is $8,000.

No matter the cause, business owners must understand the risks and potential impacts of business interruptions. It's imperative for companies to develop a business continuity and disaster recovery plan to ensure sustainability following a crisis.

Most of the United States is at risk to be affected by tropical storms, hurricanes, floods or earthquakes. In recent years, natural catastrophes have been an increasing disruptor for many businesses. Hurricanes have accounted for 46 percent of all business losses due to weather, Agility Recovery reports, followed by isolated events (30 percent) and winter storms (13 percent).

Companies face a growing number of business interruption scenarios that may not necessarily involve physical damage but may still be costly. Events such as a shutdown of core IT systems, construction incidents or inclement weather can paralyze business operations. Any of these can affect an operation's ability to provide services to its customers, which ultimately hits revenue.

When business is disrupted, it costs money. Lost revenues plus extra expenses means reduced profits. Insurance does not cover all costs and cannot replace customers that defect to the competition. A business continuity plan is essential to help sustain the business. Development of a business continuity plan includes four steps:

- Conduct a business impact analysis to identify time-sensitive or critical business functions and processes and the resources that support them.
- Identify, document and implement steps to recover critical business functions and processes.
- Organize a business continuity team and compile a business continuity plan to manage a business disruption.
- Conduct training for the business continuity team and testing and exercises to evaluate recovery strategies and the plan.

As you'll read in this edition's cover article, a law firm in North Carolina was able to recover quickly after losing its office to a fire because it had developed a recovery plan. Companies can often underestimate the complexity of getting back to business. However, risks—physical, virtual, reputational and always financial—can be mitigated and therefore should be well planned for.

ALTA News
AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

ALTA White Paper Addresses Redaction of Info in Public Land Records

ALTA's Real Property Records Committee has finalized a white paper titled "Privacy, Redaction, and Public Land Records," which provides guidance on the redaction of information in the public land records.

The paper acknowledges there a need to shield protected classes with recognized privacy concerns, but this need must not impede normal business activities. Redacting specific parts of a document or expunging/removing an entire recorded document can prevent access to information and documents that are necessary for providing constructive notice, protecting land rights and preventing fraud, according to the paper.

"Redaction can create unintended consequences including severely restricting or even prohibiting people from buying and selling real estate," the paper states. "Even worse, redaction can create a false sense of security for the people who are intended to be protected and can increase the risk of fraud."

In addition to making recommendations for effective solutions to protect privacy in the public land records, the paper is addresses these redaction topics:

- Where privacy is a recognized concern and redaction of public land records works
- Where privacy is a recognized concern, but redaction of public land records is not an effective solution
- The potential impact of redaction of public land records on businesses
- The potential impact of redaction of public land records on local government
- Additional unintended consequences of redaction of public land records

To download, go to alta.org/data-privacy.

Complete ALTA's Compensation Index and Access the Results

Businesses that have completed ALTA's Title & Settlement Services Industry Compensation Index can access the results! Companies that have completed 100% of the required questions now can examine the Compensation Index's national aggregate results—for free.

Don't be left out: You still can participate and obtain entry to the final analysis. Simply provide your company's salary and benefit package information. We know the data you're providing is sensitive, and your privacy is important to us. All company data is collected through a secure third party, and individual data will be kept confidential.

"This will help us be competitive in attracting the best and brightest candidates for positions in our company," said Frank Pellegrini, president and CEO of Prairie Title in Illinois. The information the Compensation Index provides "will help groom future leaders in our businesses and in our industry. There is no substitute for reliable information."

The Compensation Index allows your business to attract new talent with comprehensive salaries and benefits. It is designed to help you easily examine the full value of your compensation packages and compare your business to the competition down the street. It can compare salary rates for existing positions and assist you in analyzing the current market for new roles.

The Compensation Index provides results showing the 25th percentile, median and 75th percentile of responses—as well as where your company falls—in easy-to-read graphs.

Other FAQs:

- **Who can enter data?** The primary contact or a designated individual can complete the Compensation Index on behalf of each company location.
- **Who can review the results?** Because of the highly sensitive nature of the data contained in the survey, full access to the Compensation Index is restricted to a location's primary contact and/or the designated individual.
- **When the results be available?** Once more companies have completed the Compensation Index, participants will be able to filter results to compare themselves with other companies as well as download Excel reports and PowerPoint slides. However, a minimum of five data points must meet the filter requirements for the results to display.
- **What data will I need to enter?**
  - Company demographics by location (state, revenue, staffing numbers, expenses, etc.)
  - Compensation data by position (rates, bonuses, hours worked, etc.)
  - Information on the benefits packages your company offers


Your competitive advantage.
Streamline your closing processes and gain a competitive edge with First American's **Agent Advantage**, a suite of business services targeted to help you meet your growth and compliance needs.
Learn more about **Agent Advantage** services including title production, policy typing, escrow disbursement and lender solutions at firstam.com/AgentAdvantage.
Talk with the people you can depend on.
Visit our hospitality suite at ALTA One:
The Fairmont Austin | Wisteria Room | Resort Level 4
Tuesday: Noon - Midnight
Wednesday: Noon - Midnight
Thursday: Noon - 6:00 pm and 9:30 pm - 1:00 am
FIRST AMERICAN
First American Title™
866.701.3361 • www.firstam.com
First American Title Insurance Company makes no express or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. First American, the eagle logo, First American Title, and firstam.com are registered trademarks or trademarks of First American Financial Corporation and/or its affiliates.
©2019 First American Financial Corporation and/or its affiliates. All rights reserved. NYSE:FAF

Access New Commentary and Research in the Latest Claims Guide

Need advice on how to handle claims on title insurance policies, closing protection letters and closing mistakes? Purchase to the 2019 edition of the Title and Escrow Claims Guide. A 1,634-page volume, the Claims Guide is the ultimate resource not only for attorneys but also claim handlers, underwriting personnel, title examiners, escrow officers and regulators.

The latest edition of the book adds new commentary and research on topics like the blockbuster Captiva mechanic lien coverage decision, private condemnation of access rights, why rules about other lines of insurance do not apply to title, closing methods by region, how to resolve claimed ambiguities in legal descriptions, the creditors' rights exclusion and federal tax lien releases. Chapters on policy exceptions and insured land have been substantially revised.

The book incorporates the holdings of about 200 additional court decisions, many of which provided important new rulings on policy coverage and escrow duties.

Authored by Bushnell Nielsen, a 38-year veteran of the title insurance industry, the book is available in print and electronic versions.

To purchase the guide, go to alta.org/publications.

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: 38
- New Associate Members: 8
- New Attorney Members: 4
- Total Members: 6,407
- State With Most New Members: Texas with 10

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

ALTA 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 $514,074 from 872 donors so far in 2019. In addition, $153,00 has been pledged to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

CALENDAR

2019 ALTA CONFERENCES

DIGITAL CLOSING & eMORTGAGE BOOT CAMP
Dec. 11-12
Scottsdale, Ariz.

2019 STATE CONFERENCES

VIRGINIA
Oct. 17-19
Norfolk, Va.

FLORIDA
Nov. 11-13
St. Petersburg, Fla.

2020 STATE CONFERENCES

ALASKA
Feb. 7-8
Girdwood, Alaska

SOUTH CAROLINA
March 25-27
Greenville, S.C.

TENNESSEE
April 15-17
Ashville, N.C.

OKLAHOMA
April 19-21
Oklahoma City, Okla.

OLD REPUBLIC TITLE

WHY IS AUSTIN WEIRD?

Inspired by an offhand comment by a local librarian, “Keep Austin Weird” is more than just a slogan here – it’s a way of life. This battle cry of the weird gained popularity in 2003 when it was used to fight against a big box store opening in the neighborhood and is used to encourage support of local businesses and highlights the unique personality of Texas’ capital city.

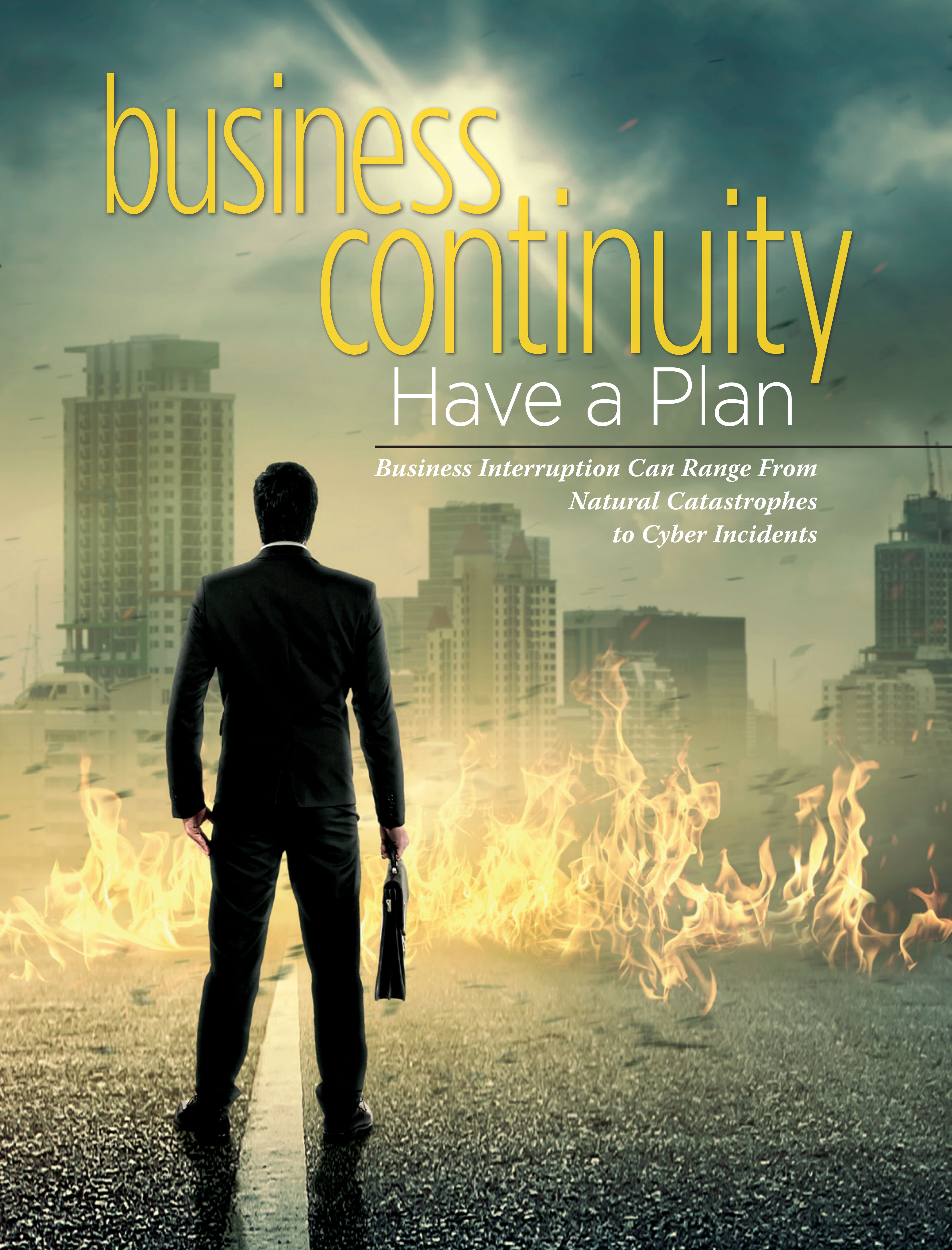
But weirdness isn’t unique to Austin! Every day across the country, title searches turn up weird things in the history of a property. To keep the weird from interfering with your business, Old Republic Title provides time-saving, data-driven tools and resources that help title agents succeed in a fast-paced environment. You can work with the weird and still keep your deals on track with tools that streamline the closing process. When you work with us, you’re backed by industry professionals who understand your market and are there to support you through all of the odds and ends.

OLD REPUBLIC INSURANCE GROUP

business continuity

Have a Plan

Business Interruption Can Range From Natural Catastrophes to Cyber Incidents



EARLIER THIS YEAR, while Americans across the country were still celebrating July 4th, Jaime Kosofsky and his staff woke the following day to learn that a fire had gutted Brady & Kosofsky's main office in Matthews, N.C.

Kosofsky, a partner with the law firm, said that within minutes of arriving on scene, the executive management team activated the firm's Disaster Recovery and Business Continuity Plan (BCP). The law firm relocated everyone to an alternate location as detailed in its BCP. The team contacted the proper parties, which made it possible for the firm to be open for business that day.

"This was a devastating blow to our team, however because of their commitment to compliance with our compliance management system, we were able to work through what could have been the end of Brady & Kosofsky," Kosofsky said. "We are in great shape, our temporary office was up and running, and our new office is being built." (The law firm expected to be in the new office in October.)

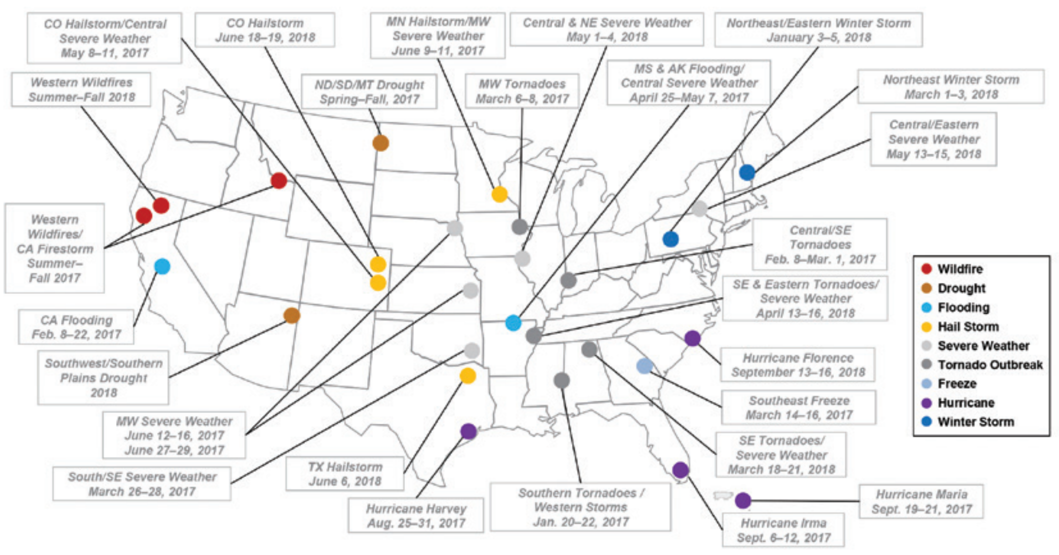
Having a business continuity plan is essential to keeping an operation going following a disaster. Being prepared to manage disaster recovery can greatly minimize business disruption. The third pillar of ALTA's *Title Insurance and Settlement Company Best Practices* encourages title professionals to have a disaster management plan in place to help protect non-public personal information (NPI). To find a company to help with business continuity, go to ***alta.org/marketplace***.

Despite the destruction, Kosofsky said that there was no data or document loss due to the firm's move to a paperless office. The fire did extensive damage to the IT infrastructure and phone system, but the main number was forwarded to a cell phone.

Kosofsky said his firm's first line of defense were the policies and procedures that were developed more than five years ago.

"While it was great to have this all on paper and in writing, it was the culture of compliance at our firm which really paid off and protected us," he said. "Our employees took the adoption of our policies and procedures very seriously and take a great deal of pride from being an integral part of our security and compliance system."

Billion-Dollar Weather and Climate Disasters 2017-Present



Source: NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters

Source: Agility Recovery Statistics, 2019

SHUTTERSTOCK / CHAIYAPRUEK YOUPRASERT

As the fire burned, the firm's chief financial officer contacted Brady & Kosofsky's managed service provider to get an assessment of data loss since the servers were in the building that burned. The good news was that data backups were stored in a data center some 1,000 miles from the fire.

"We knew the extent of the data loss before the fire was out. That took a lot of pressure off," Kosofsky said.

The next concern was how quickly the firm could reopen and replace lost equipment. The CFO contacted the insurance company, filed a claim and got clearance from the adjuster to order equipment necessary to get the company operational.

Since the firm's BCP required employees with laptops to take them home, only two of them were lost in the fire. The company then set up a war room in the building next door and relied on the BCP to formulate next steps such as contacting employees, and getting email, its title production system and other IT resources running again.

After figuring out who could work remotely, the leadership team secured alternate workspace, furniture and equipment necessary to continue business within two days. Clients were then contacted with alternate email and phone numbers.

In retrospect, Kosofksy says the law firm needed a stronger plan for restoring its phone system and will move its entire data infrastructure into the cloud, which will allow the company to rebound immediately following the next catastrophe.

"Our BCP/Compliance Policies have a strict clean-desk policy for anything containing NPI or other sensitive information," Kosofsky said. "So, having that along with having employees take their computers home at night really paid off."

How to Develop a Business Continuity Plan

According to ready.gov, the development of a business continuity plan includes a business impact analysis (BIA). This predicts the consequences of disruption of each business function and process and gathers information needed to develop recovery strategies. This involves identifying time-sensitive or critical business functions and processes and the resources that support them.

The BIA should identify the operational and financial impacts resulting from the disruption of business functions and processes. Impacts to consider include:

- Lost sales and income
- Delayed sales or income
- Increased expenses (e.g., overtime labor, outsourcing, expediting costs, etc.)

Ready Business.

Business Impact Analysis Worksheet

Department / Function / Process ____________________

Operational & Financial Impacts

Timing / Duration	Operation Impacts	Financial Impact

Considerations (customize for your business)

Timing: Identify point in time when interruption would have greater impact (e.g., season, end of month/quarter, etc.)

Duration: Identify the duration of the interruption or point in time when the operational and or financial impact(s) will occur.

- < 1 hour
- >1 hr. < 8 hours
- > 8 hrs. <24 hours
- > 24 hrs. < 72 hrs.
- > 72 hrs.
- > 1 week
- > 1 month

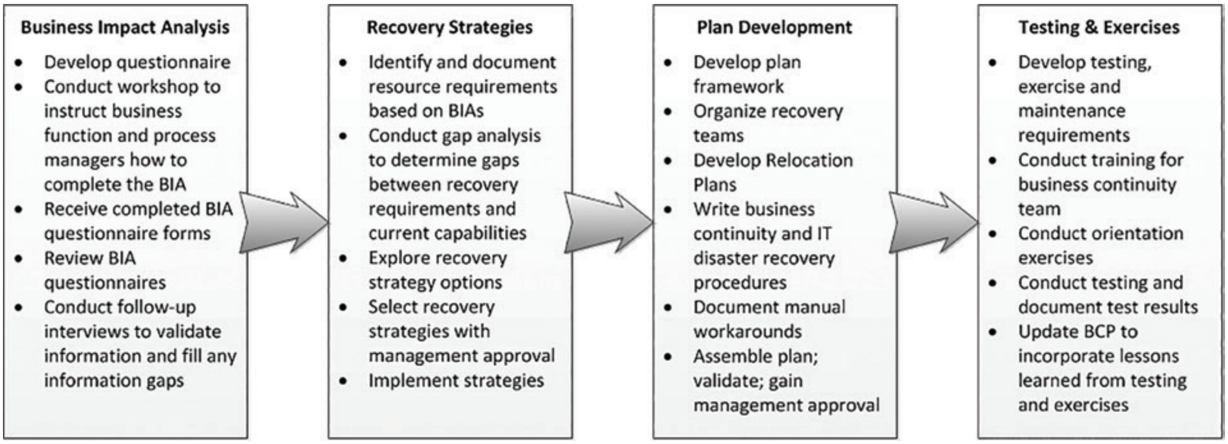
Operational Impacts

- Lost sales and income
- Negative cash flow resulting from delayed sales or income
- Increased expenses (e.g., overtime labor, outsourcing, expediting costs, etc.)
- Regulatory fines
- Contractual penalties or loss of contractual bonuses
- Customer dissatisfaction or defection
- Delay executing business plan or strategic initiative

Financial Impact

Quantify operational impacts in financial terms.

ready.gov/business



- Regulatory fines
- Contractual penalties or loss of contractual bonuses
- Customer dissatisfaction or defection
- Delay of new business plans

The BIA should identify the critical business processes and resources needed for the business to continue to function at different levels. A BIA questionnaire can be used to survey office managers within the company.

Scenarios resulting in significant business interruption should be assessed in terms of financial impact, if possible. These costs should be compared with the costs for possible recovery strategies.

The BIA report also should prioritize the order of events for restoration of the business. Business processes with the greatest operational and financial impacts should be restored first.

Recovery Strategies

If an office is damaged and business is impacted, financial losses can quickly begin to grow. Recovery strategies are alternative means to restore business operations to a minimum acceptable level following a business disruption and are prioritized by the recovery time objectives (RTO) developed during the business impact analysis.

Recovery strategies require resources including people, facilities, equipment, materials and information technology. An analysis of the resources required to execute recovery strategies should be conducted to identify gaps. For example, if an office is destroyed by a natural disaster but other offices are readily available to make up lost production, then there is no resource gap.

Strategies may involve contracting with third parties, entering into partnership or reciprocal agreements or displacing other activities within the company. Staff with in-depth knowledge of business functions and processes are in the best position to determine what will work. Possible alternatives should be explored and presented to management for approval and to decide how much to spend.

Depending upon the size of the company and resources available, there may be many recovery strategies that can be explored.

Utilization of other owned or controlled facilities performing similar work is one option. Operations may be relocated to an alternate site. This strategy also assumes that the surviving site has the resources and capacity to assume the work of the impacted site. Prioritization of production or service levels, providing additional staff and resources and other action would be needed if capacity at the second site is inadequate.

Telecommuting is a strategy employed when staff can work remotely from home. It can be used in combination with other strategies to reduce alternate site requirements. This strategy requires ensuring telecommuters have a suitable home work environment and are equipped with or have access to a computer with required applications and data, peripherals and a secure broadband connection. It's also a good idea to test this strategy from time to time by having employees work a day or to per month remotely.

Partnership or reciprocal agreements can be arranged with other businesses or organizations that can support each other in the event of a disaster. Assuming space is available, issues such as the capacity and connectivity of telecommunications and information technology, protection of privacy and intellectual property, the impacts to each other's operation and allocating expenses must be addressed. Agreements should be negotiated in writing and documented in the business continuity plan. Periodic review of the agreement is needed to determine if there is a change in the ability of each party to support the other.

There are many vendors that support business continuity and information recovery strategies..

External suppliers can provide a full business environment, including office space and live data centers ready to be occupied. Other options include provision of technology-equipped office trailers, replacement machinery and other equipment. The availability and cost of these options can be affected when a regional disaster results in competition for these resources.

Plan Development

- Develop plan framework
- Organize recovery teams
- Develop relocation plans
- Write business continuity and information technology (IT) disaster recovery procedures: IT includes many components such as networks, servers, desktop and laptop computers and wireless devices. The ability to run both office productivity and enterprise software is critical. Therefore, IT recovery strategies should be developed so technology can be restored in time to meet the needs of the business. Manual workarounds should be part of the IT plan so business can continue while computer systems are being restored.
- Document manual workarounds: If the staff is equipped with paper order forms, order processing can continue until the electronic system comes back up and no phone orders will be lost. Identify the steps in the automated process, creating a diagram of the process can help.
- Assemble plan, validate and gain management approval
- Testing and Exercises
- Develop testing, exercise and maintenance requirements
- Conduct training for business continuity team
- Conduct orientation exercises
- Conduct testing and document results
- Update Business Continuity Plan to incorporate lessons learned from testing and exercises.

Developing an IT Disaster Recovery Plan

Part of any business recovery strategy should include an IT disaster recovery plan. This begins by compiling an inventory of hardware (e.g. servers, desktops, laptops and wireless devices), software applications and data. The plan should include a strategy to ensure that all critical information is backed up.

Identify critical software applications and data and the client and server hardware required to run them. Using standardized hardware will help to replicate and reimage new computers. Ensure that copies of program software are available to enable reinstallation on replacement equipment. Prioritize hardware and software restoration. Document the IT disaster recovery plan as part of the business continuity plan. Test the plan periodically to make sure that it works.

Data Backup

Businesses generate large amounts of data and data files are changing throughout the workday. Data can be lost, corrupted, compromised or stolen through hardware failure, human error, hacking and malware. Loss or corruption of data could result in significant business disruption.

Data backup and recovery should be an integral part of the business continuity plan and information technology disaster recovery plan. Developing a data backup strategy begins with identifying what data to backup, selecting and implementing hardware and software backup procedures, scheduling and conducting backups and periodically validating that data has been accurately backed up.

Developing the Data Backup Plan

Identify data on network servers, desktop computers, laptop computers and wireless devices that need to be backed up along with other hard copy records and information. The plan should include regularly scheduled backups from wireless devices, laptop computers and desktop computers to a remote network server. Data on the server can then be backed up. Backing up hard copy vital records can be accomplished by scanning paper documents into digital formats and allowing them to be backed up along with other digital data.

Options for Data Backup

Many vendors offer online data backup services including storage in the "cloud." When backup systems are installed and properly configured, software installed on the client server or computer is automatically backed up.

Large-capacity USB drives with integrated data backup software also are effective means for businesses to backup data. The frequency of backups, security of the backups and secure off-site storage should be addressed in the plan. Backups should be stored with the same level of security as the original data.

Data should be backed up as frequently as necessary to ensure that, if data is lost, it is not inaccessible to the business. The business impact analysis should evaluate the potential for lost data and define the "recovery point objective." Data restoration times should be confirmed and compared with the IT and business function recovery time objectives. ■

ALTA Responds to Trump Administration's Plans for Housing Finance Reform

Recommendations Include Maintaining Strict Underwriter Requirements—Including Title Insurance

ALTA commended the U.S. Department of the Treasury and Secretary Steven T. Mnuchin for developing a plan for meaningful, comprehensive housing finance reform.

The plan is in response to a presidential memorandum the Trump Administration issued in March 2019, directing the Treasury to develop a plan for administrative and legislative reform for the U.S. housing finance system.

"We are encouraged to see that the plan acknowledges the need to have sound underwriting standards to prevent any future taxpayer bailout and minimize risks to financial stability."

"We are encouraged to see that the plan acknowledges the need to have sound underwriting standards to prevent any future taxpayer bailout and minimize risks to financial stability," said Diane Tomb, ALTA's chief executive officer. "Title insurance offers trust in the legal documents that transfers ownership. Without the documentation of the transfer of property, there would be no credit market. Our formal and reliable property records system is the bedrock of ownership in the United States and allows consumers to build wealth. Consumers and investors benefit from these strict underwriting requirements today, and Congress should make sure these underwriting standards stay strong."

The plan has been in the works for over a year. Back in March, the chairs of our GSE Engagement Council, ALTA President-elect Mary O'Donnell and Agent's Section Chair Bill Burding NTP met with U.S. Treasury officials to provide the industry's views on housing finance reform. ALTA looks forward to continuing to work with the Administration and Congress to achieve successful housing finance reform that provides affordable housing for people across America, recognizes the strength of our legal system and protects consumers' property rights.

The reform plan includes nearly 50 recommendations for legislative and administrative actions. The cornerstone of the report is a plan to end Fannie's and Freddie's 11-year conservatorship. The title industry is in a good position if reform starts to move. The administration's recommendation for strict underwriting requirements—like title insurance—is a great foundation to build on to protect the GSE's title insurance requirements in the future.

The Treasury secretary and director of the Federal Housing Finance Agency (FHFA) made it clear that they intend to preserve the 30-year fixed-rate mortgage and a limited government guarantee.

"We think now is the time to recapitalize them, make them stronger and make sure that taxpayers aren't at risk and eventually raise third-party capital so that we restructure them and that in another housing downturn taxpayers are not at risk," said U.S. Treasury Secretary Steven Mnuchin.

Main Points of the Reform Plan

Legislative reform recommendations:

- *Charter new mortgage guarantors to compete with Fannie and Freddie.*
- *Tailor the GSEs' affordable housing efforts to first-time homebuyers and low- and moderate-income, rural and other historically underserved borrowers.*
- *Provide FHFA with more discretion on regulatory capital requirements.*
- *Require mortgages eligible for GSE guarantees to comply with strict underwriting requirements.*

Administrative reform recommendations:

- *Leave Treasury's financial backstop in place "to ensure stability in the housing finance system."*
- *Adjust the net worth sweep to help the GSEs build capital.*
- *Require each GSE to maintain "capital sufficient to remain viable as a going concern after a severe economic downturn."*
- *Restrict the GSEs' investments in mortgage-related assets and their retained mortgage portfolios.*
- *Develop a process for soliciting public input for approval of the GSEs' new pilot programs and other new activities or products.*
- *Let the Qualified Mortgage patch expire.*

The plan was the subject of a Senate Banking Committee hearing held Sept. 10. The committee heard from Treasury Secretary Mnuchin, Federal Housing Finance Agency Director Mark Calabria and Housing and Urban Development Secretary Ben Carson.

In July, FHFA Director Calabria outlined to the ALTA Board that one of his main goals for his term was to help put the GSEs on a path to raise capital and end the conservatorship. However, he stopped short of saying we should expect their release by the end of his five-year term.

Following the release of the plan, Calabria said, "These plans are an important step toward meaningful, lasting housing finance reform. After nearly 11 years, ending the conservatorships of Fannie Mae and Freddie Mac is now a top priority for this administration and the FHFA." ■

Manage commercial closings more productively than ever!

Introducing commercial functionality in SOFTPRO SELECT

You can **double your productivity and minimize human errors** with the new commercial real estate functionality of SoftPro Select.

- Multiple properties/parcels of land per order
- Multiple charge lines, buyers, and sellers
- Associate sales price, buyers, and sellers to each property

---

Now SoftPro Select allows you to:

- Choose "commercial" as the order type, no longer tied to regulated HUD or CDF forms
- Print a Master Settlement Statement for all buyers, sellers, and properties
- Print individual settlement statement types for buyers, sellers, and properties
- Customize the header, sections, signatures, and footer of each settlement statement – not just for each office, but for each order
- Specify who is responsible for each charge and associate one or more properties to a charge

Want to learn how to close commercial deals like a pro?

Download the essential guide at **www.softprocorp.com/commerical**

SOFTPRO®

800-848-0143
softprocorp.com/selectdemo

Fidelity, Stewart Terminate Deal Following FTC Move to Block Merger

Stewart Makes Changes to Executive Leadership

Fidelity National Financial (FNF) and Stewart Information Services Corp. agreed to terminate FNF's proposed $1.2 billion acquisition of Stewart due to the Federal Trade Commission's (FTC) issuance of an administrative complaint seeking to block the merger.

Under the terms of the merger agreement, FNF will make a payment of $50 million to Stewart in connection with the termination of the proposed merger.

In its complaint, the FTC alleged the merger would "substantially reduce competition in state markets for title insurance underwriting for large commercial transactions, and in several local markets for title information services."

The commission voted 3-1-1 to issue the administrative complaint and authorize staff to seek a temporary restraining order and preliminary injunction in federal district court to stop the proposed acquisition.

"Competitive title insurance and title information markets are essential to providing Americans affordable and high-quality title insurance products," Bruce Hoffman, director of the FTC's Bureau of Competition, said in a statement released late Friday. "The merger threatens to continue a trend of consolidation in these markets. Our action seeks to preserve important and beneficial competition that plays out every day in every real estate transaction across the United States."

The complaint alleged that the proposed acquisition would reduce the number of significant competitors offering underwriting for large commercial transactions from four to three and eliminate significant head-to-head competition in 45 states and the District of Columbia.

According to the complaint, the merger would have harmed at least six local areas "by eliminating important competition between the title plants that Fidelity and Stewart own separately, and in another eight localities by giving Fidelity a greater ownership stake in certain title plants that are subject to joint ownership today."

to benefit from vigorous competition for title insurance underwriting and title information services."

In February, the New York Department of Financial Services disapproved of Fidelity's application to acquire Stewart Title Insurance Company, a New York-domiciled company that is licensed only in New York.

Following the announcement to terminate the merger, Stewart made changes to its executive leadership. Effective immediately, current director Frederick Eppinger will become chief executive officer. Matthew Morris, who has served as chief executive officer since 2011, will remain with the company and assume the role of president. John Killea, who has been president since 2017, will remain general counsel and chief legal officer, roles he has held since 2008 and 2012, respectively.

Comparative Title Premium Family/Company Summary (Q2 2019 vs. Q2 2018)

Company Name	2nd Quarter Total Premiums Written - 2019	Market Share	2nd Quarter Total Premiums Written - 2018	Market Share	Increase/Decrease in Premiums Written	Market Share
Fidelity	$1,370,023,893	35.4%	$1,334,910,794	35.0%	$35,113,099	0.4%
First American	$948,515,790	24.5%	$966,553,851	25.3%	($18,038,061)	-0.8%
Old Republic	$563,727,390	14.5%	$566,104,648	14.8%	($2,377,258)	-0.3%
Stewart	$387,470,959	10.0%	$398,704,315	10.4%	($11,233,356)	-0.4%
TOTAL	**$3,269,738,032**	**84.4%**	**$3,266,273,608**	**85.5%**	**$3,464,424**	**-1.1%**

Source: ALTA Market Share Data

The complaint also focused on the impact the merger would have on underwriting for commercial transactions, noting the combined Fidelity-Stewart market share for large commercial deals would be more than 50 percent in many states.

"Among the Big 4, Stewart has shown a willingness to undercut the other underwriters, and has developed a reputation for finding creative and customer-friendly ways to defer costs," the FTC alleged. "Absent competition from an independent Stewart, Fidelity will not need to compete as aggressively on price, coverage, underwriting requirements, or service as it does today.

The complaint further alleged that the "elimination of Stewart as an independent competitor will increase the ability and incentive of the remaining underwriters to pursue tacitly a more cooperative strategy to the detriment of customers with large commercial transactions."

In a research note, Susquehanna Financial Group analyst Jack Micenko said he was surprised by the decision.

"We got it wrong; we were in the 'it gets done camp' as we thought residential title insurance (about 80 percent of title revenue) was going to be a bigger hurdle than the commercial business (about 20 percent of title revenue) for the deal to go through," Micenko wrote. "However, it was the commercial business that ultimately led to the denial as the FTC believes the reduced competition could lead to higher prices for larger commercial transactions."

FTC Bureau of Competition Director Bruce Hoffman welcomed the underwriters' decision to call off the proposal.

"(The) announcement from Fidelity National Financial Inc. and Stewart Information Services Corporation that they will abandon their proposed transaction is good news for everyone who requires title insurance when purchasing real estate in the United States," he said. "These customers will continue

"While we were disappointed with the FTC's decision regarding Stewart's combination with Fidelity, we are well-positioned to execute on a standalone strategic plan built around growth and profitability," said Thomas Apel, chair of Stewart's board. "The actions we have taken today are designed to enhance our strength, focus our company on the opportunities before us and build a leadership team with the best mix of experience and expertise to drive value creation. To further support the new direction, we will be actively reviewing the board's makeup to ensure the appropriate mix of diversity as well as operational and growth-oriented experience."

> ***"We are well-positioned to execute on a standalone strategic plan built around growth and profitability"***
>
> \- Thomas Apel, chair of Stewart's board

Eppinger said he's confident in the strength of the Stewart brand and the people behind it.

"I look forward to working with our talented team to forge a legacy of a growth and performance-oriented culture that delivers exceptional value creation as a standalone company," he said. "I believe the future is bright for Stewart. I see great potential in our ability to enhance performance while leveraging the core strengths of Stewart, its culture and people." ■

ALTA & MBA DIGITAL BOOT CAMPS
eClosing & eMortgage

Are you Interested in digital closing & eMortgages?

Dont' miss your chance to get digitally toned!

WHY ATTEND?

THE PLAYBOOK
Learn how to improve customer experiences & operational efficiences.

CASE STUDIES
Get best practices tips from lenders & title professionals doing digital transactions.

NETWORKING
Find digital partners & start collaborating.

VENDORS
Check out the technology solutions available.

LEARN MORE & REGISTER AT:
meetings.alta.org/digital-boot-camp

- Scottsdale | December 11-12, 2019
- Atlanta | April 8-9, 2020
- Minneapolis | August 11-12, 2020

mismo®

MBa
MORTGAGE BANKERS ASSOCIATION

AMERICAN LAND TITLE ASSOCIATION®

The Business Value of Thank you

By Cindy McGovern

REMEMBER THE LAST TIME A CLIENT, A BOSS OR A CO-WORKER GAVE YOU A HANDWRITTEN THANK-YOU NOTE TO LET YOU KNOW YOU'RE DOING A GOOD JOB? Maybe someone at work has surprised you with flowers, an unexpected gift or a bonus. Has a vendor ever slipped you a gift card worth the price of a cup of fancy coffee, just to show appreciation for your loyalty?

It felt good. It might even have prompted you to keep up the good work. You might have thought back to that gesture when you toyed with moving to a different company or switching to a cheaper vendor.

That's how others feel when you take the time to show them your appreciation. So, do it often.

It's true that some regulations and guidelines restrict you from giving gifts to clients. But your gesture of appreciation doesn't have to cost you anything. It doesn't even have to be a gift. Simply saying "thank you" can go a long way toward improving employee morale, retaining valuable staff members and keeping your clients coming back. In fact, in survey after survey, more than 20 percent of employees have said:

- Employees who don't feel recognized for doing good work are much more likely to apply a different job—compared with 12 percent of employees who do feel recognized.
- More appreciation from bosses would make them happier at work.
- They prefer written or oral "thank yous" over extra time off or gifts.

> *"Simply saying 'thank you' can go along way toward improving employee morale and keeping your clients coming back."*

In our industry today, none of us can stand to lose a good employee. Saying "thank you" can help you retain your good employees.

Saying "thank you" is a simple but powerful gesture. And it can lay the foundation for a great relationship so when the time comes for you to ask someone to go the extra mile, that person will return the favor.

Here are a few no-cost ways to express your appreciation:

- A handwritten or emailed note that includes a specific reference to something the recipient did for you or trusted you with can elevate a casual business relationship to a more important one.
- After a crazy month, an in-person pat on the back for a job well done—again, with specific mentions of achievements—lets an employee know that you notice and appreciate hard work.
- Returning a favor after someone has done one for you tells the other person that the relationship is not one-sided.
- Some sincere words of appreciation can pick up an employee or coworker who is showing signs of burnout or dissatisfaction.

Too often, we are running a million miles an hour, juggling umpteen tasks and, unfortunately, taking others for granted—even when we know we couldn't get it all done without them.

We throw away the "thank you." Or we say "thanks," but it's not heartfelt. Maybe you end every call with: "OK, great, we'll get that done. Thank you so much." But you're just being courteous, not grateful.

Instead, be thoughtful about your gratitude. Think about how much your job depends on your clients, customers, co-workers, managers and others. Thank them. And mean it.

As a small business owner, I hand-write thank-you notes on fancy paper and mail them in time for Thanksgiving delivery each year to some clients, employees and vendors —even some former ones. It feels good to show people how grateful I am for their support and trust. And I hope that they feel good when they realize that I appreciate and remember them.

That kind of follow up not only sets you up for positive results with these people in the future, but it signals that the professional relationship you want reaches far beyond a single transaction. It says you care enough to stay in touch. It says you are truly grateful for them. ■

CINDY MCGOVERN is *CEO of Orange Leaf Consulting, a San Francisco-based consulting company that specializes in helping title companies grow their businesses. Her book, "Every Job Is a Sales Job: How to Use the Art of Selling to Win at Work" is available for pre-sale at drcindy.com/about-the-book/book-specials/. At checkout, enter ALTA2019 to pick up your autographed copy at ALTA ONE in Austin, Texas.*


How to choose new title production software

Attorney Closer Personally Liable for Assisting in Loan Fraud

By J. Bushnell Nielsen

A title agency owner who also personally conducted loan closings is liable to the lender for having failed to report to the lender that the borrowers were straw buyers and had made misrepresentations in their loan applications, the United States Court of Appeals for the Seventh Circuit recently ruled.

Yaseen Ahmed was the president of High Point Developers Inc. and the co-owner of a condominium on South Michigan Avenue in Chicago. Ahmed and Eliot Higueros recruited people to pose as buyers for the units. The straw buyers submitted loan applications to several lenders, including Fifth Third Mortgage, that made false statements about employment, assets and income. The applications also falsely said that the buyers would make the units their primary residences, which was likely the most obvious misrepresentation since each person bought more than one unit.

Attorney Ira Kaufman conducted the closings on 26 units, involving nine borrowers, at the South Michigan property. The closing agent for those sales was Traditional Title, a company owned by Kaufman. Kaufman also closed four other loans made by Fifth Third for buyers of units in other buildings owned by Ahmed. He served as the seller's attorney in all the sales.

Ahmed arranged for a total of 35 mortgage loans. He and his fraud partners kept all the loan money. No payments were made on the loans. Ahmed and five others pled guilty to criminal charges.

In *Fifth Third Mortgage Co. v. Kaufman*, Fifth Third Mortgage sued several people and businesses tied to the scheme, including Kaufman. After a bench trial, the court entered a money judgment in favor of Fifth Third against Kaufman.

The crux of *Fifth Third*'s case was the loan closing instructions it had issued to Traditional Title, which required the title company to tell the bank about "any misrepresentations that would influence the bank's decision to make the loan," as the court phrased it, including an instruction to suspend the transaction and notify Fifth Third if "the loan is owner occupied and the closing agent has knowledge that the borrower does not intend to occupy the property." The trial court held that Kaufman violated those instructions by concealing the buyers' misrepresentations from Fifth Third and telling closing agents "to complete closings even when buyers were purchasing multiple properties."

At trial, Kaufman testified that he was not aware of the loan fraud scheme. He said he reviewed the numbers on the closing statements but "didn't really look at the people." He also said that it was not his job, as the seller's attorney, to review the closing instructions or the buyers' loan applications.

Ahmed, however, testified that Kaufman knew the buyers were part of the scheme. Two closing agents, Julio Martinez and Michael Lee, testified that they informed Kaufman about the misrepresentations in the loan applications. Kaufman testified that they never gave him that information. (It is often the case that the fraudsters receive better plea deals from prosecutors if they implicate other parties such as loan closers.)

Kaufman appealed. His first argument was that he should be shielded from personal liability for the aiding and abetting claims because he was merely the owner of Traditional Title. The appeals court affirmed the judgment and the finding by the trial court that Kaufman was sued for his own acts in conducting the loan closings, not solely in his role as manager or owner of Traditional Title. The court especially observed that Kaufman had been involved personally in all the closings, as counsel for the seller, and had personally "directed Traditional Title's employees to conceal the fraud from Fifth Third."

The appeals court also rejected Kaufman's argument that an attorney cannot be found personally liable for aiding and abetting a fraud perpetrated by his client. The court quoted an Illinois decision to the contrary (*Thornwood, Inc. v. Jenner & Block*, 344 Ill. App.3d 15, 278 Ill.Dec. 891, 799 N.E.2d 756, 768 (2003)):

> *… we see no reason to impose a per se bar that prevents imposing liability upon attorneys who knowingly and substantially assist their clients in causing another party's injury. As we have recognized, one may not use his license to practice law as a shield to protect himself from the consequences of his participation in an unlawful or illegal conspiracy. The same policy should prevent an attorney from escaping liability for knowingly and substantially assisting a client in the commission of a tort.*

The court further held that the record supported the district court's conclusion that Kaufman was substantially involved in the conspiracy, by reviewing closing statements, hosting the closings, and attending the closings "despite knowing the loans were obtained using straw buyers to defraud the lenders as a part of Ahmed's scheme." The court found a but-for causation in Kaufman's involvement, saying that "[w]ithout his participation, the scheme would have failed entirely."

This is another sobering decision placing the blame and the financial liability for borrower loan fraud squarely on the closing agent. ■

J. BUSHNELL NIELSEN, *a shareholder with the law firm Reinhart Boerner Van Deuren, has nearly 40 years of experience in the title insurance industry. He has handled thousands of claims and disputes. He can be reached at bnielsen@reinhartlaw.com. For more content like this, purchase a subscription to the Title Insurance Law Newsletter at alta.org/publications.*

REPORT:
Mortgage Fraud Decreases for First Time Since 2016 Due to Spike in Less Risky Refis

MORTGAGE FRAUD DECREASED FOR THE FIRST TIME since the third quarter of 2016, according to the 2019 Mortgage Fraud Report from CoreLogic.

The report showed an 11.4 percent year-over-year decrease in fraud risk from the second quarter of 2018 to the second quarter of 2019.

The analysis found that during the second quarter of 2019, an estimated one in 123 mortgage applications, or 0.81 percent of all applications, contained indications of fraud, compared with the reported one in 109, or 0.91 percent in the second quarter of 2018.

"The decrease in fraud risk mid-2019 appears temporary, based on unexpected interest rate drops and the resulting influx of low-risk refinance transactions," said Bridget Berg, principal of Fraud Solutions Strategy for CoreLogic. "The absolute number of risky loans has not decreased but are simply part of a larger mortgage market at this time."

Report Highlights

- New York, New Jersey and Florida remain the top three states for mortgage application fraud risk. For the first time since 2017, New Jersey outpaced Florida and moved into the second highest position.
- Eight of the top 10 riskiest states showed stable or decreasing risk over the past year.
- States with the greatest year-over-year risk growth include Idaho, Alabama, Mississippi, New York and Delaware. States with the largest decreases include Kansas, Missouri, Massachusetts, Illinois and New Mexico.
- Jumbo loans for home purchases is the only segment showing a risk increase.
- Nationally, all fraud types showed decreased risk. Undisclosed real estate debt fraud risk had the greatest decrease year over year, followed by decreases in property and income fraud types.
- Multi-lien fraud is a profitable scam that takes advantage of the lag between closing and recording to solicit multiple loans on a single property. CoreLogic projects this fraud to increase in 2019.
- iBuyers—or companies that use technology to instantly make an offer on a home—accounted for more than 1 percent of all home sales in 2018 and are a contributing factor in the overall decline of fraud risk. ■

Undisclosed Real Estate Debt Fraud Risk
↓ 12.8%

Property Fraud Risk
↓ 9.9%

Income Fraud Risk
↓ 7.7%

Transaction Fraud Risk
↓ 3.8%

Identity Fraud Risk
↓ 2.9%

Occupancy Fraud Risk
↓ 2.0%

Industry Update

FHA Issues Final Rule on Condo Approval Requirements

The Federal Housing Administration on Aug. 14 issued its long-awaited Final Rule on Revisions to Condominium Project Approval requirements. ALTA's Board of Governors discussed the condo rule when it met with FHA Commissioner Brian Montgomery last month.

The final rule is designed to make it easier for buyers to use FHA-insured financing to purchase a condominium.

Highlights include:

- Extending the project recertification cycle from two years to three years, plus a six-month grace period to submit recertification materials;.Increasing acceptable commercial space to 35 percent of the total area.
- Reducing the owner-occupancy percentage requirements.
- Restoring the ability to do "spot loans" in non-approved projects.

The changes go into effect on Oct. 15.

Prior to the rule changes, just 6.5 percent of the roughly 150,000 condominium developments in the United States were previously eligible for FHA-backed mortgages. After heavy losses during the financial crisis, FHA tightened its condo requirements and added a costly requirement for the entire building to get certified instead of a single loan. These changes caused the FHA mortgages for condos to fall from 72,900 in 2010 to 16,200 last year.

The FHA updated its Single-Family Policy Handbook 4000.1 to reflect revisions of the rule. The agency hosted an industry stakeholder briefing and stakeholder training webinar in late September to assist mortgagees and other parties interested in FHA transactions to better understand the FHA's Condominium Project Approval requirements.

FFIEC Encourages Standardized Approach to Assessing Cybersecurity Preparedness

The Federal Financial Institutions Examination Council (FFIEC) says using a standardized approach to assess and improve cybersecurity preparedness is the best course to reduce risk.

According to the FFIEC, firms adopting a standardized approach are better able to track their progress over time, and share information and best practices with other financial institutions and with regulators.

Institutions may choose from a variety of standardized tools aligned with industry standards and best practices to assess their cybersecurity preparedness.

While the FFIEC does not endorse any tool, these standardized resources support institutions in their self-assessment activities. The tools are not examination programs and the FFIEC members take a risk-focused approach to examinations. As cyber risk evolves, examiners may address areas not covered by all tools.

The FFIEC prescribes uniform principles, standards and report forms to promote uniformity in the supervision of financial institutions.

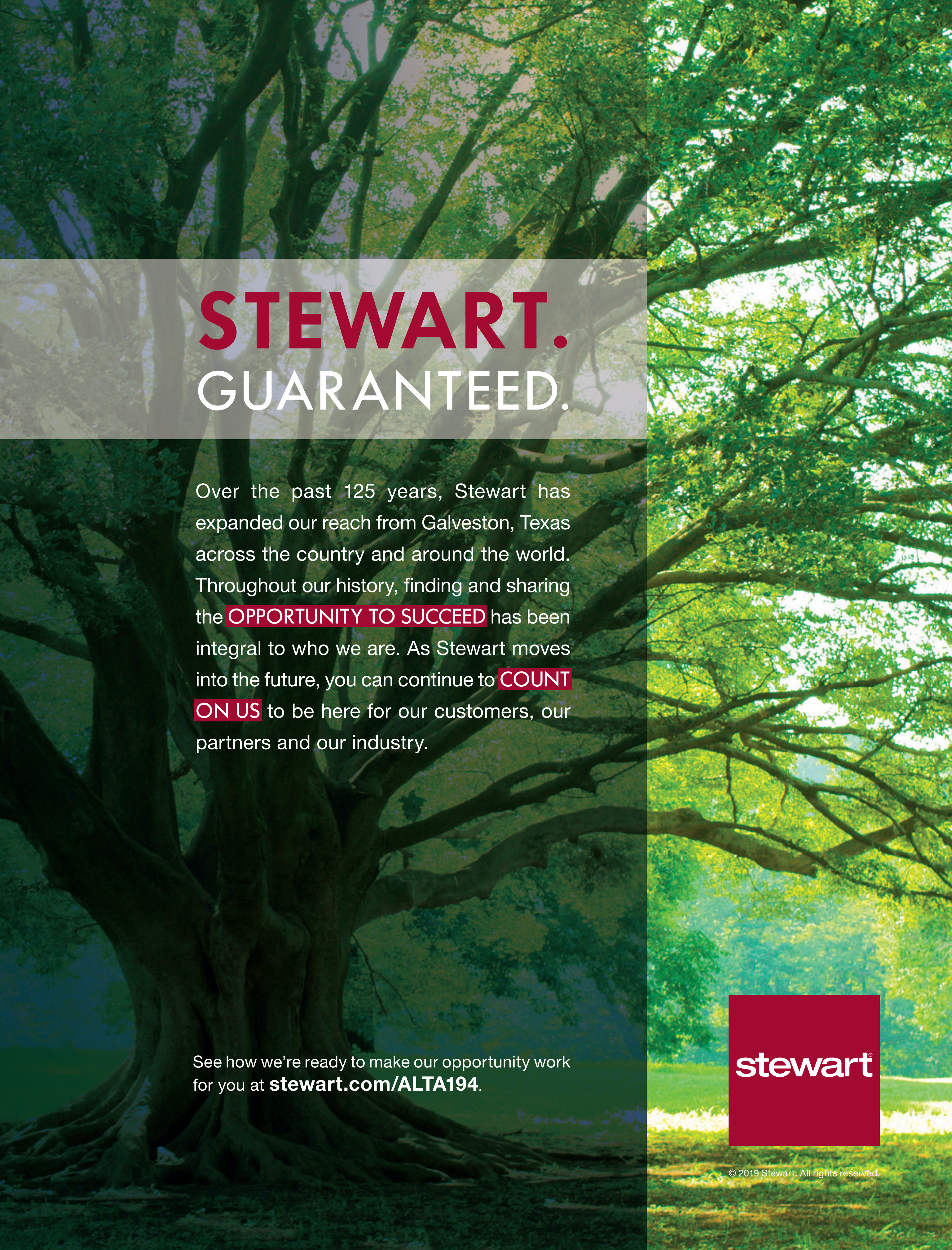
To access ALTA's Title Insurance and Settlement Company Best Practices and other cybersecurity tools, go to alta.org/infosec.

Number of E-recording Enabled Jurisdictions Passes 2,000

The number of jurisdictions that accept electronically recorded documents stands at 2,007 as of July 31, according to the Property Records Industry Association (PRIA).

This represents over 55 percent of the country's 3,600 recording jurisdictions in the United States. According to PRIA, more than 86 percent of the U.S. population live in an e-recording jurisdiction.

Recently, Westerly County, R.I., became the first county in that state to enable electronic recording. That leaves only Kentucky and Vermont without jurisdictions accepting electronic recordings, PRIA reported.


STEWART.
GUARANTEED.
Over the past 125 years, Stewart has expanded our reach from Galveston, Texas across the country and around the world. Throughout our history, finding and sharing the OPPORTUNITY TO SUCCEED has been integral to who we are. As Stewart moves into the future, you can continue to COUNT ON US to be here for our customers, our partners and our industry.
See how we're ready to make our opportunity work for you at **stewart.com/ALTA194**.
stewart®
© 2019 Stewart. All rights reserved.

Warning: Cash-out Mortgage Refis New Target for Wire Transfer Fraud

Historically low interest rates have resulted in a surge of mortgage refinance activity in recent weeks. According to recent data, as many as 10 million borrowers may be able to save at least 0.75 percentage points by refinancing at current rates. As homeowners flock to take advantage of this opportunity, wire fraud prevention solution provider CertifID issued an alert warning that fraudsters are implementing new strategies to divert wire transfers away from borrowers in connection with cash-out mortgage refinance transactions. This latest fraud trend stacks on the already active fraud scam of diverting mortgage payoffs in real estate closings.

Recently, CertifID became aware of cybercriminals focusing on defrauding title and escrow companies that are assisting lenders and borrowers in a mortgage refinance transaction where the borrower is receiving a cash-out payment as part of the closing. The scam is executed when perpetrators impersonate a lender or borrower and send fraudulent wiring instructions to the title or escrow company responsible for closing and funding the mortgage refinance transaction. Believing the wiring instructions came from a trusted party in the transaction, title companies wire funds to fraudulent accounts thinking they are wiring funds to the borrower.

According to a recent report issued by the Treasury Department's Financial Crimes Enforcement Network monthly losses attributable to business email compromise (BEC) last year exceeded $300 million per month which cost U.S.-based businesses and consumers billions of dollars. BEC is a form of cybercrime where a cyber perpetrator uses targeted phishing emails to specific parties in a transaction designed to obtain sensitive data and/or divert payments to fraudulent bank accounts. Cyber scammers are using BEC strategies in this new fraud scam threatening the integrity of cash-out mortgage refinance transactions.

How do industry participants combat this new fraud threat? CertifID provides the following five strategies to lower the risk of fraud in these transactions:

1. Educate the borrower and other transaction participants about the risks of wire fraud.
2. Well in advance of closing, clearly explain how wiring instructions will be shared. It's important to include examples of what not to expect so that fraud attempts may be identified and thwarted.
3. Securely share wiring instructions via encrypted email or other secure platforms. Do not share or rely on wiring instructions sent through standard email messaging.
4. Confirm the identity of the party sending wiring instructions as well as the bank credentials being shared before initiating a wire funds transfer.
5. Verify the funds were transferred into the proper account. Most wire transfers are completed within a few hours but should not take more than one business day.

"Times are good in real estate, and industry participants are absorbing the influx of new refinance transactions," CertifID said in a release. "As closing volume increases, so does the stress level of those responsible for coordinating and closing loans. This may result in the failure to fully comply with company policies designed to prevent wire fraud, so remember to stay alert and take the time to follow the steps necessary to protect all parties in a transaction."

To help raise wire fraud awareness, join the Coalition to Stop Real Estate Wire Fraud at ***stopwirefraud.org***.

CloseSimple Unveils Text Messaging Solution

CloseSimple announced it is offering a new automated text messaging solution allowing title agents to update real estate agents and consumers during the closing process.

"This is a giant step forward for the title industry," said Bill Svoboda, co-founder of CloseSimple. "If someone can get text message updates from their doctor, dentist or food delivery service, they should also be able to get simple updates from their title company during the closing process."

CloseSimple integrates with SoftPro, ResWare, RamQuest and GreenFolders, eliminating rekeying of data. Texts can be automated out of most systems, CloseSimple said in a release. This allows employees at title companies to avoid using their personal cell phones to send text updates. Title and escrow employees can text directly from their landline phone numbers.

"Offering our Realtors the option of receiving text messages during the closing process has made our current clients' closings more convenient," said Brooke Volkers, account executive at All American Title in Minneapolis. "It's a unique feature we can offer that has given us more business as a result."

Agents National Title Unveils New Production Capability

Agents National Title Insurance Company (ANTIC) announced it has developed a full-service production facility based in Winter Park, Fla., that will use a blended model to allow for scalable capacity.

"We employ full- and part-time examiners across Florida who work flex shifts and we have partnered with trusted local title examiners to assist in production," said David Townsend NTP, president and CEO of ANTIC.

"Using our proprietary software, we can allocate searches within our organization instantly."

Townsend added that using this method frees up examiners to produce reports in a specific county or for a particular client. In addition to its examination staff, ANTIC has a curated network of title plants and courthouse searchers to facilitate searches in counties where title plants or online resources are sparse or non-existent.

ATG Releases New App to Help Real Estate Lawyers Manage Transactions

Attorneys' Title Guaranty Fund Inc. (ATG) just released ATG GO, a proprietary web application and mobile app that helps lawyer agents do business, share information and interact with each other. The collaborative platform enables real estate lawyers to instantly place title orders, conduct title exams, manage their documents and schedule closings directly from their smartphones, tablets or computers. The product's tagline, "Go Ahead. Be a Hero" speaks to lawyers who are representing clients involved in buying and selling real estate.

The app, which is now available to lawyer agents in Cook, DuPage, Kane, Kendall, Lake and Will counties, is part of ATG's SMART Initiative to bring new processes and technology to all departments while automating workflows.

Ransomware Attacks Target Government, Report Says

More than 70 state and local governments have been targeted with ransomware attacks in 2019, according to data and security firm Barracuda.

Cybercriminals use malicious software, delivered as an email attachment or link, to infect the network and lock email, data and other critical files until a ransom is paid.

Barracuda researchers analyzed 55 ransomware attacks on state, county and local governments that have taken place this year. Of the 55 attacks, 38 were on local governments, 14 were on county governments and three were on state governments. While all types of governments were affected, most victims were small towns or big cities.

About 45 percent of the municipalities attacked had populations fewer than 50,000 residents, and 24 percent had less than 15,000 residents, Barracuda concluded. Nearly 16 percent of the municipalities attacked were cities with populations of more than 300,000 residents.

"Smaller towns are often more vulnerable because they lack the technology or resources to protect against ransomware attacks," Barracuda researchers said.

SLK Global Enhances Property Search Solution

SLK Global Solutions has enhanced its property search solution for real estate title agents and underwriters. The SmartProp technology platform is currently being used by more than 100 title and tax agents to make their property ownership search reporting faster and risk free. The enhancements to SmartProp include adding an automated vendor rating system to ensure the best choice of abstractor for a property search and digitized data source links to ensure efficient order execution.

Bank Shot Offers White-label Version of Payment Solution

Bank Shot announced it now offers a white-label version of its application that handles earnest money and payment solutions for real estate transactions. Bank Shot can now integrate its patent-pending technology into a company's existing platform. The app can be branded as an internal transaction solution. The process is encrypted, two-factor authenticated and housed on the Amazon Cloud, conforming to cyber security protocols.

TRG Helps Prevent Fraud with New Online Game

According to FBI data in the 2018 Internet Crime Report, cybercrime, including title and real estate related fraud, cost victims more than $7 billion in the last five years—including more than $2.7 billion in 2018 alone. The most populated states in the nation were impacted the greatest: California, Texas, Florida and New York. To help raise awareness, Title Resources Group (TRG) launched a new campaign to help educate consumers and agents about fraud. As a part of this initiative, TRG is literally making a game of it: Fraud Racer, an online game designed to raise awareness of fraud in a fun and interactive

Housing Market Potential

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

5.29 SAAR

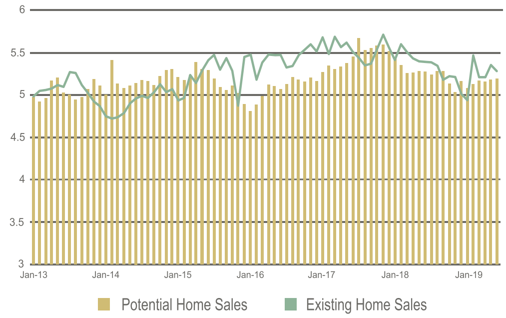
Existing Home Sales

5.20 SAAR

Potential Home Sales

+1.7%

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

June 2019

$408,051

House-Buying Power

+12.2%

Year-Over-Year

Where House-Buying Power is Strongest

Top States and Cities

States

1. New Jersey: **$543,923**
2. Maryland: **$530,628**
3. Connecticut: **$518,659**
4. Hawaii: **$515,708**
5. Massachusetts: **$515,563**

Cities

1. San Jose, CA: **$785,854**
2. San Francisco, CA: **$705,737**
3. Washington, DC: **$684,018**
4. Boston, MA: **$589,133**
5. Seattle, WA: **$576,356**

Source: Mark Fleming, Chief Economist at First American Financial Corporation way. Players answer questions about fraud correctly to reach home safely, while avoiding criminals that pursue them. The game is available to play at fraudracer.com.

Rynoh Passes Ten Million Closings

Rynoh announced its software has protected and monitored over 10 million real estate and settlement closings worth more than $2.8 trillion.

"What an amazing ride it has been thus far. We have truly turned a dream into reality," CEO and Founder Dick Reass said. "We wouldn't be where we are today without our loyal clients."

Since Rynoh's introduction in 2007, the company has continued to expand its financial protection product line to include residential real estate escrow, construction escrow and business operating account monitoring.

Recent Integrations

- **Qualia** is now integrated with **Investor Title's ClientCONNECT**. This integration enables title agents to generate policy jackets and closing protection letters (CPLs) directly through Qualia's system, eliminating the need to work across multiple systems or rekey information.
- **RamQuest** has integrated its title production software with **ClosingLock**, which provides a solution to help prevent wire fraud by eliminating the need to use email communication during the closing process. Using ClosingLock's secure portal, homebuyers can retrieve wire transfer instructions from their title company.
- **Simplifile** announced an integration with **BeSmartee** in an effort to optimize the digital mortgage lending process. The partnership allows lenders to access Simplifile Collaboration services to securely share, receive and validate documents and data with settlement agents through BeSmartee.
- **NextDeal** announced that its preDOCS and DigitalDocs technologies are now integrated with **Closer's Choice Inc.**, which provides real-time data to settlement agents, title companies and real property law firms. NextDeal's preDOCS technology delivers completed and signed opening/intake packages from consumers to the Closer's Choice file on average in three days, the company said in a release.
- **SafeChain** has integrated its SafeWire application into **RamQuest's** Closing Market. SafeWire uses multi-source verification to protect real estate wire transactions. By digitally identifying transaction participants it assures agencies that the information cannot be tampered with or intercepted by unauthorized parties.

NATIC Names State Agency Manager for Ohio and Northeast Kentucky

North American Title Insurance Co. (NATIC) has added Tara Begg as the state agency manager for Ohio and Northeast Kentucky. Begg brings nearly 20 years of experience in various roles with title agencies, banks, underwriters and search examination companies. She began her career as an escrow officer and title examiner at an Ohio title company, managing office operations for a 12-county area.

Stewart Title Adds Underwriting Counsel in Georgia

Stewart Title Guaranty Co. announced Brian Pierce has joined the underwriting team in Georgia. He will work with Stewart independent agents and support the agency services team in the state. This role will provide the expanded support and customized solutions to meet the growing needs of independent agents. Pierce has more than 20 years of experience in the real estate industry, with particular focus on transactional law, acquisition, development, leasing and disposition of commercial properties.

Title Resources Bolsters Exec Team

Title Resources, a member of the Title Resource Group (TRG) and Realogy family of companies, has announced the promotion of Lynn Stillman to senior vice president and regional manager. In her new role, Stillman will focus on growing and supporting TRG's extensive family of title agents in Texas, as well as expanding the company's footprint in Louisiana and Oklahoma. A 12-year veteran of the title industry, Stillman joined Title Resources in 2018 as Texas underwriting counsel.

Agents National Title Appoints Southwest Underwriting Counsel

Agents National Title Insurance Company (ANTIC) appointed Mickey Gerdes as Southwest underwriting counsel. He will be charged with underwriting for ANTIC's agency base in Texas. Prior to joining ANTIC, Gerdes served as commercial title officer for First American Title Insurance Co. He has practiced law for over 15 years.

West Names VP of Marketing

WEST has appointed long-time industry professional Darcy Patch as vice president of marketing for its lender services division. In this newly created role, Patch will lead the marketing and communications strategies for WFG's Enterprise Solutions group. With more than 20 years of industry experience, Patch has led the marketing and communications efforts and implemented strategic marketing plans for several companies. Prior to joining WEST, she served as vice president of marketing for Veros Real Estate Solutions.

ALTA PROVIDES HIRING RESOURCES

ALTA has developed many tools and resources to aid members in the hiring process. There are sample job descriptions and advertisements for various positions ranging from escrow and title officers to administrative assistants and agency managers. Log in and access the material at **alta.org/human-resources**.

Expertise. Quality. Efficiency.

Title and Property Report Services

DataTrace® provides nationwide title and property report production services across all 50 states and is the leading provider of data and title search automation.

Expertise

Largest provider of title data with regional, on-shore search and exam experts that have produced millions of reports...and counting.

Quality

Stringent verification and auditing process conducted on every file to ensure the highest quality and accuracy.

Efficiency

Single point of contact to manage your entire search and examination process, saving you time managing multiple vendors.

Call today to learn how our Title and Property Report Services can give you the quality and efficiency needed to grow your business.

datatracetitle.com/efficencyalta | 800.221.2056

DataTrace®

Get Unbound

CYNTHIA DURHAM BLAIR NTP
ALTA president

THIS MONTH, MORE THAN 1,000 TITLE PROFESSIONALS from across the country will unite in Austin, Texas—which is known as the live music capital of the world—for the 2019 ALTA ONE conference!

With musicians playing live music basically everywhere—from the airport terminal to grocery stores—Austin is the perfect city to break free from limitations. The industry is shifting, which means it's a chance to think creatively and seize the opportunity to adapt. Buzzwords alone aren't enough. We need to embrace innovation (and we need to learn how to do it well). That means tactical ideas, built around your market, your goals and your reality.

Our Omni Session speakers at this year's ALTA ONE will encourage attendees to think outside the box and bring strategies to life. Those ready to motivate staff and achieve the unimaginable will enjoy hearing entrepreneur, author and "ad man" Roy Spence, who will ignite the "epiphany of purpose" during his keynote. Meanwhile, cybersecurity is top of mind for all of us, whether we're thinking about our professional or personal lives. The director of cybersecurity for Morgan Stanley Wealth Management and Investment Technology, Rachel Wilson, knows exactly the dangers you face. As the industry confronts increasingly sophisticated cyber threats, Wilson will share her insight on how best to protect your business and avoid falling prey to scams and attacks. In addition, there is a robust lineup of education sessions that will highlight the latest tech trends, discuss the rapid response plans for wire-transfer fraud, detail how to recognize your company's future leaders, and more.

During the conference, we also feature the ALTA Marketplace, which connects attendees with more than 50 vendors discussing the latest products and services. There are several designated areas where people can learn about ALTA membership, the Registry and all the resources the association offers to help you communicate to your customers the benefits of title insurance and educate consumers about the homebuying process and the dangers of wire fraud.

We are hopeful attendees at this year's ALTA ONE get inspired to lead the way into 2020 with a stronger focus on innovation and a renewed emphasis on creating impact for your customers. Don't settle for the status quo. It's time to rise to define your future and get unbound!


Expert | Legal | Technology
Lean on FNTG, your agency expert. Let us guide you to leverage technology to improve your bottom line, stay on track with legal and regulatory issues, and innovate for the future marketplace. At FNTG, we combine unrivaled expertise in legal, technology, and underwriting to ensure the success of our agent partners.
FNTG is for you.
FIDELITY NATIONAL
TITLE GROUP
NationalAgency.fnf.com


Don’t Be a Mess
Provide accurate information to lenders about your operation.
Get confirmed in the ALTA Registry.
ALTA REGISTRY
ALTA.ORG/REGISTRY