

# TITLE NEWS

FEBRUARY 2019

AMERICAN LAND TITLE ASSOCIATION

## Impact of Government Shutdown on Housing



**CLOSED**

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

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

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



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

# TITLENews

The digital edition of **TITLENews** includes a webinar recording on how to understand and measure blockchain projects in the title industry.

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# TITLENews

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## It's Not Easy Being Simple

**IT'S NOT EASY BEING GREEN**—just ask Kermit the Frog. It's also not easy to

explain things in simple language. Why? This runs counter to our instinctive thought that we need to “sound smart” in order to prove our value and gain respect. However, our words will be more valuable and memorable if everyone understands them.

Take Apple, for instance. In its 1997 Think Different campaign, the ad started with, “Here’s to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes.” It ended with, “Because the people who are crazy enough to think they can change the world are the ones who do.” It’s a short, inspirational message. The point is to use short and simple sentences when sending any important message. Steve Jobs follows this value and made it a point to only use simple, easy-to-process words in his presentations. There was no jargon in sight.

Elon Musk, the CEO of Tesla, encourages his workers to cut out “nonsense words.” In a company-wide email, the tech entrepreneur and engineer told his staff to eliminate jargon when describing the company’s software and processes. He wrote, “We don’t want people to have to memorize a glossary just to function at Tesla.”

Having grown up with dyslexia, Virgin Group founder Richard Branson has always seen the benefit of streamlined communications. “Complexity is your enemy. Any fool can make something complicated. It is hard to make something simple,” he has tweeted. And in a blog post about building rockets, he said, “Simplicity is a great way to build something that works well without costing too much.”

What does this mean to you? You don’t want people to have to Google every other word or ask Alexa to explain what something means for them to understand what you provide. Review your website, presentations and marketing information for industry-specific words the average person may not understand. It starts with acknowledging that we are not in the title insurance, closing, settlement and underwriting business. Rather, we are in the peace-of-mind business. We offer homebuyers the knowledge, confidence, security and assurance that their property rights are protected. Take advantage of all the content available through ALTA’s Homeowner Outreach Program ([alta.org/hop](http://alta.org/hop)) to help simplify your messaging. It will make a big difference.

So, when you’re about to explain the benefits of title insurance to your customers or how you protect their money, remember these words from Steve Jobs: “Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it’s worth it in the end because once you get there, you can move mountains.”

And as Kermit realized, green can be big like an ocean, or important like a mountain or tall like a tree.



**JEREMY YOHE**

ALTA vice president of communications

## Discover How to Survive the Silver Tsunami, Analyze Metrics and Drive Innovation at ALTA SPRINGBOARD

ALTA SPRINGBOARD (March 20-21 in Memphis, Tenn.) is the event designed specifically to help title insurance professionals take their businesses to the next level. It is focused on providing proven strategies, practical education and networking opportunities that will accelerate business success for anyone who attends. ALTA SPRINGBOARD is special: At no other event will you find specific interactive outlets for initiating discussion with your peers on today's most important topics relevant to the industry. This year, the Ideas Festivals topics will be:

- **Survive the Silver Tsunami:** Title searchers and examiners don't just grow on trees. To set yourself up for success, you need to find, develop and retain talent from a variety of places. With a sizable part of our workforce set to retire within 10 years, let's discuss how to staff our companies to remain competitive.
- **Analyze Performance Metrics:** If you don't measure it, how do you know you're hitting your goals? Title companies use key performance indicators to measure their bottom lines. Let's reinterpret these metrics to focus on ways to improve your overall customer satisfaction.



Take Your Business to the Next Level

March 20-21, 2019 | Memphis, TN

- **Drive Innovation to Meet Customer Demands:** We often focus our creativity on things that will improve our own productivity. Have we stopped to ask ourselves—or our customers—what would make their lives easier? Let's examine the entire transaction to find new, innovative solutions to help our customers.

ALTA SPRINGBOARD also features Braindating, which allows you to curate your own networking and learning experience. You can connect and schedule meetings with other attendees through the online Braindate platform.

To register, go to [meetings.alt.org/springboard](http://meetings.alt.org/springboard).

## Simmons Bank Partners With ALTA Registry

ALTA announced that Simmons Bank has become a customer of the national ALTA Title & Settlement Agent Registry. Simmons Bank will be able to search the ALTA Registry and verify the identity of title insurance agents and settlement companies, providing an enhanced level of efficiency and security to the real estate transaction.

"The national ALTA Registry is a unique real estate utility created specifically for mortgage lenders," said Paul Martin, ALTA's Registry director. "We're pleased to offer our data to Simmons Bank as we share a goal of safeguarding the security of consumers. The emergence of the ALTA Registry as an effective and easy-to-use source of data and information comes at the perfect time to help counter the alarming increase in wire fraud."

ALTA launched the ALTA Registry in 2017 as the first national database of title insurance agents and settlement companies. In addition to contact information and branch locations for agents

and title companies, each ALTA Registry listing also includes a title agent or real estate attorney's unique seven-digit ALTA ID. "Our customers' security is our priority, and we are always looking for ways to enhance our processes," said David Frase, president of mortgage warehouse lending for Simmons Bank. "Most real estate wire fraud schemes involve spoofing the identity of the title and/or settlement agent involved in a transaction, and the ability to verify the identity of these individuals using the ALTA ID and contact information contained within the ALTA Registry provides added assurance that we are interacting with legitimate parties to the transaction."

To confirm your company or learn more about the ALTA Registry, go to [altaidregistry.org](http://altaidregistry.org). Membership with ALTA or having an ALTA Policy Forms License does not mean your company is confirmed in the ALTA Registry.

eCLOSING IS THE NEW NORMAL.

# GET AHEAD OF THE CURVE.

In today's business, things are shifting rapidly to digital processes. Don't get left behind. Stewart is the industry's eClosing leader with the expertise and resources you can trust to help you deliver more timely and convenient transactions. When you partner with us you'll get the guidance necessary to help your business get ahead of the curve.

Get eClosing insights from watching Stewart's industry expert, Marvin Stone.

Visit [stewart.com/alta2018](https://stewart.com/alta2018) to watch his video.

The Stewart logo consists of the word "stewart" in a white, lowercase, sans-serif font, positioned inside a solid red square. The background of the entire advertisement is a dark, futuristic scene with glowing blue light trails curving across a dark floor and walls, suggesting a high-speed or digital environment.

stewart®

## ALTA Encourages New CFPB Director to Fix Inaccurate Disclosure of Title Fees on Mortgage Disclosures

The U.S. Senate on Dec. 6 confirmed Kathleen Kraninger as the next director of the Consumer Financial Protection Bureau (CFPB). The party-line vote was 50-49, with every Democrat voting against her nomination. Kraninger will replace Acting Director Mick Mulvaney, who also serves as the current Director of the Office of Management and Budget.

ALTA and its members look forward to working with Director Kraninger and the CFPB's staff to help provide positive and compliant real estate settlement experiences for consumers and lenders, and serve as a resource on important issues such as wire transfer fraud, third-party oversight and mortgage disclosures.

More importantly, as the bureau transitions to new leadership, ALTA is hopeful Director Kraninger and her team will address the inaccurate disclosure of title insurance fees under the TILA-RESPA Integrated Disclosures rule.

"While the bureau's disclosures have helped homebuyers better understand their mortgage costs, consumers would value their disclosures more if the bureau showed the accurate costs of title insurance," said Cornelia Horner, ALTA's interim chief executive officer. "The bureau has an obligation to make this simple change, so consumers receive accurate information about title insurance at closing."

## Help ALTA 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 of the *TitleNews* magazine.

We've created a simple way for you to opt out of receiving the monthly magazine. You will continue to receive the digital edition every month.

To opt out of receiving the print magazine and to manage the other information you receive from ALTA, go to [alta.org/publications](http://alta.org/publications).

## Help Protect Your Industry: Take the Congressional Liaisons Survey

The 2018 election is behind us and the Congressional landscape has changed dramatically. Over 100 new members of Congress were sworn in Jan. 3. Do you know any of the new members of Congress? Do you know any current members of Congress?

Congressional Liaisons are on the front lines of advocacy for our industry. The concept is straightforward: Legislators need info and you are the experts. Members of Congress, new members especially, need to learn how the title industry affects constituents in their district.

Congressional Liaisons have played a key role in shaping legislation from the fight to preserve the deduction for gains on the sale of a principle residence to legislation to improve the Consumer Financial Protection Bureau.

You can play a key role in shaping the work of this new Congress, be an educator to these politicians and be a protector of the title industry. Start today by taking five minutes to complete the survey at [cladvocacysurvey.com](http://cladvocacysurvey.com).

# CALENDAR

## 2019 ALTA CONFERENCES

### ALTA SPRINGBOARD

March 20-21  
Memphis, Tenn.

### ALTA ADVOCACY SUMMIT

May 6-8  
Washington, D.C.

### ALTA ONE

Oct. 21-25  
Austin, Texas

## 2019 STATE CONFERENCES

### TENNESSEE

April 3-5  
Abingdon, Va.

### CALIFORNIA

April 4-7  
Napa Valley, Calif.

### PALMETTO

April 10-12  
Charleston, S.C.

### OKLAHOMA

April 14-16  
Norman, Okla.

### IOWA

May 5-7  
West Des Moines, Iowa





# **NOT YOUR FATHER'S TITLE COMPANY**



**AmTrust Title**  
An AmTrust Financial Company



Impact of  
**Government**

**SHUTDOWN**

on **Housing**



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## *Closings Delayed, Canceled Due to Funding or Income Verification*

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By Jeremy Yohe

**THE EFFECTS OF THE PARTIAL FEDERAL GOVERNMENT SHUTDOWN** on the housing market were wide-ranging. From unpaid workers who must make their mortgage or rent payments to aspiring homebuyers who may see their loans in limbo, the longest government shutdown impacted the mortgage and real estate industry.

Due to a dispute over border wall funding, President Trump and congressional leaders failed to reach a budget agreement and roughly one-quarter of the government was forced to close on Dec. 22, 2018. On Jan. 25, President Donald Trump and congressional leaders agreed to fund the federal government until Feb. 15. The move ended the longest shutdown in American history.

Directly affecting the title and settlement industry, the shutdown disrupted closings and caused problems for title companies trying to obtain lien payoff information from the Internal Revenue Service (IRS).

While the government has said tax refunds will go out despite the continued shutdown, it's been reported that only about 12 percent of IRS employees were still on the job at the time. This caused a backlog of calls to IRS offices as phone lines were converted to voicemails. In addition, it appeared the IRS shutdown plan limited the amount of time that collection staff spends on the phones or responds to correspondence.

Bill Burding NTP, executive vice president and general counsel for Orange Coast Title Co., described this as a "big problem" for the industry as deals were either delayed or canceled.

"There is no workaround to the delays or cancellations in my mind, and I have said no to

proposed ones," he added.

Nick Hacker, president/ and CEO of North Dakota Guaranty & Title, said one underwriter his company works with had advised against closing deals involving IRS liens. The company held some seller proceeds until the payoffs are confirmed in order to continue closing transactions.

In a Jan. 7 bulletin to participants of its Income Verification Express Service (IVES), the IRS said it has started working through the backlog of requests for transcript information.

"While the IRS remains closed during the partial government shutdown, on January 7, 2019, it will begin processing requests for transcript information made through the Income Verification Express Service program," the bulletin said. "Because it will take time to ramp this service up to normal operating status, it may initially take a few days to process these requests, as employees are brought back to work and begin to process requests backlogged since the funding lapse began on December 22, 2018."

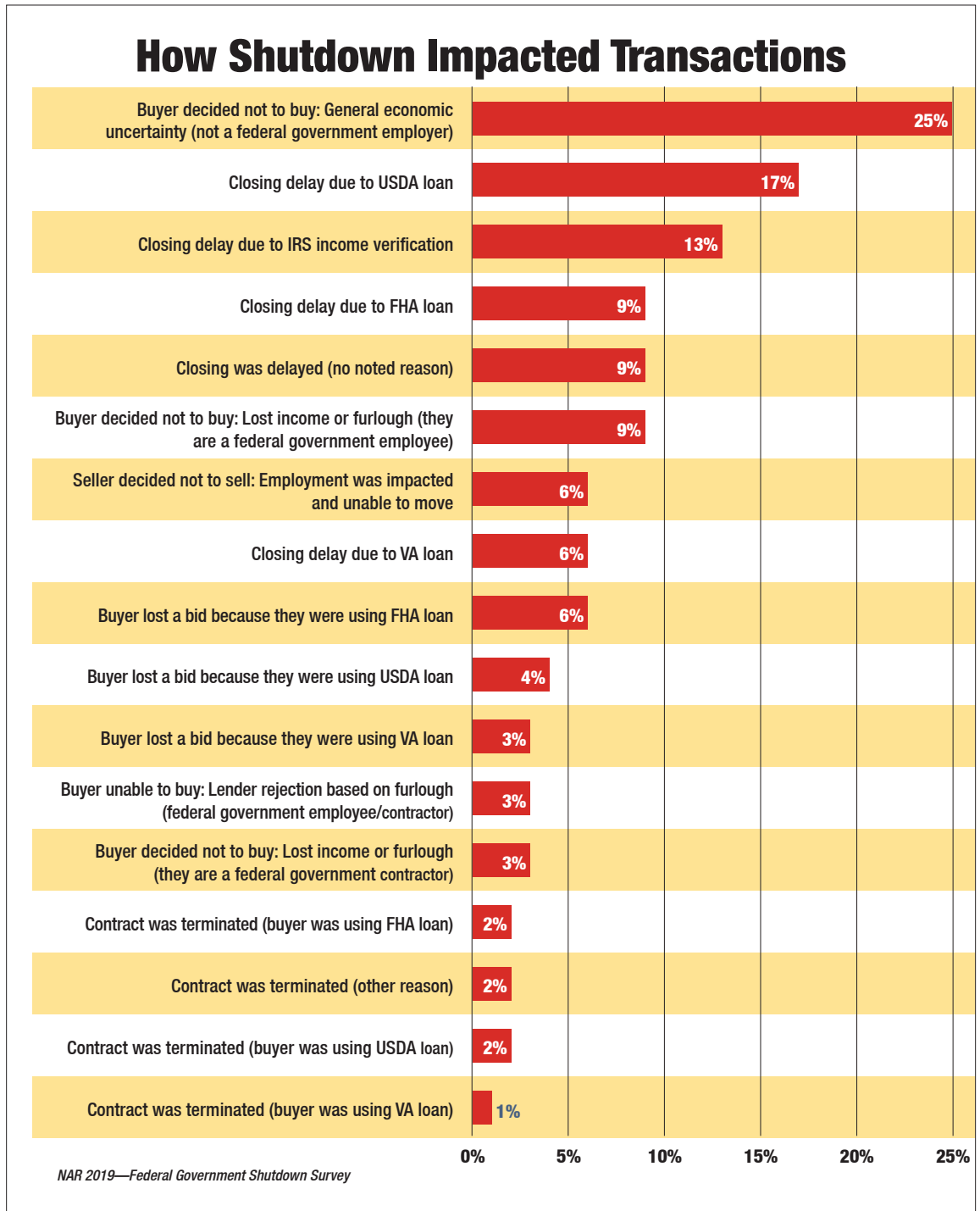
For information on which IRS collection advisory office to contact with questions about notices of federal tax liens or certificates, go to [irs.gov/pub/irs-pdf/p4235.pdf](https://irs.gov/pub/irs-pdf/p4235.pdf).

According to a survey of more than 2,200 members from the National Association of Realtors, 75 percent reported no impact to contract signings or closings. However, 22 percent did report an impact on either current or potential clients.

Among those impacted by the shutdown, 17 percent reported delays related to closings on USDA

loans, 13 percent cited a delay due to IRS income verification, 9 percent had a delay due to FHA loans, 6 percent saw a delay due to a VA loan and 9 percent did not cite the reason for the delay.

“The housing industry was already facing market challenges before any government closure,” NAR Chief Economist Lawrence Yun said in a statement.



# How the Government Shutdown Affected Agencies or Programs

## **GSEs**

Fannie Mae and Freddie Mac updated or clarified their loan purchase requirements due to the shutdown. Freddie Mac requires all borrowers to sign a 4506T request form prior to close, but the request does not have to be processed prior to close. Fannie Mae requires the same unless the borrower's income can be verified through Fannie Mae's proprietary Desktop Underwriter verification system in which case no 4506T is required.

## **FHA**

According to HUD's Contingency Plan, the FHA endorsed new loans in the Single Family Mortgage Loan Program except for Home Equity Conversion Mortgages. It would not make new commitments in the Multi-family Program during the shutdown. There may have been delays with FHA processing due to short staffing. Lenders were able to obtain an FHA case number from FHA Connection, which provides FHA-insured lenders and business partners with direct, secure online access to HUD's computer system. However, FHA staff was not available to underwrite and approve single-family loans during the shutdown. In a letter, the FHA urged sellers/servicers to offer "special forbearance" to furloughed federal workers and contractors suffering a loss of income due to the government shutdown. Citing the agency's handbook, FHA's commissioner reminded servicers "of their ongoing obligation" to offer forbearance.

## **Rural Housing Programs**

The U.S. Department of Agriculture would not issue new rural housing direct loans or guaranteed loans. Scheduled closings of direct loans did not occur. Scheduled closings of guaranteed loans without the guarantee previously issued were closed at the lender's own risk.

## **Internal Revenue Service**

The IRS resumed processing forms, including requests for tax return transcripts (Form 4506T). While FHA and VA do not require these, they are required by many lenders for many kinds of loans, including FHA and VA. Delays could be expected. Some loan originators adopted revised policies during the shutdown, such as allowing for processing and closings with income verification to follow, as long as the borrower had signed a Form 4506T requesting

IRS tax transcripts.

## **Flood Insurance**

After facing pressure from lawmakers and advocates, including ALTA, the Federal Emergency Management Agency (FEMA) on Dec. 28 resumed issuing new flood insurance policies during the government shutdown. The move helped ensure closings would not be delayed due to lack of flood insurance.

## **Environmental Protection Agency**

According to the EPA's contingency plan, most employees were furloughed. This affected regulatory programs and compliance activities, such as wetlands determinations under the 404 program and enforcement of the lead-based paint disclosure and renovation, repair and painting programs.

## **FinCEN**

According to Treasury's shutdown plan, staff who were responsible for collecting information from Suspicious Activity Reports are exempted from the furlough. A title company's ability to file Geographic Targeting Order reports would not be impacted because they are submitted using FinCEN's e-filing system.

## **Department of Homeland Security**

E-Verify, the internet-based system that allows businesses to determine the eligibility of their employees to work in the U.S., was unavailable due to the government shutdown. While E-Verify is unavailable, employers were not able to access their E-Verify accounts.

## **Small Business Administration**

The SBA would not initiate new loan guarantees during the shutdown.

## **Federal Rulemaking Process**

The federal rulemaking process had been suspended during the shutdown, which meant no proposed rules would be issued in the Federal Register and there would be no new proposals or finalized regulations. It is still not clear whether proposed rules and regulations that were in the pipeline will be rescheduled now that the shutdown is over or whether deadlines will be extended to comment on proposed rules that already had specific closing dates.

## List of Longest Government Shutdowns in U.S. History

Government shutdowns occur when legislation to allocate money needed for the operation of the government agencies fails to be enacted. While most are rather short, here's a list of the five longest government shutdowns, according to Congressional Research Service.

1. 2018-2019 (President Donald Trump): Dec. 22 to Jan. 25.
2. 1995-1996 (President Bill Clinton): Dec. 5, 1995 to Jan. 6, 1996, 21 days
3. 1978 (President Jimmy Carter): Sept. 30 to Oct. 18, 18 days
4. 2013 (President Barack Obama): Oct. 1 to Oct. 17, 16 days
5. 1977 (President Jimmy Carter): Sept. 30 to Oct. 13, 12 days

“The shutdown has made matters worse. A home purchase is a major expenditure that simultaneously involves a high level of excitement and anxiety, and the current government shutdown adds another layer of unnecessary complication to the home buying process. The shutdown is causing tangible harm to potential buyers, the real estate market and economic growth”

Meanwhile, data released by Zillow shows that federal workers who are not being paid because of the shutdown will owe about \$249 million in mortgage and about \$189 million in rent payments for January. Approximately 800,000 workers are being furloughed or required to work without pay during the shutdown.

Zillow reported that about 3,900 mortgage originations are processed each business day for loans backed directly by federal government agencies such as the FHA and the Rural Housing Service. It isn't clear what portion of those are delayed—or for how long—because of limited staff during the shutdown.

According to reports, the shutdown greatly affected rural areas due to the reliance on USDA loans. About 120,000 USDA mortgages were issued last year in areas designated by the government as rural.

“Like Americans in the private sector, many federal employees rely on each and every paycheck to cover critical expenses, including housing,” said Aaron Terrazas, Zillow’s senior economist. “In many parts of the country, housing affordability is already stretched and a single missed payment can begin the long process toward foreclosure or eviction—which

***“The shutdown has made matters worse. A home purchase is a major expenditure that simultaneously involves a high level of excitement and anxiety, and the current government shutdown adds another layer of unnecessary complication to the homebuying process.”***

has long-term impacts on an individual’s finances and long-term economic prospects. It also could have a significant impact on the overall housing market if it continues to drag on and furloughed workers who also are would-be buyers get cold feet in the absence of paychecks.”

House Financial Services Committee Chairwoman Maxine Waters (D-Calif.) had warned that worse is yet to come, noting that 95% of Department of Housing and Urban Development employees are on furlough. She noted other areas beyond the FHA that could be affected, including those that rely on HUD’s rental assistance programs.

It’s been reported that 1,150 project-based rental assistance contracts expired during the shutdown. These lapses impact Project-Based Rental Assistance agreements. While the expired contracts so far only account for about 5 percent of HUD’s project-based contracts, it is causing concern that more of the 1.2 million low-income families housed in these multifamily properties will be in danger of losing homes as the shutdown lingers.

HUD initially said it did not expect to experience a significant impact as long as the shutdown was brief. However, the agency said “with each day the shutdown continues, we can expect an increase in the impacts on potential homeowners, home sellers and the entire housing market.”

“Millions of families that rely on HUD’s rental assistance programs are dangerously close to losing their homes due to projected lapses in funding,” Waters said in a statement. “Families aspiring to become homeowners may see their Federal Housing Administration or rural housing loans delayed or be unable to close on their loans altogether during the shutdown.” ■



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# Not Just Reporting... True Business Intelligence

Data and reports only tell part of the story. Instead, imagine a tool that helps you dig in and understand why things happened, shows not just where but also how to improve and supports better decision making. Now stop imagining. That tool is Business Intelligence and you'll find it in our RamQuest One title, closing and escrow production solution.

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# Q3 2018 Title Premium Volume Up 2.8 Percent



The title insurance industry generated nearly \$4.0 billion in title insurance premiums during the third quarter of 2018 compared to \$3.9 billion during the same period a year ago, according to ALTA's latest Market Share Analysis.

The industry has paid \$391.6 million in claims through the first nine months of the year. This is down from \$408.2 million in claims paid during the first nine months of 2017.

Overall, total operating income was up 3.8 percent, operating expenses were up only 1.3 percent, and loss and loss adjustment

expenses were up only 5.2 percent when comparing Q3 2018 versus Q3 2017. This resulted in a net operating increase of 66.3 percent. Net income was at \$299.3 million, compared to \$127.4 million for the third quarter of 2017, an increase of 135 percent and the most profitable third quarter since 2009.

## Q3 Family Market Share (84.4%)

- Fidelity, 32.7%
- First American, 25.4%
- Old Republic Family, 15.8%
- Stewart Family, 10.5%

## Q3 Independent Companies (15.6%)

- Westcor Land Title Insurance Co., 3.5%
- WFG National Title Insurance Co., 2.5%
- Title Resources Guaranty Co., 2.5%
- North American Title Insurance Co., 1.7%
- Alliant National Title Insurance Co., 0.9%



## Top States for Title Premium Volume Through 9/30/18

- Texas, \$1.59 billion
- California, \$1.24 billion
- Florida, \$1.13 billion
- New York, \$792.4 million
- Pennsylvania, \$433.1 million

On a state-by-state basis, 30 states showed third-quarter 2018 written premiums increasing from the same period in 2017. Eight states were up over 10 percent and 22 states were up less than 10 percent. Seventeen states, plus the District of Columbia, were down less than 10 percent and three states were down more than 10 percent.

For more industry data, go to [alta.org/industry-research](http://alta.org/industry-research).

## 2018 Market Share Through Q3

	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
<b>FIDELITY FAMILY</b>					
Chicago Title Ins. Co.	159,875,327	814,345,476	637,333,162	1,611,553,965	14.59%
Fidelity National Title Ins. Co.	91,756,867	826,250,073	544,132,096	1,462,139,036	13.24%
Commonwealth Land Title Ins. Co.	56,406,583	249,089,936	198,626,836	504,123,355	4.57%
Alamo Title Ins. Co.	-	15,026,984	43,812,753	58,839,737	0.53%
National Title Ins. of NY	753,067	154,602	41,452,893	42,360,562	0.38%
<b>TOTAL - FIDELITY FAMILY</b>	<b>308,791,844</b>	<b>1,904,867,071</b>	<b>1,465,357,740</b>	<b>3,679,016,655</b>	<b>33.32%</b>
<b>FIRST AMERICAN FAMILY</b>					
First American Title Ins. Co.	686,219,565	1,561,183,591	317,018,873	2,564,422,029	23.22%
First American Title Guaranty Co.	7,324	40,147,030	72,775,658	112,930,012	1.02%
First Canadian Title Ins. Co.	86,952,314	-	-	86,952,314	0.79%
First American Title Ins. Co. of LA	-	36,354,887	-	36,354,887	0.33%
<b>TOTAL - FIRST AMERICAN FAMILY</b>	<b>794,903,730</b>	<b>1,645,472,836</b>	<b>389,794,531</b>	<b>2,830,171,097</b>	<b>25.63%</b>
<b>OLD REPUBLIC FAMILY</b>					
Old Republic National Title Ins. Co.	80,027,338	1,446,364,903	151,728,051	1,678,120,292	15.20%
<b>TOTAL - OLD REPUBLIC FAMILY</b>	<b>82,046,634</b>	<b>1,459,776,623</b>	<b>154,411,318</b>	<b>1,696,234,575</b>	<b>15.36%</b>
<b>STEWART FAMILY</b>					
Stewart Title Guaranty Co.	163,131,368	577,308,948	266,571,557	1,007,011,873	9.12%
Stewart Title Ins. Co. of NY	25,448,787	127,658,346	(79,483)	153,027,650	1.39%
<b>TOTAL - STEWART FAMILY</b>	<b>209,582,643</b>	<b>704,967,294</b>	<b>266,492,074</b>	<b>1,181,042,011</b>	<b>10.70%</b>
<b>FAMILY TOTALS</b>	<b>1,395,324,851</b>	<b>5,715,083,824</b>	<b>2,276,055,663</b>	<b>9,386,464,338</b>	<b>85.00%</b>
<b>TOP INDEPENDENT COMPANIES</b>					
Westcor Land Title Ins. Co.	1,657,728	325,032,976	34,319,289	361,009,993	3.27%
WFG National Title Ins. Co.	25,980,845	194,331,217	45,783,023	266,095,085	2.41%
Title Resources Guaranty Co.	1,286,724	109,112,418	149,523,887	259,923,029	2.35%
North American Title Ins. Co.	-	84,752,165	105,258,167	190,010,332	1.72%
Alliant National Title Ins. Co.	-	95,410,337	-	95,410,337	0.86%
Connecticut Attorneys Title Ins. Co.	-	86,271,381	-	86,271,381	0.78%
First National Title Ins. Co.	-	32,260,754	53,666,473	85,927,227	0.78%
Investors Title Ins. Co.	31,441,697	52,925,298	1,156,231	85,523,226	0.77%
Attorneys' Title Guaranty Fund of IL	276,548	41,654,576	-	41,931,124	0.38%
Security Title Guarantee Corp. of Balt.	-	35,290,270	-	35,290,270	0.32%
<b>TOTAL - INDEPENDENT COMPANIES</b>	<b>69,203,058</b>	<b>1,131,324,930</b>	<b>455,560,728</b>	<b>1,656,088,716</b>	<b>15.00%</b>
<b>TOTAL - ALL COMPANIES</b>	<b>1,464,527,909</b>	<b>6,846,408,754</b>	<b>2,731,616,391</b>	<b>11,042,553,054</b>	<b>100.00%</b>

Note: Individual numbers do not equal totals as not all companies are listed

Source: ALTA



# States Title to Acquire Underwriter North American Title

**Max Simkoff Will Serve as CEO of Combined Company**

**N**orth American Title Group (NATG), a wholly-owned subsidiary of Lennar, announced plans to combine its underwriter and the majority of its retail title business with States Title Inc.

The deal, which was expected to close in January 2019 pending regulatory approval in California and Arizona, called for States Title to acquire NATG's underwriter, North American Title Insurance Company (NATIC), and the majority of the retail business of NATG's national title agency, North American Title Company (NATC). The new company will continue to operate under the North American Title brand. Lennar will assume a substantial minority equity ownership stake.

"By partnering with North American Title, we accelerate our shared vision to build the title company of the future," said Max Simkoff, States Title's founder and CEO. "Buying a home, and refinancing that home, are among the most important financial decisions in a person's life. We believe that the experience of doing so should be fast, simple, safe and affordable. Title and settlement are critical to every real estate transaction. Modern technology and powerful analytics will supplement and enhance our associates' ability to deliver outstanding service to every single one of our customers."

The California Department of Insurance on Aug. 21 approved the license for States Title, which uses predictive analytics to underwrite title. The department said the Silicon Valley-based startup is the first insurtech title insurer licensed and domiciled in California. States Title became licensed in Arizona in September 2017. According to its website, NATIC holds a Certificate of Authority to operate in 39 states. NATIC generated \$247 million in title premiums in 2017.

NATC's builder business, which delivers settlement services

to Lennar's homebuyers, and a portion of its retail business, will remain with Lennar and operate as CalAtlantic Title. Approximately two-thirds of NATG's current associates will transition to the new company, while the balance will remain with CalAtlantic Title.

Simkoff will remain the CEO of the combined company, and the newly-formed management team will include current leadership from both States Title and North American Title, as well as new hires with relevant expertise. Title industry veteran Judd Hoffman, formerly president of the Direct Division at First American Title, has joined the new company as chief transformation officer and Noaman Ahmad will join as chief financial officer. Matt Zames, president of Cerberus Capital Management and former JP Morgan chief operating officer, has joined the board of directors.

"This transaction builds on our strategy of aligning with technology innovators to streamline and enhance the overall customer experience," said Eric Feder, senior Lennar executive, who will join States Title's board of directors. "Partnering with States Title keeps us at the forefront of innovation while maintaining the integrity of the title insurance that people have trusted us with for decades."

Fifth Wall, a real estate technology-focused fund, introduced States Title and Lennar (a Fifth Wall Strategic Limited Partner) after initially co-leading States Title's Series A financing round in 2016. Fifth Wall's biggest holding is Opendoor, which promises quick home sales by buying properties without showings and was valued at \$1.1 billion during an investment round last fall. In January, Fifth Wall and Lennar provided \$135 million in funding to Opendoor. The additional money is on top of \$35 million in equity financing Fifth Wall provided Opendoor in 2016.

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# DataTrace®

# Blockchain Technology and Cryptocurrency Ready or Not, This Is the Future

## Making Sense of Blockchain



**R**eal estate transactions have endured the test of time with little to no changes in the last few centuries. Yes, for hundreds of years, buyers and sellers have entered into legally binding paper contracts, opened escrow accounts, conducted inspections, applied for bank loans, recorded transactions and deeds at the courthouse, obtained title insurance and signed what seems to be reams of paper at closing. But a major change is on the horizon, and real estate professionals across the world are taking note.

The highly complicated universe of blockchain technology and cryptocurrency is signaling a huge shift in the way transactions across a multitude of channels take place. Of course, we've all heard of Bitcoin. By the time this article is published, it is likely that the first "tokenization" of a marquee real estate building will have *already closed and been funded*. Think of it almost like a traditional stock where average investors and individuals buy "shares" of real estate. Therefore, selling and buying real estate doesn't require large investments

from one individual or group. Rather, the makeup of investors can range from the average Joe to deep-pocketed real estate investment trusts (REITs).

Most people summarily associate blockchain technology with Bitcoin or another highly volatile and growing trading asset or "coin"—something they want to get into now under the FOMO (fear of missing out) mentality. The attraction is the notion that blockchain investing will lead to easy and relative fast wealth. However, very few investors actually

# in Real Estate:

## • What banks, title companies and other industry professionals must do to adapt

By Matthew Lopez



know how Bitcoin and blockchain systems actually work. Cryptocurrencies are not backed or guaranteed by any government or commodity (such as gold or silver). Instead, the currency is tied to the security and tamper-proof designs built into the blockchain platforms making fraud and manipulation virtually impossible. Even if manipulation of these platforms were possible in theory, it would still be economically inviable.

When it comes to real estate, we are already seeing the evolution from the traditional way of executing a transaction to legal transactions solely using blockchain technology. In March 2018, the first U.S. property sold in Vermont entirely using the Ethereum blockchain platform. The first home in Texas to close using Bitcoin as a payment method sold in Austin in September 2017. Many more blockchain real estate transactions are in the works across the world including some very exciting tokenization of high-profile buildings. Even “Shark Tank” investor Kevin O’Leary is in the process of tokenizing a prominent

New York City hotel valued at roughly \$400 million.

So what makes blockchain real estate transactions attractive? First and foremost, the trend from a notoriously “illiquid” asset to one that is highly liquid. In theory, that paradigm shift alone could truly increase the value of real estate by simply making it a more liquid asset. For example, even the IRS tax code recognizes the diminished value of an illiquid asset (e.g., shares in an obscure, private family limited partnership) versus a liquid asset (e.g., shares in a well-known, publicly traded company with a market capitalization and trading volume to match). Secondly, given blockchain technology’s provision of a “trustless” ecosystem and the resulting irrelevance of middlemen of all sorts, the entire “pie” in a real estate transaction will trade between the constituents of the transaction. Approximately 5 percent of the value of a residential real estate transaction is gobbled up in fees. These real estate “middlemen” include banks, attorneys, title companies, appraisers, and other government regulators and entities. The intermediaries must verify

the value of what's being exchanged. However, with blockchain technology, everything is done digitally through the creation of digital scarcity and verifiable ownership of any digital asset.

Blockchain transactions begin with what's called a "smart contract." Whereas normal contracts are written and executed using attorneys and brokers, smart contracts using blockchain technology are written in code. The individuals are anonymous, but the contract can be viewed in the public ledger on the blockchain. Once a triggering event is met (think of an "if, then" statement, written into the code), the contract executes itself. Regulators and industry experts can monitor the

market while the identities of the individuals involved in the contract remain private. The closest comparison of a smart contract in today's traditional business arena would be any bills you set up on true auto-pay.

The key is in the code. Yes, it's complicated. But you don't have to completely understand

what's involved in completing a transaction. It's like the banking and credit systems of today. Few people know the inner workings of an Automated Clearing House (ACH) transaction. We know that we deposit a check and the money appears in our account within a day or two. The same philosophy will be the case with blockchain transactions, except the verification will occur in milliseconds instead of days. In addition, blockchain transactions carry much smaller transaction fees—if any.

You don't have to be a computer science genius to use the system, but with this type of transaction comes several challenges. As many experts agree, blockchain systems are the next internet—the next wave of technology all transactions will be centered around. What we are seeing now is just the beginning of how we'll be doing business in the near and distant future. As the industry changes, so will the traditional "middlemen." If they don't, they will become industry dinosaurs. Even so, adapting to this new way of executing transactions will be difficult from a practical and regulatory standpoint.

At the same time, buyers and sellers will still need assistance. This is where title companies are adapting

to the new system. Title companies can play a vital role in building the infrastructure to effectuate the transactions and still act as consultants, repositories, and transaction coordinators, and be the responsible party for electronic records and the digitization of real property assets.

Another real estate challenge is that transactions on the blockchain must be 100 percent funded. At this point, banks will not participate in transactions on the public blockchain platform that do not have all of the funding in place. Currently, banks/lenders will not allow their money (i.e., debt) to be used and their collateral secured on the blockchain. So, if a buyer needs a traditional loan, the transaction can't happen on the blockchain. Therefore, the complete transition from our traditional method to the blockchain will take some time. Banks will still play an integral role in real estate transactions for the foreseeable future as most real estate transactions are not all-cash transactions. But rest assured, the issue of creating a digital blockchain loan is in the works. In fact, many insurance companies are already exploring the collection of premiums and claim payments via a blockchain platform. For example, United Kingdom-based Blocksure is one of the driving forces in developing systems to transition the insurance industry to blockchain platforms. Bank loan origination may not be far behind.

While experts say blockchain technology is the wave of the future, many individuals will be hesitant and skeptical of its implications and functions. Understanding the underlying details is complicated, but more and more applications are being added that will make blockchain technology easier to understand and more user-friendly. At the end of the day, this technology will eliminate billions if not trillions of dollars in fees and services currently being charged today. That's why one of my main missions is to educate more professionals in my industry. We must adapt, and we must do it quickly.

**MATTHEW LOPEZ** is the president and CEO of MBL Title in Dallas, Texas. He regularly participates in panel discussions and speeches on blockchain technology, cryptocurrency and their effect on the real estate industry. Lopez can be reached at [matthew.lopez@mbl-title.com](mailto:matthew.lopez@mbl-title.com).

**As the industry changes, so will the traditional "middlemen." If they don't, they will become industry dinosaurs.**



## MYTH: MILLENNIALS ARE NOT BUYING HOMES.

**FACT: BUYERS 36 AND YOUNGER REPRESENT 34% OF HOMEBUYERS, THE LARGEST GENERATIONAL GROUP TO PURCHASE HOMES.\***

Old Republic Title® provides time-saving, data-driven tools and resources that help title agents succeed in a fast-paced environment. Educate customers with our market-focused materials and 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 every step of the way.

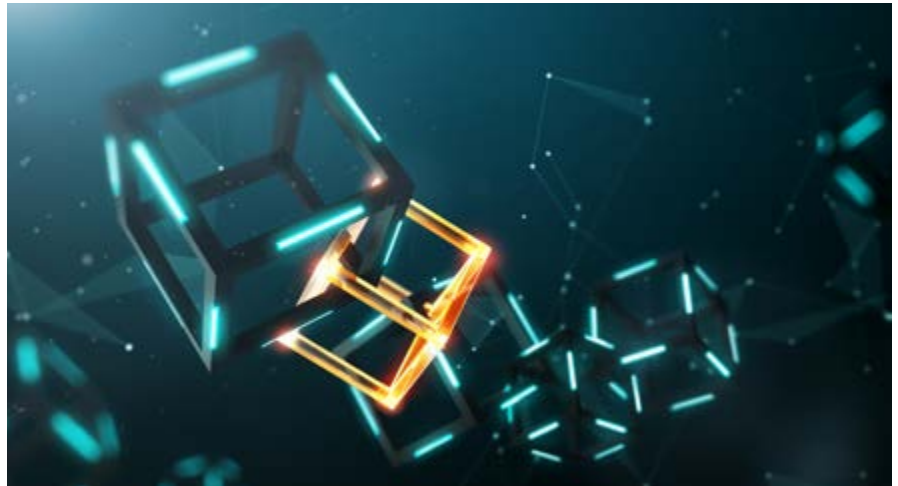
GET THE FACTS WITH OLD REPUBLIC TITLE. [OLDREPUBLICTITLE.COM/MYTHS](http://OLDREPUBLICTITLE.COM/MYTHS)

## First American Launches Blockchain System for Prior Policies

First American Financial Corp. announced it has created a shared blockchain system intended to facilitate the exchange of prior title insurance policies between underwriters that contribute to the system. Old Republic Title Insurance Group has committed to being the first underwriter to participate.

According to First American, the system will increase efficiency, reduce risk and improve the title production process. Each policy included in the blockchain system will be coded with a unique identifier by property. First American said this process will streamline the search process and increase the accuracy of searches for prior title insurance policies. Blockchain is essentially a database that multiple people can manage without a central authority.

“First American has a long history of innovation and our development of this system demonstrates our ongoing commitment to applying state-of-the-art technologies that reduce risk and improve the real estate transaction process,” said Dennis Gilmore, chief executive officer of First American Financial. “The potential



exists to create a robust exchange of title insurance policy information that delivers greater transparency, efficiency and accountability to the industry and enhances the closing experience for consumers.”

According to a press release, First American reported that the common practice of sharing policy information among title insurance underwriters can be beneficial to underwriters and consumers, as it both increases efficiency and reduces risk. This blockchain system melds that

established practice with emerging technology to further increase efficiency and lower risk in the title production process.

Earlier this year, ALTA created a blockchain workgroup to help members understand blockchain, distributed ledger technology (DLT) and smart contracts as technology solutions. The group wants to develop tools professionals can use to evaluate news and information, ask practical questions and further study reliable source material.

## TitleTap Releases Accessibility and Chatbot Widgets, Improves Page Speed

TitleTap, a provider of websites and marketing tools for title companies and law firms, announced the release of new features for both new and existing customers.

The new features include an artificially intelligent chatbot widget, improved website accessibility to help those with disabilities and website performance upgrades to improve search engine optimization (SEO) and page speed.

Live chat, although great for engagement, can be a burden to manage if you are not prepared for it, according to TitleTap.

“We realize that for most companies, ensuring someone is monitoring a live chat around the clock is a big commitment, and

not responding quickly can damage an opportunity,” said Dean Collura, TitleTap’s CEO. “That is why TitleTap is excited to release a chatbot that has been specifically tuned to title agents and attorneys.”

Unlike most generic chat solutions, TitleTap reports that its version provides a script out of the box that answers frequently asked questions automatically, and notifies the appropriate person at TitleTap to address more complex questions. The scripts can also be customized as needed.

TitleTap has also taken into account that 20 percent of web users have a disability and added a new accessibility widget.



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## EPA and Army Propose New 'Waters of the United States' Definition

The U.S. Environmental Protection Agency (EPA) and the Department of the Army in December issued a proposed revision to the definition of "waters of the United States" to clarify federal authority under the Clean Water Act.

According to a release, the EPA and Army reported that the proposal contains a straightforward definition that would result in significant cost savings, protect the nation's navigable waters, help sustain economic growth and reduce barriers to business development.

The agencies will take comments on the proposal for 60 days after publication in the Federal Register.

Under the agencies' proposal, the following would be federally regulated:

- traditional navigable waters
- tributaries to those waters
- certain ditches
- certain lakes and ponds
- impoundments of jurisdictional waters
- wetlands adjacent to jurisdictional waters

It also details what are not "waters of the United States," such as features that only contain water during or in response to rainfall (e.g., ephemeral features); groundwater; many ditches, including most roadside or farm ditches; prior converted cropland; storm water control features; and waste treatment systems.

The agencies' proposal is the second step in a two-step process to review and revise the definition of "waters of the United States" consistent with President Trump's February 2017 executive order titled "Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the Waters of the United States' Rule." The executive order states that it is in the national interest to ensure

that the nation's navigable waters are kept free from pollution, while at the same time promoting economic growth, minimizing regulatory uncertainty, and showing due regard for the roles of Congress and the states under the Constitution.

The agencies believe this proposed definition appropriately identifies waters that should be subject to regulation under the Clean Water Act while respecting the role of states and tribes in managing their own land and water resources. States and many tribes have existing regulations that apply to waters within their borders, whether or not they are considered "waters of the United States." The agencies' proposal gives states and tribes more flexibility in determining how best to manage their land and water resources while protecting the nation's navigable waters as intended by Congress when it enacted the Clean Water Act.

More information—including a pre-publication version of the Federal Register notice, the supporting analyses and fact sheets—is available at [epa.gov/wotus-rule](http://epa.gov/wotus-rule).

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## WACO Title Expands Footprint in Arkansas

WACO Title recently opened an additional office in Bentonville, Ark. The company now has 24 offices throughout Arkansas and Missouri. The new office will be managed by Gayla White. WACO Title, which has been in operation since 1885, has 200 employees.

"We are thrilled to open our second WACO location in Bentonville," said Patrick Curry, WACO Title president and CEO. "Our customers can expect the same great customer service from our experienced closing team. The new office will provide a more convenient location for many of our customers

in Bentonville and the surrounding area, including Centerton and other neighboring communities. Over the years, we have been proud to play a role in the amazing growth of the Bentonville community through facilitating real estate transactions here, and we are delighted to continue that contribution by opening this new location."

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## CATIC Named to Commercial Record's Best of 2018

CATIC has been ranked in the *Commercial Record's* "Best of 2018" readers' poll. CATIC was awarded Gold in the Residential Real Estate section under the Title Company category.

"We are honored to be ranked the best residential title company in Connecticut by the Commercial Record readers," said James M. Czapiga, president and CEO of CATIC. "We are committed to our attorney agents and other industry partners and strive to provide the best in products and customer service."

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## FHA Raises New Loan Limits in Most Counties

The Federal Housing Administration (FHA) announced new loan limits for 2019 in Mortgage Letter 18-11.

The maximum loan limits for FHA forward mortgages will rise in 3,053 counties due to robust increases in median housing prices and required changes to FHA's floor and ceiling limits.

The 2019 loan limits are effective for FHA case numbers assigned on or after Jan. 1, 2019. FHA's nationwide forward mortgage limit "floor" and "ceiling" for a one-unit property in 2019 are \$314,827 and \$726,525, respectively.

### Low-cost Area

The FHA national low-cost area mortgage limits, which are set at 65 percent of the national conforming limit of \$484,350 for a one-unit property, are, by property unit number, as follows:

- One-unit: \$314,827
- Two-unit: \$403,125
- Three-unit: \$487,250
- Four-unit: \$605,525

### High-cost Area

The FHA national high-cost area mortgage limits, which are set at 150 percent of the national conforming limit of \$484,350 for a one-unit property, are, by property unit number, as follows:

- One-unit: \$726,525
- Two-unit: \$930,300
- Three-unit: \$1,124,475
- Four-unit: \$1,397,400

In addition, the maximum claim amount in 2019 for Home Equity Conversion Mortgages (HECM) will be \$726,525 for all areas.

### Recent Integrations

- **SoftPro** has released a new integration for its SoftPro 360 business exchange platform with **A.S.K. Services Inc.** SoftPro users who have title production needs in Michigan, Indiana, Illinois and Ohio are now able to order title services from A.S.K. directly through their SoftPro software. Data keyed into SoftPro flows through to requests for title searches, as well as closing and reporting products from A.S.K., saving time and helping to eliminate errors.
- **Visionet Systems Inc.** recently completed the integration of its AtClose platform with **Old Republic Title's** ezJacket and Closing Protection Letter (CPL) software applications. This integration enables Old Republic Title's agents to produce closing protection letters and policy jackets without having to leave the AtClose system.

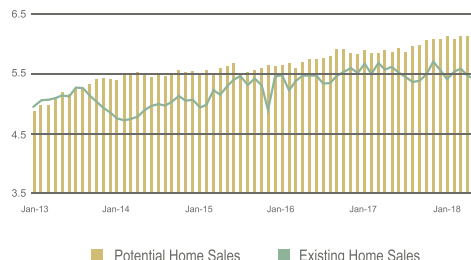
## Housing Market Potential

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

**5.22** SAAR  
Existing Home Sales

**6.13** SAAR  
Potential Home Sales

**-14.9%**  
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

October 2018

**\$354,740**      **-7.7%**  
House-Buying Power      Year-Over-Year

## Where House-Buying Power is Strongest

Top States and Cities

### States

1. Maryland: **\$469,174**
2. New Jersey: **\$453,597**
3. Connecticut: **\$452,626**
4. Hawaii: **\$450,312**
5. Massachusetts: **\$436,605**

### Cities

1. San Jose, CA: **\$654,043**
2. Washington, DC: **\$595,169**
3. San Francisco, CA: **\$575,794**
4. Boston, MA: **\$505,336**
5. Seattle, WA: **\$488,429**

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

# NTP PROFILE



## Scott Chandler NTP

COMPANY: Westcor Land Title Insurance Co.

TITLE: Chief Operating Officer

CITY/STATE: Denver, Colo.

DATE OF DESIGNATION: 2016

INDUSTRY EXPERIENCE: 34 years

## More NTPs Help Build Industry's Credibility

### *Why did you become an NTP?*

It was important for me, as I think it is for everyone in the industry, to have that designation. The more professionals we can exhibit the better to build our industry's credibility.

### *Why should others get their NTPs?*

Everyone in this industry should strive to show that level of professionalism. Receiving an NTP provides exposure of the amount of skill and experience that we have, both as individuals and as an industry.

### *How have you used the NTP designation to advance your career or promote your business?*

The NTP designation is a symbol of being trustworthy to our peers, our customers and anyone dealing with our industry. I use it regularly to promote the integrity of my company and my industry.

### *How did you get into the industry?*

I walked into a bar one night after a softball game and saw a person I knew who worked at SafeCo Title. She told me about job openings for title examiner trainees. I applied, got the job—and 34 years later—I can't get out.

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

I'm excited by the fact that every day our company helps promote business for our agents and for ourselves. We do the right thing in the market place and have pride in what we've become. The most challenging part of my job is trying to help people understand the title industry and what it is we do.

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

I think for young people, there are a lot of different opportunities that exist in our industry that people may not think of when they think about our business: from title research to the escrow settlement process, several legal aspects, to sales and marketing to managing and a whole host of other things.

### *What is your best professional trait?*

I work very hard, and I like to think that I am open-minded to things that are effectively changing our industry.

## Earn Your NTP

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



Waller

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## First American Names President of Direct Division

First American Title Insurance Company announced that Janette Waller will lead the company's Direct Division and oversee direct operations across the country.

Waller, who has worked at First American for 19 years, most recently served as vice president of Northern California operations, where she generated significant business growth and promoted a positive workplace environment. She previously served in branch, area and operations leadership roles in Arizona.

Waller currently serves on the board of the California Land Title Association and is past president of the Arizona State Escrow Association.



Popeleski

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## CATIC Names New CFO

CATIC appointed Kenneth B. Popeleski as senior vice president and chief financial officer.

Effective Jan. 7, Popeleski succeeded Richard A. Lawrence, CPA, who stepped down as CFO, but will retain his position as a CATIC director, senior vice president and treasurer until his previously announced retirement date in May 2019.

Popeleski is an 18-year veteran in the financial services industry and has gained extensive finance, accounting, and corporate development experience through senior finance and management roles in both large international companies and start-ups. He most recently served as senior vice president and group head of financial planning, analysis, and mergers and acquisitions for James River Group Holdings. Prior to that, he was CFO and co-owner in the establishment of a property and casualty managing general agency.

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## Stewart Title Names New Leader of Lender Services

Stewart Title recently promoted Beth Fowler to senior vice president of Lender Services. In her new role, she will oversee valuations, search and centralized title services operations.

Fowler has more than 20 years of combined financial and real estate service industry experience. She joined Stewart in 2014 and has managed the

Centralized Title Services (CTS) division providing centralized origination, default, search and ancillary title and settlement solutions to mortgage lenders, servicers, GSEs, credit unions and investors.

Prior to joining Stewart, Fowler managed operations for Bank of America's LandSafe and HomeFocus Services divisions, including the originations title and settlement operation as well as operational accounting for title, tax, closing, flood and valuation/appraisal services.

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## FNTG Announces Exec Changes

Fidelity National Title Group (FNTG) announced two position changes at its New Jersey agency operations as well as a new claims liaison counsel for its national agency operations.

Gary Ham was named regional counsel for New Jersey and Delaware, while Andrew Pitman was appointed New Jersey state counsel. Meanwhile, Lawrence Fineberg, who is currently FNTG senior vice president and regional counsel, assumed the position of claims liaison counsel for the company's national agency operations.

Ham, who previously served as vice president and New Jersey state counsel, has been in the title industry for nearly 40 years, serving as counsel for Commonwealth Land Title and Chicago Title in the 1980s and 1990s. He later joined Lawyers Title, where he served as agency manager for both Lawyers Title and Commonwealth Land Title. Ham served as president of the New Jersey Land Title Association (NJLTA) from 2002-2003.

Pitman joined FNTG in 2013. Prior to that he was associated with a title agency in New Jersey and two title insurance underwriters. He is admitted to the bar in both New Jersey and New York. Pitman served as president of the NJLTA from 2013-2014. He now serves as chair of the NJLTA Recording Practices Committee.

Fineberg, who joined Chicago Title as a claims attorney in 1978, has held various claims and underwriting positions with the company. He is the author of New Jersey Title Practice (formerly known as Handbook of N.J. Title Practice) and is a past president of the NJLTA (1992-93) and a past chair of the Real Property, Trust & Estate Law Section of the New Jersey State Bar Association (1994-95).

# BABIES ARE CUTE

## WHAT'S NOT CUTE?

**YOUR COMPANY  
ISN'T IN THE FREE  
ALTA REGISTRY\***

DON'T GET CAUGHT  
NAPPING AS THOUSANDS  
OF YOUR COMPETITORS  
DELIVER JOY TO THEIR  
LENDER CUSTOMERS



\* ALTA MEMBERSHIP/POLICY FORMS LICENSE DOES NOT  
GET YOUR COMPANY AUTOMATICALLY LISTED IN THE REGISTRY



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## Be the Greatest Showman

**IN JANUARY, I HAD THE PLEASURE** of joining about 70 other title professionals at ALTA's Large Agents Meeting in Boca Raton, Fla. The meeting provides industry updates, roundtable discussions and networking dinners.



**CYNTHIA DURHAM BLAIR NTP**  
ALTA president

We heard about some of the latest wire fraud cases and learned about the nuances written into computer and crime insurance policies. It's important to read the definitions of terms such as business email compromise, social engineering fraud and spear phishing in your policy, so you know how you are covered.

Conversations also focused on agents who have closed transactions involving remote online notary (RON). They shared the benefits and the challenges of handling these types of closings. We also discussed RON legislation passed over the past year and the potential bills that could be introduced in 2019. With 10 states having passed RON legislation so far, it's clear that this type of technology will continue to gain traction as we meet the needs of our customers.

Speaking of our customers, Shane Hartzler of Fannie Mae talked to the group about digital closings. He shared why the government sponsored entity sees digital closings as the future of an entire e-mortgage process. Digital closings can provide significant benefits to settlement agents, including better-educated borrowers, shorter closings and operational efficiencies. Hartzler said that as the transaction becomes more digital, he sees title and settlement professionals continuing in their needed role as facilitators and innovators at the closing table because we see what's going on. It was reassuring to hear that our role in the transaction is valued.

It also made me think about how we can continue to prove our worth as ringmasters of the closing process. I recently watched the movie "The Greatest Showman" with my children. Inspired by the live story of P. T. Barnum, the movie celebrates the birth of show business and tells of a visionary who rose from nothing to create a spectacle that became a worldwide sensation.

In the movie, Hugh Jackman as P.T. Barnum says, "Nobody ever made a difference being like everybody else." The industry is changing at break-neck speed, but you can be ready for this transformation by embracing digital closings and following policies and procedures to protect your customers' data and money.

Be the Greatest Showman at the closing table and deliver exceptional service!

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