TITLE News

MARCH 2020

AMERICAN LAND TITLE ASSOCIATION

Grow Your Marketshare

What Is YOUR Purple Cow?

Make Yourself Remarkable by Giving a Great Closing Experience

iN This Issue

VOLUME 99 | NUMBER 3 | MARCH 2020

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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.

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TITLENews

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

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What's Your Color?

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THINK BACK TO YOUR CHILDHOOD. Remember getting a new 64-count box of Crayola crayons with (at the time) the cutting-edge technology of the built-in sharpener? The perfect tops, bright colors and smell.

First invented in 1903, the original Crayola box contained eight basic hues. Now, there are 120 colors on the Crayola color wheel. The names have evolved and now include colors like "denim," "screamin' green," "dandelion" and "razzle dazzle rose." There's research that found the average growth rate of crayon colors was 2.56 percent annually—meaning the number of colors doubles every 28 years. By 2050, children could be coloring with 330 different colored crayons.

No matter how many colors it contains, a new box of crayons symbolizes new challenges and opportunities. Similarly, there are a couple of color analogies in the business world. You may have heard of the blue ocean strategy. This is a marketing theory developed in 2004 by W. Chan Kim and Renée Mauborgne. In their book, the authors coined the terms red ocean and blue ocean to describe the market universe. The red ocean referred to what exists currently. The blue ocean referred to the potential in what doesn't exist. Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand.

In this edition's cover article, we focus on a purple cow—not a blue ocean. Purple cow is a marketing concept developed by marketer and entrepreneur Seth Godin. He believes companies must build things worth noticing into their products or services. Godin claims that a product that isn't unique and somehow remarkable—like a purple cow—is unlikely to sell. Purple cow was Godin's addition to the traditional five P's of marketing: product, price, place, promotion and people.

When competing in an industry where the product and price doesn't differ much, standing out can be difficult. Being talked about, noticed, exceptional and interesting will get you some of the way. Purple cows stand out in a world where cows generally are brown, white, black or a combination. The unlikely color commands attention. Just being remarkable isn't enough. You need to be remarkable in a way that's meaningful to your customers. Talk to your clients. Learn what they want from you. Also, look at your operation. Understand what you can deliver.

Then, pick your favorite hue and start coloring!

ALTA Develops Data Privacy Principles

ALTA announced the release of its data privacy principles that recommend the development of a single, national standard to help protect consumer private information uniformly and consistently while maintaining an efficient homebuying and selling experience.

"The patchwork of state privacy laws creates inconsistent protection of data and confusion for both consumers and businesses seeking to understand these statutes and compliance obligations. Having a federal standard for data privacy would help eliminate the disparity and uncertainty," said Diane Tomb, ALTA's chief executive officer. "Protecting consumer information is a priority of the title and settlement industry. Since 2013, ALTA's Best Practices have included requirements for a written privacy and information security program to protect non-public personal information."

Key aspects of the principles include exemptions for entities already subject to the Gramm-Leach-Bliley Act, personal information that is already publicly available and business-to-business relationships. In addition, the standards say data privacy laws should recognize the need for businesses to share personal information needed complete a transaction. Consideration also should be given to the impact on small business, with respect to the cost of compliance relative to the risk of consumer harm, the principles say. Other aspects of the standards discuss data breach notifications, a safe harbor and the right to cure.

"The conversation occurring at the federal level about data privacy is important, and we hope these principles provide a guidepost to the development of a single standard that simplifies compliance and eliminates confusion," Tomb said.

In addition to California, Connecticut and Nevada, another 15 to 20 other states are expected to consider legislation regarding data privacy in 2020.

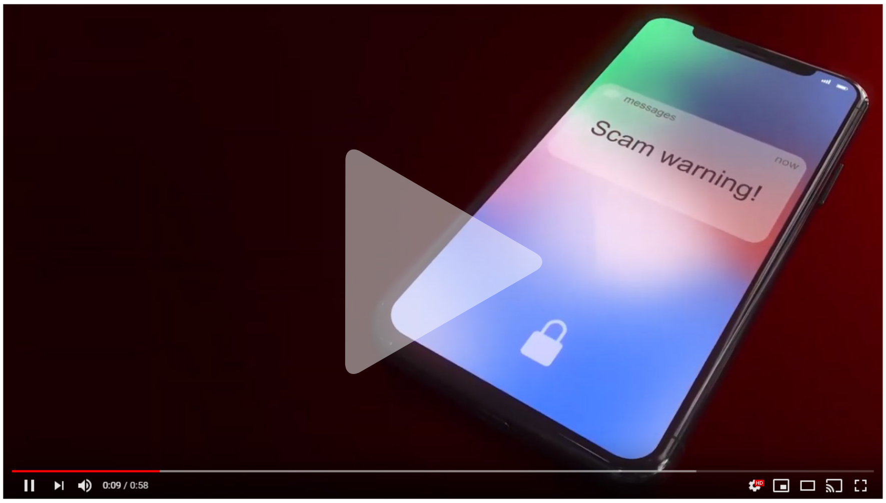
It's unlikely there will be any action regarding data privacy this year in Congress. The main policy conflicts at the federal level are federal preemption, private right to action and carve-outs.

Four comprehensive data privacy bills have been discussed in Congress, including HR 2013: Information Transparency & Personal Data Control Act; HR 4978: Online Privacy Act of 2019; Draft: United States Consumer Data Privacy Act of 2019; and S 2968: Consumer Online Privacy Rights Act.

To access the principles or other data privacy resources, go to alta.org/data-privacy.

Share This Wire Fraud Tips Video

When buying a home, consumers must be on alert for email or phone scams perpetrated by criminals trying to steal their money. Scammers can pose as the real estate agent, settlement agent or other trusted professional and provide false instructions for wiring mortgage closing funds. ALTA has created a video that gives tips to avoid these scams. By being careful and taking a few important steps ahead of the closing, you can help protect your customer's money. To access this video and other wire fraud resources, go to alta.org/wirefraud.



Free Training Available for New Employees

Sometimes all you need are the basics—no more, no less. That's exactly what you'll get with our new Nuts and Bolts educational videos: the information your new hires require to get started in the land title insurance industry—no more, no less.

ALTA's Nuts and Bolts videos are intended to train employees new to the industry on the basic concepts and terminology they'll need to be successful. FREE to ALTA members, three video modules are available:

- The What of Title Insurance
- The Who of Title Insurance
- The How of Title Insurance

To register, go to alta.org/education.

ALTA 2020 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. So far in 2020, TIPAC received $125,410 from 96 donors. In addition, $121,500 has been pledged to the TIPAC Education Fund. Check out supported the industry at alta.org/tipac.

CALENDAR

***ALERT:** Due to the COVID-19 epidemic, all events through May are either postponed or cancelled.*

2020 ALTA CONFERENCES

HOP LEADER TRAINING
April 8
Atlanta, Ga.

DIGITAL CLOSING & eMORTGAGE BOOT CAMP
April 8-9
Atlanta, Ga.

ALTA ADVOCACY SUMMIT
May 11-13
Washington, D.C.

2020 STATE CONFERENCES

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

TENNESSEE
April 15-17
Ashville, N.C.

OKLAHOMA
April 19-21
Oklahoma City, Okla.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What Is YOUR Purple Cow?

Make Yourself Remarkable by Giving a Great Closing Experience

BY JEREMY YOHE

TITLE COMPANIES often find it difficult to differentiate themselves based on policies and coverage in a highly regulated industry. One area where you can stand out is at the closing table. New technologies give companies—whether they are large or small—an arsenal of cool tools to help keep customers informed about the transaction and to make completing deals easier.

Technology is only part of the equation, however. It's a vehicle to help title agencies start, develop and grow lasting business relationships. Bill Svoboda, co-founder of CloseSimple, a company that provides tools to help title companies communicate with their customers, says title agents aren't just vying for title orders. They are competing against experiences and expectations consumers are getting from other sectors.

"We have to realize that our real competition in the market isn't just the title company down the street," Svoboda said. "Our real competition is the companies that our customers are comparing us to and experiencing every day."

These are companies such as Amazon, Netflix, Zappos, Nike and Apple. Svoboda says consumers right now, when they get their title processed, are looking at it saying, "Why can't I just fill in the blank because when I go to Zappos, I can."

When Quicken Loans unveiled Rocket Mortgage in 2015 it changed the way consumers looked at getting a loan. The lender focused on the simplicity of clicking a button and getting a mortgage.

"The ad during the Super Bowl didn't even talk about mortgages, but focused on rockets," Svoboda said. "They married the two concepts in the consumers' mind to emphasize the simplicity of the process."

While Quicken Loans changed consumer perception of how to get a mortgage, United Wholesale Mortgage flipped the script during this year's Super Bowl telling viewers that they have options when getting a mortgage and that the best choice is to work with an independent, local broker. During the ad, UWM said independent brokers "won't treat you like another nameless, faceless customer — unlike some banks and online lenders."

"Trying to meet the needs of national lenders and the local, neighborhood mortgage broker is the balance that title agents face," said Phil Janny CLTP, NTP, a title agent in Pennsylvania. "It can be a daunting task but knowing what your customers want goes a long way."

Savvy title and settlement agents will understand the nuances and needs of what customers want and need.

"The main difference in my opinion is some consumers really need their hands held in making the biggest investment of their life and that need is usually met with a local lender or broker while other consumers are simply tech savvy and trust the technology advances afforded to them in this space," Janny added.

Knowing what customers desire is paramount in staying top of mind. Another company that's achieved success with this philosophy is the online shoe store Zappos. It changed the conversation from just shoes to service. When Zappos first opened its online store, the biggest thing everybody would talk about wasn't the shoes they got, but the free returns.

"Everything Zappos has done isn't about shoes; it's about the customer," Svoboda said. "They don't want to talk about shoes if you call them. They want to talk about what you want to do with the shoes. They want to find out what you're going to do this weekend because they care more about the person than the product that you're buying because they know that they can help guide you to the right product if they understand you."

Title and settlement professionals can control the conversation by creating a closing process that attracts real estate agents and is unforgettable for consumers and staying in touch during post-closing to remain top of mind for future referrals and deals.

"How are you going to change the conversation with your customers to differentiate yourself from the competition—basically, what's going to be your purple cow?" Svoboda said.

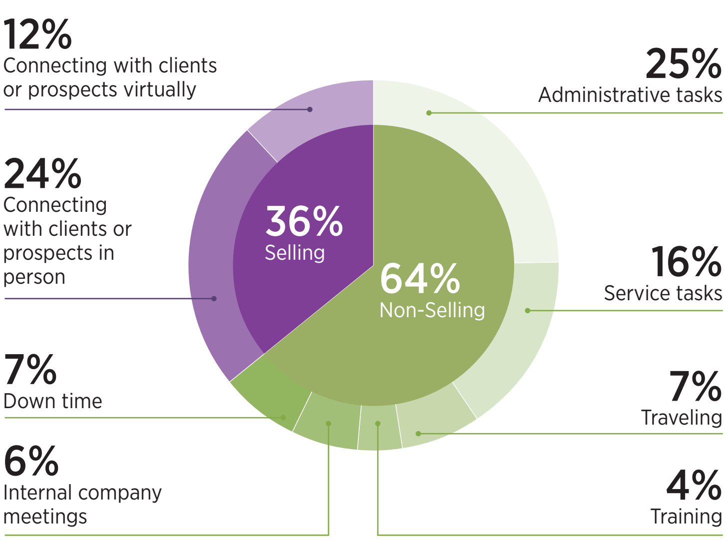
"Purple cow" is a marketing concept developed by marketer and entrepreneur Seth Godin. In his book of the same title, he says that companies must build things worth noticing right into their products or services. He believes that creative advertising is not enough in a media landscape that has people tuning out. Brian Cooper, president of Unified Title Company in Colorado, has worked in the title industry for nearly 30 years. Closing about 2,000 orders per month, he understands the constant churn to keep fighting for space in the industry.

"The day you get complacent and the day you sit back and start counting your money is the day that you go away," Cooper said. "You have to keep learning; you have to keep growing; and you've got to keep surrounding yourself with the right people that are on that same path."

Competition is fierce in the Houston market, according to Celebrity Title President Andi Bolin. Her company closes around 200 orders per month competing against 130 or so other title agencies—with more entering the market nearly every month.

"You really have to up your business on relationships," Bolin said. "It's part of the reason why our slogan is 'Partners in life and not just business.' As new title companies open shop, we're able to really rely on relationships at the core of how we grow."

Percentage of Time in an Average Week Sales Reps Spend on the Following Tasks



SOURCE: BUSINESS INSIDER

Attract Real Estate Agents

For Bolin, she calls the first conversations with Realtors the "dating phase." Her company's marketing team spends time with each agent to learn about prior closing experiences and then caters business to each client.

"We take great pride in making notes and being able to relate to the people that we work with one on one," Bolin said. "We want to work with agents that are like-minded."

Bolin's title agency tailors transactions to each real estate agent. Communication is at the foundation of the entire process. The goal is to prevent clients learning about things at the last minute.

Cooper agreed with the "dating" process.

"Talking about title is all steak and no sizzle," he said. "It's typically not your enjoyable two-hour dinner conversation. The best customer service comes from communication and how people want to be communicated with."

As an example, millennials prefer texting over talking on the phone. Cooper says companies that want to be the purple cow, must adapt and not follow the same 30-year-old process. Efficiency and consistency are two staples needed for escrow and title. And then to deliver on that, Cooper said companies must build a team that truly cares about the outcome.

"The major switch we made a few years ago—which has made a massive difference in our market share and the service that we offer—is we don't train people to be happy. We hire happy people."

To simplify, it comes down to knowing whether a customer wants a hug or a handshake, an email or a phone call. This eliminates the guessing game when an employee steps in to help if the main contact is out of the office.

"The bottom line is knowing and doing the things that make the real estate agent look great for their buyer and seller and everything else takes care of itself," Cooper said.

Unforgettable for Consumers

Companies in other industries have set the tone for what to expect in terms of customer experience. Bolin shared her experience with the personal care and beauty store Sephora. Soon after entering, she asked someone for help, but the employee said she couldn't because she wasn't assigned to that section of the store. Bolin responded by walking out the door.

"We apply this to my business," Bolin said. "We don't work in units. Regardless of the title that you have at this company everyone can do everything, so I never want anyone to say I don't do that or you have to wait for so-and-so to get off the phone to have a conversation because that's not my section. Everyone is responsible for the success that happens."

In the converse, one of Bolin's new favorite companies is Chicken Salad Chick. She grew fond of the restaurant chain after a conversation with a stranger while sitting on a bench waiting for her order. Turns out, the person talking to her was the franchise owner. She now applies that approach in her office.

"I'll go out into one of my offices and into the lobby and just sit down and talk to the customers that are sitting there and just have a conversation about their experience, about how the process went for them," she said. "It's not until they get up to go into the closing room or they're getting their check that I actually introduce myself to them and then thank them for coming in."

For Cooper, Chick-fil-A and Nordstrom come to mind because of the experiences both offer.

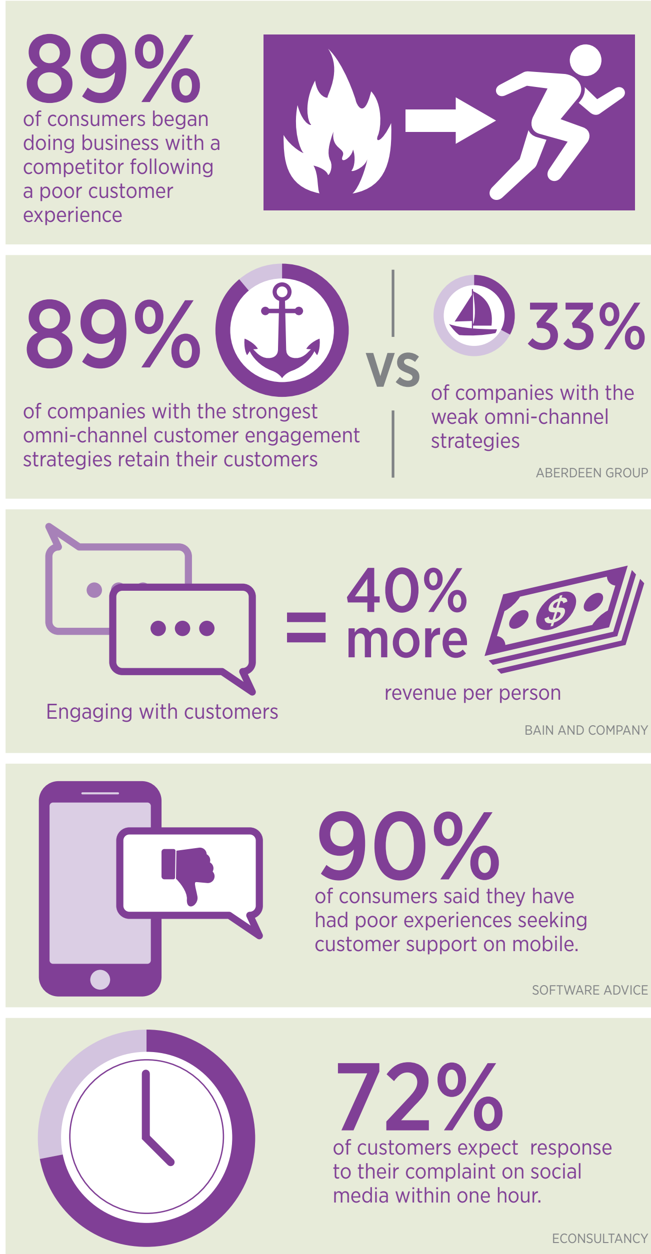
"There's a big difference between customer service and customer experience and if you ask 10 people what the difference is, probably eight or nine are going to say it's the same thing and it's not," Cooper said. "Customer service is reactive. Customer experience is being proactive and anticipating their needs."

Both stores, according to Cooper, feature polite and professional employees. While providing different products, the companies make hiring and onboarding a priority to ensure employees keep the focus on the customer.

"You can't teach happy," Cooper said. "If a person has those intangible qualities, you can teach them everything else if they're willing to learn."

It's key to not look at each transaction as another deal with the goal of getting in and getting done. Each closing must be looked at from the customer's viewpoint because each transaction is unique. Cooper said you never know if the customer walking through the door just went through a divorce, if someone passed away or if the couple is selling their home that still has the line markings showing their kids growing up.

"We spend a lot of time training our first-impressions people," he said. "They stand up, they greet, they smile, they calm emotions



down immediately. We have music, light music playing in our lobbies with the TV on. We show them to their room, offer them fresh cookies. It's the same when our closer or escrow officer walks into the room. It's not just go and sit down and dive in."

Training staff and role-playing is key to ensure employees deliver the Nordstrom-esque type of service. Bolin says new hires at her company don't touch a file or interact with a customer for at least two weeks. In addition to role-playing, her employees watch on-demand webinars for every process in their operation.

"We bring in a lot of people from outside of this industry and train," Bolin said. "It's my favorite thing to do. I would rather do that all day long than recycle from other title companies."

To connect with its customers, Bolin uses a company that automates emails and text messages. Part of the process includes sending an email before closing that includes a PDF of a menu for consumers to order food for the signing.

"Buying a home is exciting, and we want to be part of that celebration with them," Bolin said. "It's a way for us to show them we're thankful for being part of the process."

Bolin has budgeted for this expense and finds it more rewarding than having one-on-one meetings with real estate agents. She says the cost is roughly $7 per meal with each closing typically having four orders.

Svoboda said title companies need to think about what the customer deserves. If it benefits the customer, then just do it. If it enhances the consumer experience, it will directly reflect in a positive way on the real estate agent.

"Think of things that will make your customer think your company is sharp," he said. "What are two things your company could offer your customers that are distinctly different than your competition to show that you care?"

Bolin finds inspiration for ideas from reading books and listening to podcasts. Some of her favorites are RISE with Rachel Hollis, EntreLeadership, Coaching for Leaders and Second City Works.

"They give me a refreshing approach of what other people are doing and then I can apply it to the title world," Bolin said.

Cooper pointed to Steven Covey's leadership skill of seeking first to understand, then to be understood. Covey says that most people don't listen with the intent to understand, rather they listen with the intent to reply. Cooper also said life and business strategist Tony Robbins influenced how he engages with his staff.

"My biggest focus is making sure I can best serve my staff, so they can in turn best serve our clients and their clients, the consumers," Cooper said.

Stay in Touch Post-closing

There's an additional opportunity to connect with customers after the closing. Andrew Acker of D. Bello Associates says, "A customer is always a referral source, but a referral source is not always a customer." This is important because title companies must stay in touch with referral sources

"The difference between a customer and a referral is very big," Svoboda said. "You have to own the handshake, not just the billboard."

Cooper makes sure his company stays in the "flow" with his referral by hosting events at each of his company's offices throughout the state each quarter.

"We invite as many of our clients and targets as possible. It's about engaging, talking and asking how things are going and how we can be better," Cooper said.

On top of that, Unified Title utilizes a customer relationship management (CRM) software to make sure they aren't taking anyone for granted. "You have to manage that process and make sure you're not overlooking anybody," Cooper added.

Cooper said he demoed several CRMs before landing on SugarCRM. He didn't want all the bells and whistles because he prefers his sales team to not sit behind desks all day filling out reports.

"As our sales team drives down the street, they can call in, text or email and say, 'Hey, just met with this person. Please put it on my calendar. I need to meet with him here. Here's what happened. They like baseball. They're married. Three kids. Stuff like that," Cooper said. "It helps us stay organized and monitor what's going on. It's also a way for us to monitor our salespeople. I can see if they're not meeting with enough people and ask what is going on and if I can help."

Each week, Bolin spends an hour each on Tuesdays and Wednesdays calling clients to find out if expectations were met or exceeded. She feels there's an extra cachet when the president of a company gives you a call.

"Our success team does things on a personal level with our client base," Bolin said. "I've had agents who wanted to run marathons before. I trained with them and ran. I've run marathons with some of our clients. I've done 150-mile bike rides with clients who were too afraid to take that leap by themselves."

On top of that, Bolin's company has implemented technology that alerts parties when they receive documents or funds. By having these notifications in place, everyone involved in the transaction gets the same information at the same time.

"There's no hesitation to jump in someone's file if there's an emergency or if someone is sick," Bolin said. "This eliminates extra emails and confusion."

Make Yourself Remarkable

For Cooper, his purple cow is constantly looking forward because so many businesses get caught up on the rat wheel. With many variables that affect order counts, creating a plan and following the passion to keep evolving into the company you want to be is vital to success.

"Once you get in the office, life kicks in and you're so busy, and suddenly, it's 8 p.m. at night," Cooper said. "We don't take time to put together a vision, much less implement it. To me, it's having a constant vision of where we want to be in six months, a year, three years and five years. I've always got those things written down because that's the only way I can hold myself accountable." ■

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

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FBI: $221M Lost to Wire Transfer Fraud in 2019

Criminals Deploying New Tactics and Techniques to Carry Out Existing Scams

INCIDENTS AND LOSSES DUE TO REAL ESTATE WIRE FRAUD CONTINUE TO INCREASE, according to the FBI's 2019 Internet Crime Report. The report shows there were 11,677 victims in 2019 with $221 million in losses. This compares to 11,300 reported victims and $150 million in losses in 2018.

"The title and settlement industry has improved its digital hygiene and implemented many procedures to combat this fraud," said Diane Tomb, ALTA's chief executive officer. "But no matter how much money we spend, criminals will continue to target consumers. This is why we must continue to educate people about how they can protect their money when purchasing a home or refinancing a mortgage."

To raise awareness and educate consumers, ALTA in 2019 launched the Coalition to Stop Real Estate Wire Fraud. In 2019, the coalition ran a digital advertising campaign ,placing online ads in nine markets. The campaign delivered more than 22 million ad impressions to potential homebuyers.

"The recently released data from the FBI shows that our coalition is needed," Tomb said. "Wire fraud is one of the biggest battles the real estate industry has faced. But the Coalition isn't simply watching it happen; we're in the fight—we're on the frontlines. With increased victims and losses, there is definitely work to be done. Only a percentage of victims report their losses to IC3, so we expect to see numbers rise as we continue to encourage those in the real estate transaction to report any wire fraud activity. The number of coalition partners more than doubled between October and December 2019 as companies and organizations began to see the importance of raising awareness about mortgage closing scams."

According to the FBI, only 15 percent of all wire fraud incidents are reported.

In February, it was reported that a young couple trying to buy a home in Carlsbad, Calif., lost $775,000. The couple said they received a fake email from who they thought was their real estate agent. They didn't pay attention to the sender's e-mail address and didn't notice it said ".corn" instead of ".com."

Overall, the FBI reported that IC3 received 467,361 complaints in 2019—an average of nearly 1,300 every day—and recorded more than $3.5 billion in losses to individual and business victims. The most frequently reported complaints were phishing and similar ploys, non-payment/non-delivery scams and extortion. The most financially costly complaints involved business email compromise, romance or confidence fraud, and spoofing, or mimicking the account of a person or vendor known to the victim to gather personal or financial information.

Donna Gregory, the chief of IC3, said that in 2019 the center didn't see an uptick in new types of fraud but rather saw criminals deploying new tactics and techniques to carry out existing scams.

"Criminals are getting so sophisticated," Gregory said. "It is getting harder and harder for victims to spot the red flags and tell real from fake."

While email is still a common entry point, frauds are also beginning with text messages—a crime called smishing—or even fake websites—a tactic called pharming.

"You may get a text message that appears to be your bank asking you to verify information on your account," said Gregory. "Or you may even search a service online and inadvertently end up on a fraudulent site that gathers your bank or credit card information."

Individuals need to be extremely skeptical and double-check everything, Gregory emphasized. "In the same way your bank and online accounts have started to require two-factor authentication—apply that to your life," she said. "Verify requests in person or by phone, double check web and email addresses, and don't follow the links provided in any messages."

Rep. Sherman Presses Fed Chair on Wire Transfer Fraud Solution

Pointing out that losses to wire transfer fraud continue to mount, U.S. Rep. Brad Sherman (D-Calif.) asked the chair of the Board of Governors of the Federal Reserve System why the U.S. doesn't institute payee matching requirements for banks.

Fed Chair Jerome Powell was testifying Feb. 11 before the House Financial Services Committee about monetary policy and the economy. Sherman took the opportunity to once again press the issue of requiring payee matching when sending wires.

During the hearing, Sherman pointed out that the United Kingdom has already gone to a payee confirmation system. The U.K. system, which goes into effect March 31, requires banks to check that the account name entered by a payer matches the account paid. Banks are to alert customers if there is a discrepancy.

"I know you've raised issues of state law," Sherman said during the hearing. "I've analyzed it and I don't see what would prevent the Fed from prescribing what the wire transfer system would be."

Powell did not get to respond but he has previously said there are difficulties instituting a payee matching system like the U.K. version in the United States. According to Powell, a payee match requirement would conflict with the uniform commercial code that provides the governing law for wire transfers.

According to Sherman, the International Standards Organization, which is an international standard-setting body composed of representatives from various national standards organizations, has prescribed changes that would require identification of the payee.

Sherman raised the same question during a hearing in 2018. In addition, ALTA Past President Dan Mennenoh ITP, NTP offered the same solution about payee matching requirements during a congressional hearing on data security in 2017.

ALTA's Coalition to Stop Real Estate Wire Fraud Continues to Raise Awareness

ALTA launched the Coalition to Stop Real Estate Wire Fraud in 2019 to raise awareness and educate consumers about the dangers of wire fraud. Through online digital campaigns, the coalition has garnered more than 22 million ad impressions to potential homebuyers in markets across the country. In 2019, ALTA targeted first-time homebuyers in these markets:

- Birmingham, Ala.
- Virginia Beach, Va.
- Pittsburgh, Pa.
- Buffalo, N.Y.
- Minneapolis, Minn.
- Columbus, Ohio
- Seattle, Wash.
- Nashville, Tenn.
- Tampa, Fla.
- Houston, Texas
- Washington, D.C.

COALITION TO STOP REAL ESTATE WIRE FRAUD

In addition, legislators were targeted in the D.C. market.

Support the Coalition

Here's a look at what to expect from becoming a Coalition partner

Champion

Cost: $75,000 annually and commit to deliver Coalition collateral via eblasts and/or social media twice monthly

- Incentives:
    - Access to Coalition collateral
    - Coalition logo for use on your website and in email footers, etc.
    - Company logo on Coalition website
    - Certificate for your office
    - Press release from the Coalition to be published on ALTA website and sent to ALTA's media contacts and added to the newswire for pickup by any news outlet
    - Ad buy in two markets of your choice per funded year
    - A seat on the advisory board/committee.

continued on page 18

Defender

Cost: $20,000 and commit to deliver Coalition collateral via eblasts and/or social media twice monthly

- Incentives
  - Access to Coalition collateral
  - Coalition logo for use on your website and in email footers, etc.
  - Company logo on Coalition website
  - Certificate for your office.
  - Press release from the Coalition to be published on ALTA website and sent to ALTA's media contacts
  - Ad buy in one market of your choice per funded year

Associations and Non-profits

Cost: $500 annually and commit to deliver Coalition collateral via newsletters, eblasts and/or social media twice monthly

- Incentives
  - Access to Coalition collateral
  - Coalition logo for use on your website and in email footers, etc.
  - Company logo on Coalition website
  - Portion of annual cost will go toward ad buy in your state/region.

Government and Law Enforcement Entities

Cost: Free

- Incentives
  - Access to Coalition collateral
  - Coalition logo for use on your website and in email footers, etc.

For information on supporting the coalition, email communications@alta.org.

DIGITAL OUTREACH:

Collectively across three digital ad campaigns, the Coalition delivered more than

22M ad impressions	655K ad impressions
potential homebuyers in nine markets	Washington, D.C., legislators.

"Protect Your Money From Scammers When Buying A Home! Mortgage Closing Scams Will Cost You Big. Learn More."

COALITION TO STOP REAL ESTATE WIRE FRAUD

EARNED AND PAID MEDIA FOR LAUNCH IN 2019:

POLITICO

A coalition is debuting today to combat wire transfer fraud that targets prospective home buyers, a fast-growing segment of victims. During such attacks, also known as business email compromise, fraudsters spoof emails to make convincing-looking requests. Stop Real Estate Wire Fraud will announce its formation at a press conference as it also launches an awareness campaign targeting three cities where millennial home ownership is increasing: Birmingham, Ala., Pittsburgh and Virginia Beach, Va.

U.S. Senator Doug Jones (D-Ala), a former U.S. Attorney on the launch of the Coalition to Stop Real Estate Wire Fraud

"Home buying is such a critical time for so many different people, and we need to ensure that it is affordable and attainable. For many, it takes years of hard work to save for a down payment. Criminals are successful, because they are able to take advantage of these vulnerabilities. In 2018 alone, 11,300 victims across America lost a combined $149 million due to real estate wire fraud, according to FBI statistics.

Preventing Real Estate Wire Fraud	DSnews
Coalition Formed to Combat Real Estate Wire Fraud	REALTRENDS
Preventing Real Estate Wire Fraud	APPRAISAL BUZZ
Mortgage pros must communicate to stop real estate wire fraud	National Mortgage News
Wire Fraud's Impact on Homebuyers	MReport
Consumer Group Launches to Fight Real-Estate Wire Fraud	wxpr LOCAL • PUBLIC • RADIO
Consumer Group Launches to Fight Real-Estate Wire Fraud	MYBACKYARD

Title Insurance is Confusing.

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The training will help you:

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- *Discover tips and tricks during a 60-minute HOP presentation*
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- *HOP Leader lapel pin*
- *Certificate of leadership*

HOP LEADER TRAINING

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Contractual Requirements Between Covered Businesses and Service Providers Under California's Consumer Privacy Law

Examples of Service Providers Include Title Production Software Vendors, Independent Searchers, Mobile Notaries and Customer Relationship Management Systems

It is common for title and settlement companies to share data in the process of closing a real estate transaction. However, some key definitions in the California Consumer Privacy Act of 2018 (CCPA) that went into effect at the beginning of the year are causing the companies to reassess practices and agreements as they figure out how to comply with the new privacy law.

The CCPA imposes strict requirements on the "sale" of personal information. The law's broad definition of the term could sweep in arrangements involving a title or settlement company sharing customer data with a vendor or service provider.

The CCPA distinguishes between service providers and third parties. Steven Blickensderfer, an attorney with Carlton Fields, said there are certain advantages to being a service provider versus a third party. For instance, if a business shares personal information with a third party, that can trigger certain disclosures that must be made to the consumer.

The CCPA defines a service provider as a for-profit legal entity that processes personal information on behalf of a business pursuant to a written contract for a business purpose. Businesses may use service providers and share personal information with them. It is not considered a sale of personal information under the law if the sharing of personal information is necessary to perform a business purpose, the business has provided notice that the information is being used or shared, and the service provider does not further collect, sell or use the personal information of the consumer except as necessary to perform the business purpose.

Meanwhile, third parties must provide notice to consumers before "selling" personal information they receive to others and provide consumers an opt-out option.

Transferring personal information to a service provider does not necessarily trigger those additional obligations, according to Blickensderfer. An entity cannot simply call itself a service provider. There are certain thresholds that must be met as set forth in the statute.

1. There must be a written contract in place between the covered business and the service provider, such as a service agreement. "The absence of any agreement or written contract is a strong indication, if not concrete proof, that the entity receiving the personal information is a third party," Blickensderfer said.
2. The written contract must include certain representations. The CCPA requires the written contract to state that the service provider will not retain, use, or disclose the personal information for any purpose other than for the specific purpose of performing the services set forth in the contract. Blickensderfer said "The parties must further agree to limit the collection, sale, or use of the personal information disclosed except as necessary to perform the 'business purpose' for which the service provider was retained. The CCPA anticipates that the 'business purpose' will relate to a covered business's 'operational' needs, such as auditing, detecting security incidents, fulfilling orders and transactions, processing payments." Additionally, the parties must represent that they have read and understand the CCPA's requirements.
3. Those representations must be accurate. A company that receives and uses personal information for reasons beyond the operational needs of the covered business will likely be considered a third party, regardless of the representations in the written contract. "Where that is unavoidable, the company must be sure to weigh the benefits of processing the personal information against the risks of being considered a third party and the costs of additional CCPA compliance," Blickensderfer said.

There are certain advantages to being a service provider versus a third-party.

Examples of services providers that title and settlement companies conduct business with include website hosting providers, title production software firms, independent searchers, mobile notaries and customer relationship management system.

According to the law firm JacksonLewis, any service provider that receives personal information by way of their contractual agreement and uses it in violation of the restrictions under in the CCPA can be liable for those violations. A service provider, however, is not liable for failure by a business that shares personal information with them to comply with its CCPA obligations. For example, a service provider holding personal information provided by a business is not liable for that business's failure to comply with its obligations to delete that personal information upon a consumer's request, JacksonLewis said.

A service provider that violates the CCPA faces penalties similar to those of a business that violates the regulation. A business or service provider that violates the CCPA can face injunctions and penalties of not more than $2,500 for each violation, and not more than $7,500 for each intentional violation, in an action brought by the California Attorney General. A business or service provider is allowed 30 days after receiving written notice of noncompliance to cure the violation, before facing liability.

Survey: Millennial Demand for Efficiency, Security Fuels Fintech Innovation

Title agents and real estate professionals believe demand for greater security and efficiency will be key drivers for greater fintech adoption in 2020, according to First American's latest Real Estate Sentiment Index.

To meet this growing demand, First American Chief Economist Mark Fleming said title agents and real estate professionals plan to adopt specific fintech soon. The survey found that 67 percent of respondents intend to adopt these technologies in the next 12 months and nearly a third of title agents and real estate professionals will require software support within the next six months.

"Fintech applied to the real estate transaction can streamline time-consuming processes, increase security and improve the home-buying experience for potential home buyers," Fleming said. "The fintech revolution is here, and it is here to stay in real estate."

Security remains a priority with the threat of wire transfer fraud continuing to grow. The survey showed that 35 percent of respondents considered secure collaboration and communication portals between all parties to the real estate transaction the most important.

"One of the major trends affecting the real estate industry may explain why the 2018 and 2019 survey findings were consistent—the rise in wire fraud," Fleming said. "Survey respondents indicated that buyers would benefit greatly from a secure platform that allows them to correspond with lenders, real estate agents, escrow officers and other parties involved with the real estate transaction."

With homebuyers wanting a more efficient closing process, the move from traditional, wet-signed documents to a paperless closing will continue to evolve.

"It's unsurprising then that 28 percent of title agents and real estate professionals surveyed believe that hybrid e-closings will have a large impact in helping home buyers close their transactions faster and more efficiently," said Fleming. "Since many documents need to be signed in a real estate transaction, a hybrid e-closing means that many documents may be reviewed and e-signed in advance of the closing, while some documents must be wet signed in person. The benefits? A faster and more streamlined closing experience, and reduced risk of manual errors, just to name a few.

Additionally, 17 percent of title agents and real estate professionals surveyed believe that remote online notarization will have a large impact in helping homebuyers close their transactions faster and more efficiently.

Another 11 percent of title agents and real estate professionals indicated that tools for process efficiency and the automation of routine tasks, such as customer service chat bots, would help deliver a more efficient home-buying experience.

"With tech savvy millennials looking to buy their first home, the concept of 'responding too fast' does not exist," said Fleming. "With more and more prospective home buyers searching for homes and information online, chat bots can help real estate agents engage with potential customers as they are browsing online listings at any time of the day. Additionally, chat bots and voice-based virtual assistants can help answer customer questions instantly, providing a more efficient home search process."

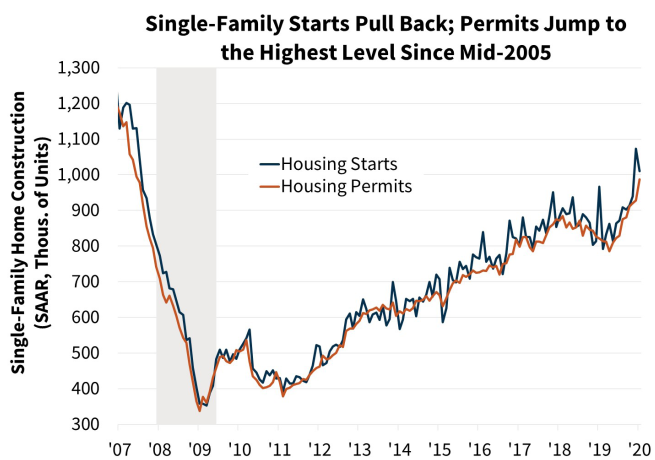
U.S. Economy Resilient Despite Concerns Over Coronavirus, Manufacturing

Housing Continues Upward Climb, Likely to Continue to Benefit from Healthy Consumer Spending

After strong increases at the end of 2019, both housing starts and existing home sales fell in January as expected, though not by the magnitude Fannie Mae forecasted.

For housing starts, this may have been a result of the abnormally warm January weather. Single-family permits were stronger than expected to start the year, suggesting greater strength in single-family housing starts over the next few months. Inventories of existing homes remained very tight in January, though strength in the labor market and persistently low interest rates should help keep demand robust.

"We continue to anticipate that the economy's resilience will help keep housing on a firm growth track," said Doug Duncan, Fannie Mae's chief economist. "In fact, our updated housing market forecast shows greater strength in essentially every part of the housing market extending through the first half of 2021. The limiting factor for home sales, as well as the primary driver of home price appreciation, remains the supply shortage. Barring an uptick in the inventory of existing homes put on the market, in the near term, we're forecasting relatively flat home sales until higher construction activity can be sustained, which we foresee will be the case later this year."



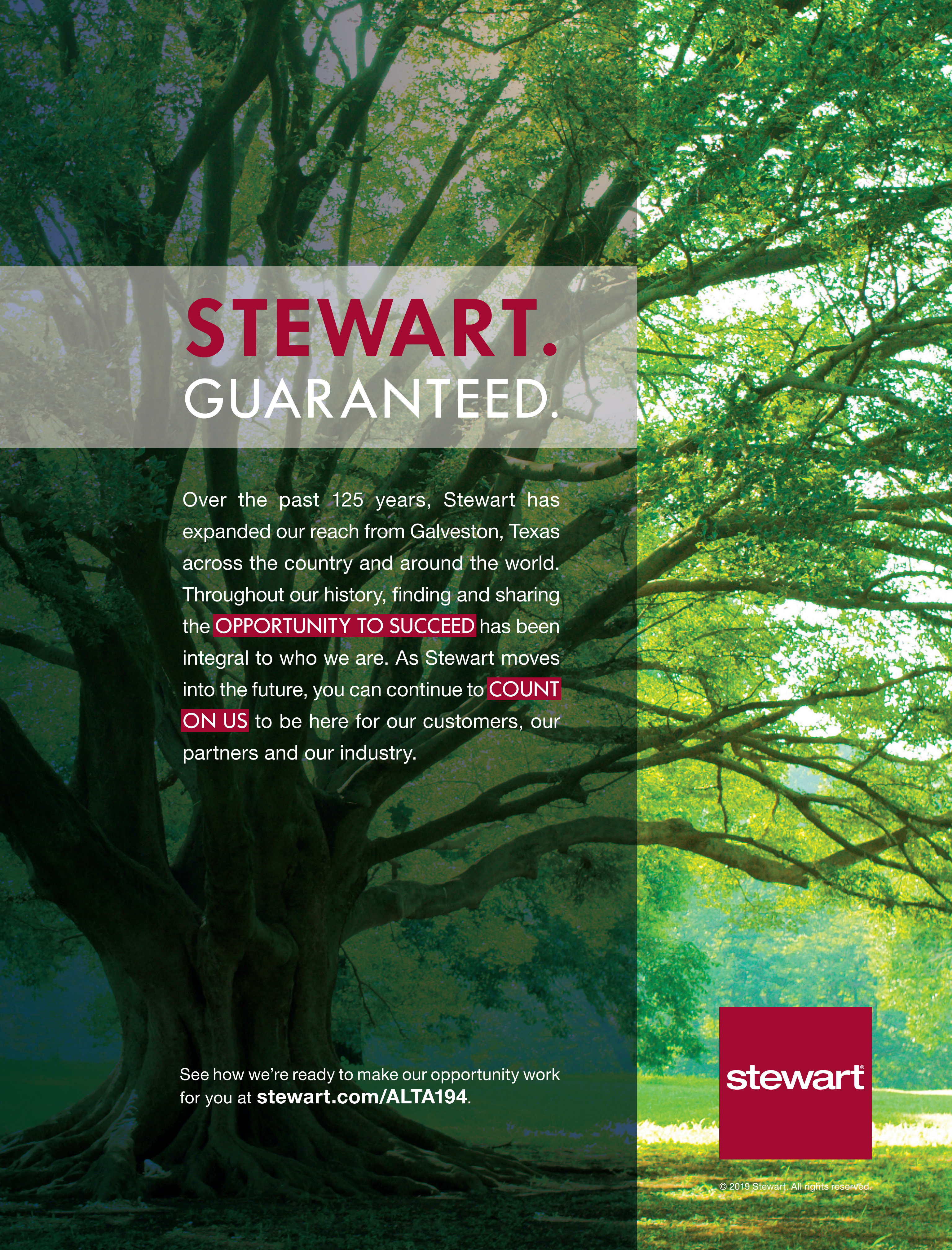
Source: Census Bureau

Housing starts fell in January to 1.57 million annualized units, according to the U.S. Census Bureau. Despite the decline, housing starts remained at the second highest level since December 2006. Single-family starts fell 5.9 percent to 1.01 million annualized units. Multifamily starts rose 0.7 percent to 557,000 annualized units, the highest level since December 1986. Single-family building permits jumped 6.4 percent, the largest monthly increase since September 2012, to 987,000 annualized units, the highest level since June 2007. Multifamily permits rebounded from December's steep decline to 564,000 annualized units.

Existing home sales fell 1.3 percent in January to a seasonally adjusted annualized rate (SAAR) of 5.46 million, according to the National Association of Realtors. On an annual basis, existing sales rose 9.6 percent. Single-family sales dipped 1.2 percent to 4.85 million, though this was still the second highest level of sales since March 2018. Condo/co-op sales decreased 1.6 percent to a seasonally adjusted rate of 610,000 annualized units. The median sales price, which is not adjusted for the mix of sales, rose 6.8 percent year over year, a deceleration from the prior month.

During its January meeting, the Federal Open Market Committee left the federal funds rate unchanged at a range of 1.50 percent to 1.75 percent. The committee's minutes highlighted the strength of the macroeconomy, and despite its mention of persistently low inflation and global risks, Duncan maintains that the Fed will hold interest rates steady for the remainder of the year.

"The U.S. economy's resilience, rooted in labor market strength and improved household balance sheets, was on display in January amid greater market uncertainty, including the effect of the coronavirus on the global economy," Duncan said. "However, corporate earnings continue to impress and a jobs report that came in well above consensus helped mitigate some of the growing cynicism. With business fixed investment poised to rebound in the second half of the year, we upgraded our forecast for full-year 2020 headline growth by one-tenth to 2.2 percent."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Big 4 Finish Strong 2019

Here's a Summary of How Fidelity, First American, Old Republic and Stewart Fared Last Year and in Q4

Fidelity

Fidelity National Financial reported that its title insurance division generated $355 million in pre-tax income during the fourth quarter of 2019. This is up from $102 million in pre-tax income during the same period in 2019.

For the year, Fidelity's title group reported $1.5 billion in pre-tax income, up from $876 million in pre-tax income in 2018.

"Our strong fourth quarter results rounded out a banner year for our title business," said Bill Foley, Fidelity's chair. "Looking ahead to 2020, we expect mortgage originations to moderate through the year from the very strong levels enjoyed in 2019 as refinance volumes naturally ease. We will remain vigilant on expenses as we manage this expected slowdown in volume."

During the fourth quarter, Fidelity paid $66 million in claims. This is up from $56 million in claims paid during the fourth quarter of 2019. For all of 2019, the company paid $240 million in claims. This is up from $221 million in claims paid during 2018.

Fidelity's direct operations opened 492,000 orders during the fourth quarter of 2019, while closing 417,000 orders. In comparison, the company opened 379,000 direct orders during Q4 2018 and closed 301,000 orders. On the commercial side, Fidelity opened 55,100 orders and closed 39,100 orders during Q4 2019. The company's commercial open order count increased 20 percent compared to the fourth quarter of 2018.

Through the fourth quarter of 2019, Fidelity had 12,300 total field operations employees. This is up from 11,800 compared to the same period in 2018.

"Staffing levels remained relatively stable during the fourth quarter," said Raymond Quirk, Fidelity's chief executive officer. "However, in the second and third quarter, our staffing needs increased by approximately 500 as a result of the open order and closed order volume increase."

First American

First American Financial Corp. reported that its title insurance and services segment generated pre-tax income of $283.8 million during the fourth quarter of 2019. This compared to $136.4 of pre-tax income during the fourth quarter of 2019.

For the full year, First American's title division reported $912.2 million in pre-tax income. This was up from $655.0 million in pre-tax income in 2018.

"Our strong fourth-quarter results closed out another year of record financial performance," said Dennis Gilmore, chief executive officer at First American. "Favorable market conditions combined with our continued focus on operational efficiency enabled our title segment to deliver a record annual pretax margin of 16.1 percent. Our specialty insurance segment achieved a pretax margin of 13.2 percent, its highest since 2014.

Total revenues for the title insurance and services segment during the fourth quarter were $1.6 billion, up 21 percent compared with the same quarter of 2018. Direct premiums and escrow fees were up 17 percent compared with the fourth quarter of 2018, driven by a 27 percent increase in the number of direct title orders closed. The average revenue per direct title order declined to $2,603 due to the shift in the order mix to lower-premium residential refinance transactions, despite higher average revenue per order for residential purchase, residential refinance and commercial transactions. Agent premiums, which are recorded on approximately a one-quarter lag relative to direct premiums, were up 15 percent in the current quarter as compared with last year.

In 2019, First American paid $182.5 million in claims compared to $173.5 million in claims paid in 2018.

"Looking forward to 2020, we are optimistic about market conditions and expect to continue to deliver strong financial results," Gilmore said.

Old Republic

Old Republic International reported that its title insurance segment generated $230.8 million in pre-tax income during 2019. This is up from $219.3 million in pre-tax income during 2018.

During the fourth quarter of 2019, the company's title division reported $77.1 million in pre-tax income compared to $61.1 million during Q4 2018. Also during the fourth quarter, the company achieved an all-time record for underwriting revenue of $717 million.

"Over the years we've enjoyed a great deal of success in the title group," said Rande Yeager, chair and CEO of Old Republic Title, during the company's earnings call. "And like all the other ORI business units, we emphasize integrity, expertise and culture. We like to say that we're steady as it goes, and we stick to the basics. We're not chasing market share and don't try to buy our way to the top. Our acquisitions, when we make them have strategic value in terms of where they are, the geography and our people's intellectual capital. And our reputation is for professional services. Our success, when you look back, put it all together is a byproduct of a job well done, in all of these regards."

Old Republic paid $67.4 million in claims during 2019. This is up from $48.3 million in claims paid during 2018. During the fourth quarter, the company paid $14 million in claims compared to $3.2 million during the same period in 2018.

Yeager reported the company's commercial segment continued to grow, comprising 20 percent of all title premiums.

"We do a lot of our work through agents and we have a superior commercial unit that operates directly for the insurer," Yeager said. "We feel good about where we are in the industry and how we're approaching it and the success that we're having."

Stewart

Stewart Information Services Corp. reported its title segment generated pre-tax income of $20.3 million during the fourth quarter of 2019. This was down from $29.5 million in pre-tax income during the same period a year ago.

For 2019, the company generated $108.5 million in pre-tax income compared to $108.3 million in 2018.

"Overall, I am pleased with our performance in the fourth quarter and the progress that has already been made at this early stage of repositioning Stewart for the future," said Fred Eppinger, Stewart's chief executive officer. "Excluding the charges associated with the organizational initiatives, our core title operations had a good end to the year. The residential business benefited from the continued strength in volumes, the agency channel experienced solid growth with encouraging signs of returning business, and our commercial operations delivered in the face of good fourth-quarter 2018 comparable results."

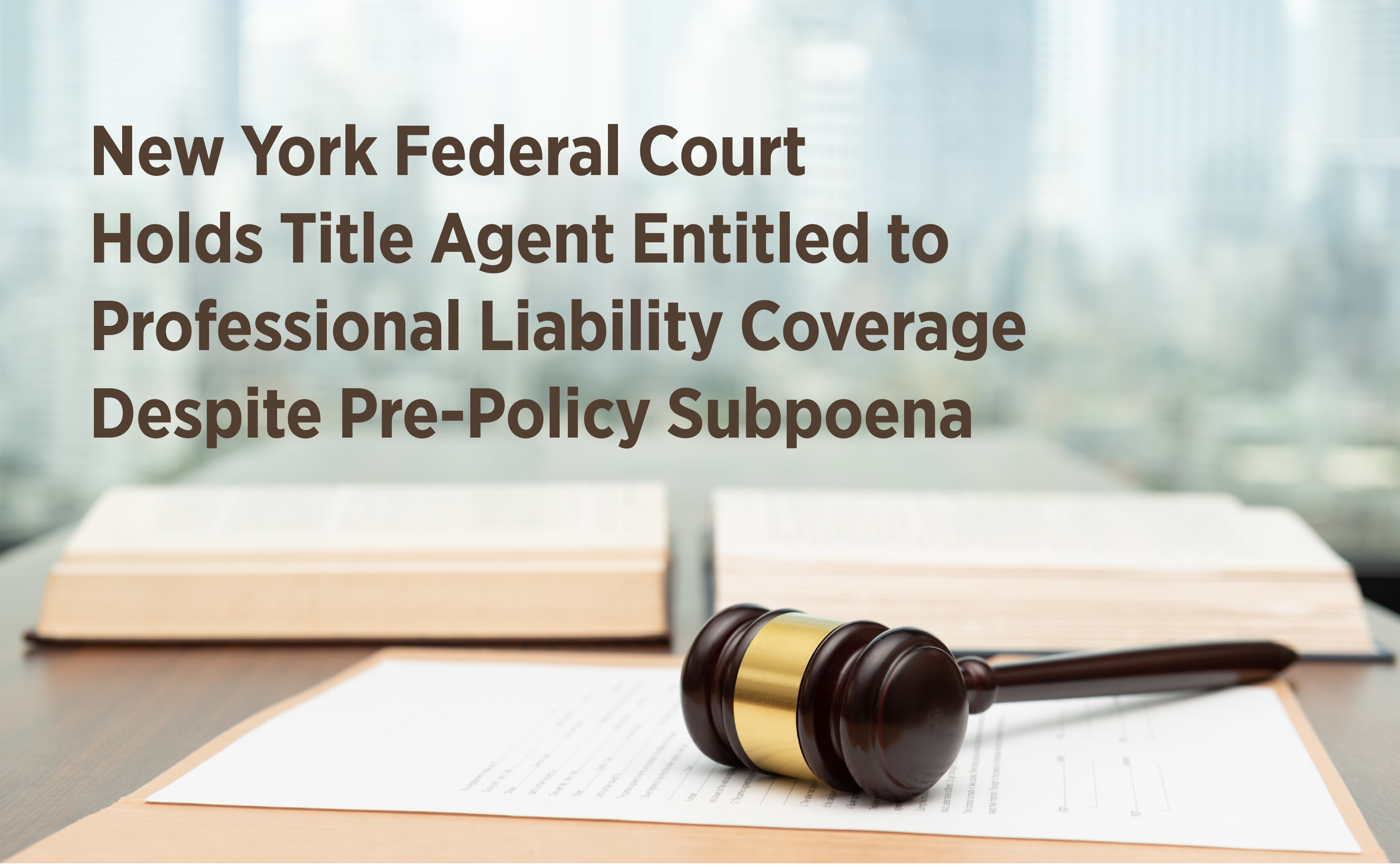
The company reported that title operating revenues in the fourth quarter 2019 increased 11 percent, compared to the prior year quarter, as direct title revenues and gross independent agency revenues improved by 12 percent and 10 percent, respectively. The segment's overall operating expenses in the fourth quarter 2019 increased $58.9 million, or 14 percent, compared to the last year's quarter.

During the fourth quarter, Stewart opened 93,235 direct orders and closed 76,810 orders. This compared to 71,232 direct orders opened in Q4 2018 and 57,937 orders closed.

For the year, Stewart paid $28.9 million in claims during 2019. This was up from $12.3 million in claims paid during 2018. The company reported the increase was due to higher title revenues and less favorable loss experience in portions of its non-Canadian international operations and an escrow loss in its commercial business in the fourth quarter 2019.

"As we move into 2020, I am confident that our actions will strengthen our customer focus while laying the groundwork for improving the company's long-term financial performance," Eppinger said. "More needs to be done to better position us for future success, but we are off to a fast start and I am excited for what lies before us."

New York Federal Court Holds Title Agent Entitled to Professional Liability Coverage Despite Pre-Policy Subpoena



The United States District Court for the Southern District of New York recently granted a title agent's motion for summary judgment regarding a professional liability insurer's duty to defend the agent, despite the fact that the agent was served with a subpoena before the liability insurer issued the policy.

In the case *Protective Specialty Ins. Co. v. Castle Title Ins. Agency, Inc., 2020 WL 550700* [S.D.N.Y. Feb. 3, 2020]), the plaintiff professional liability insurer issued three consecutive professional liability policies to the defendant title agency between 2014 and 2017. In July 2015, the defendant was served with a subpoena *duces tecum* by SR Holdings I LLC, who was seeking documents regarding various property transfers. In September 2015, the defendant applied for a second year of coverage from the plaintiff. As part of the application, the defendant confirmed that it was not aware of any claims against it. The plaintiff issued another policy. In 2016, SR Holdings filed a state court lawsuit against defendant, among others, alleging that it "negligently and/or fraudulently delayed" in submitting real estate documents for recording. The plaintiff then brought this action seeking a declaratory judgment that it was not required to defend the defendant in the state court action. The plaintiff argued that the 2015 subpoena constituted a "claim" that the defendant failed to report, and that because the 2016 action was "related" to the unreported 2015 claim, both were excluded from coverage. The parties cross-moved for summary judgment.

The court granted the defendant's summary judgment motion and denied the plaintiff's motion. The court first held that insurance policies should be interpreted according to the general rules of contract interpretation and that "[u]nambiguous terms are to be given their plain and ordinary meaning." In this case, the parties disputed whether the 2015 subpoena constituted a claim, which the application defined as "a written demand by subpoena upon an Insured as a non-party to litigation or arbitration involving Professional Services provided by such Insured." The court rejected the plaintiff's argument that any subpoena "involving Professional Services provided by such Insured" was a claim. Instead, it agreed with defendant that the phrase "involving Professional Services provided by such Insured" modifies "litigation or arbitration," not "subpoena." Because the 2015 subpoena was part of SR Holdings' judgment collection action, which did not involve the defendant's professional services, it was not a claim against defendant. Accordingly, the court found that the plaintiff had a duty to defend defendant.

MICHAEL O'DONNELL, MICHAEL CROWLEY *and* **ANTHONY LOMBARDO** *are attorneys with the law firm Riker Danzig Scherer Hyland Perretti LLP, which represents various groups including the title insurance industry. They can be reached at modonnell@riker.com, mcrowley@riker.com or alombardo@riker.com.*

RESPA Affiliated Business Claim Dismissed in South Carolina

Cantrell v. New Penn Financial LLC

A South Carolina borrower's claim against a title company based on RESPA's Section 8 was dismissed because the agent proved that the requirements for an affiliated business arrangement had been met.

Kevin Cantrell contacted New Penn Financial to get a refinance of his Veteran's Administration home loan at a lower rate. New Penn gave Cantrell a RESPA affiliated business disclosure concerning closing company Avenue 365 Lender Services. Cantrell now says that his contact person at New Penn, Jake Brown, never told him that he could use a different closing or title company.

Attorney Ryan Breckenridge came to Cantrell's house to close the loan. Breckenridge was an independent closing attorney retained by Avenue 365.

After the loan closed, Cantrell sued New Penn, Avenue 365 and Breckenridge for fraud, violation of RESPA Section 8 and other claims. The defendants filed summary judgment motions. In this decision, the court granted Avenue 365's motion concerning the RESPA and fraud claims, as well as other claims. The court held that Cantrell had failed to allege that Breckenridge, as Avenue 365's appointed closer, misrepresented anything or perpetrated a fraud.

Cantrell's RESPA claim was based on a fact he learned in discovery, that Avenue 365 paid $25,000 a month to New Penn. Cantrell argued that Avenue 365's monthly payment to New Penn "has not been connected to any goods or facilities actually furnished or for services actually performed," and that "New Penn automatically sends all of its business to Avenue 365 for the lucrative title insurance commission."

The court dismissed the RESPA claim because it found that Avenue 365 had proven the three required elements for the affiliated business safe harbor. Section 8(c) of RESPA states that payments made to an owner of an affiliated business is not a referral fee as long as "a disclosure is made of the existence of such an arrangement to the person being referred," a written estimate of the charge is provided, the person is not required to use any particular provider of settlement services, and the only value received by the affiliates are payments for services rendered and "a return on the ownership interest." 12 U.S.C. § 2607(c).

The court said the payments to New Penn fell under the safe harbor, and that all elements of the affiliated business exemption had been established without controverting evidence:

> *Defendants have offered specific evidence that they disclosed their business relationship to Plaintiffs, made Plaintiffs aware of the fees, and did not require Plaintiffs to use Defendant Avenue 365. In fact, Plaintiffs acknowledge that "Defendants made affiliated business disclosures and explicitly stated that Plaintiffs were not required to use Avenue 365." … As to the $25,000 payment, Defendants have offered evidence that it covered bona fide business expenses and administrative fees. … Plaintiffs have offered no specific evidence to the contrary. Accordingly, Defendants' Motion is granted as to Plaintiffs' RESPA claim.*

Industry Update

First American to Acquire Docutech

First American Financial Corp. reported it plans to acquire Docutech, a provider of document, e-closing and fulfillment technology for the mortgage industry, for $350 million.

The transaction is expected to close by the end of March, subject to customary closing conditions.

Founded in 1991, Docutech leverages technology to help financial institutions provide regulatory-compliant loan documents for mortgage and home equity lending. The company's solutions are used by lenders across the U.S. and have contributed to the industry's evolution toward a digital real estate closing experience.

"The acquisition of Docutech reflects our steadfast commitment to invest in and grow our core business," said Dennis Gilmore, chief executive officer at First American. "Moreover, it demonstrates our dedication to improving the home-buying experience for consumers and driving the digital transformation of the real estate settlement process. We're excited to soon welcome to First American the people of Docutech, a highly respected leader in the document technology solutions industry. Together, we will accelerate the evolution of real estate closings."

The acquisition of Docutech complements First American's existing capabilities, and property and homeownership data, advancing First American's ability to provide lender customers with end-to-end digital mortgage and settlement services. Docutech's technology platform, which is fully integrated with third-party and proprietary loan origination systems and reaches more than 175 lenders, deepens First American's relationships with these industry players.

Docutech's management team, including President and CEO Amy Brandt, will continue to lead the company's operations.

"Joining the First American family strengthens our ability to provide products and services that help lenders offer a more digital mortgage experience and adapt to today's changing business landscape," Brandt said. "The Docutech team will now have enhanced access to First American's industry-leading property data and its other industry-leading products and services, further enhancing the quality, accuracy and speed of our services."

Spruce Expands Into California

Spruce announced the opening of its West Coast headquarters in Sacramento after receiving its license to operate as an underwriter in California from the state's Department of Insurance.

Spruce was founded in 2016 and has since raised $20 million to provide the APIs (Application Programming Interfaces) and services necessary to create scalable, efficient and convenient transactions.

"We're delighted to have expanded our offering into California, which is home to some of the most innovative real estate and mortgage companies in the country. With this in place, our license footprint covers well over 90 percent of the country," said Patrick Burns, CEO of Spruce.

The New York start-up also has offices in New York, Texas and Nevada.

CFPB Issues Policy on Using 'Compliance Aids'

In an effort to clarify the role of guidance, the Consumer Financial Protection Bureau (CFPB) published a statement in the Federal Register outlining how regulated businesses may use new "compliance aids" issued by the bureau. The policy statement went into effect Feb. 1.

The policy statement indicates that the new "compliance aids" designation will be used for "materials that are like previous compliance resources." Examples of previous compliance resources the bureau has released include small-entity compliance guides, instructional guides for disclosure forms, executive summaries and summaries of regulation changes.

"Where there are multiple methods of compliance that are permitted by the applicable rules and statutes, an entity can make its own business decision regarding which method to use, and this may include a method that is not specifically addressed in a compliance aid," the bureau said.

Summary of the policy statement:

- The CFPB will not use Compliance Aids "to make decisions that bind regulated entities."
- Compliance aids, "unlike the Bureau's regulations and official interpretations," are not "rules" under the Administrative Procedure Act. The three main categories of CFPB rules are substantive, interpretive and general statements of policy.
- Compliance aids are intended to provide assistance to compliance professionals and others in understanding existing legal requirements (statutes and regulations) and may include suggestions for how to comply with such requirements.
- Regulated entities are not required to comply with the compliance aids themselves, only with the underlying statutes and regulations.
- When exercising its enforcement and supervisory discretion, the bureau will not sanction, or ask a court to sanction, entities that reasonably rely on compliance aids.

Passport Title Expands Into Kentucky

Passport Title Services recently expanded into Kentucky to provide its title agency partnership solutions to attorneys, title agents and title agency owners in the Bluegrass State.

"Passport Title helps title professionals in Kentucky grow their real estate settlement businesses by providing a shared platform for commercial and residential settlement processing and title insurance agency management," said John R. H. Cotter, president and chief executive officer of Passport Title. "We are excited to start the new year by welcoming a new state to our service footprint."

Cloudphish Unveils New Phishing Defense Solution

The FBI reports that direct financial losses caused by business email compromise (BEC) and email account compromise (EAC) have surpassed $12.5 billion worldwide. The frequency of these attacks continues to grow at staggering rates impacting more than 90 percent of organizations and accounting for nearly 1 percent of all emails sent. More alarming still, the level of sophistication behind these attacks continues to rise making phishing emails nearly indistinguishable to novices and IT professionals alike.

To help defend against this, Cloudphish launched a new solution capable of alerting email users when it identifies a fraudulent email sent by someone impersonating a trusted contact. Cloudphish uses the Ethereum blockchain ledger to create an externalized verification framework for emails trusted users send and receive between one another. After a five-minute setup (browser extension, client add-in, or mobile app), Cloudphish integrates with a user's Gmail or Outlook mailbox sending alerts in real time when an email from a trusted contact is legitimate or fraudulent.

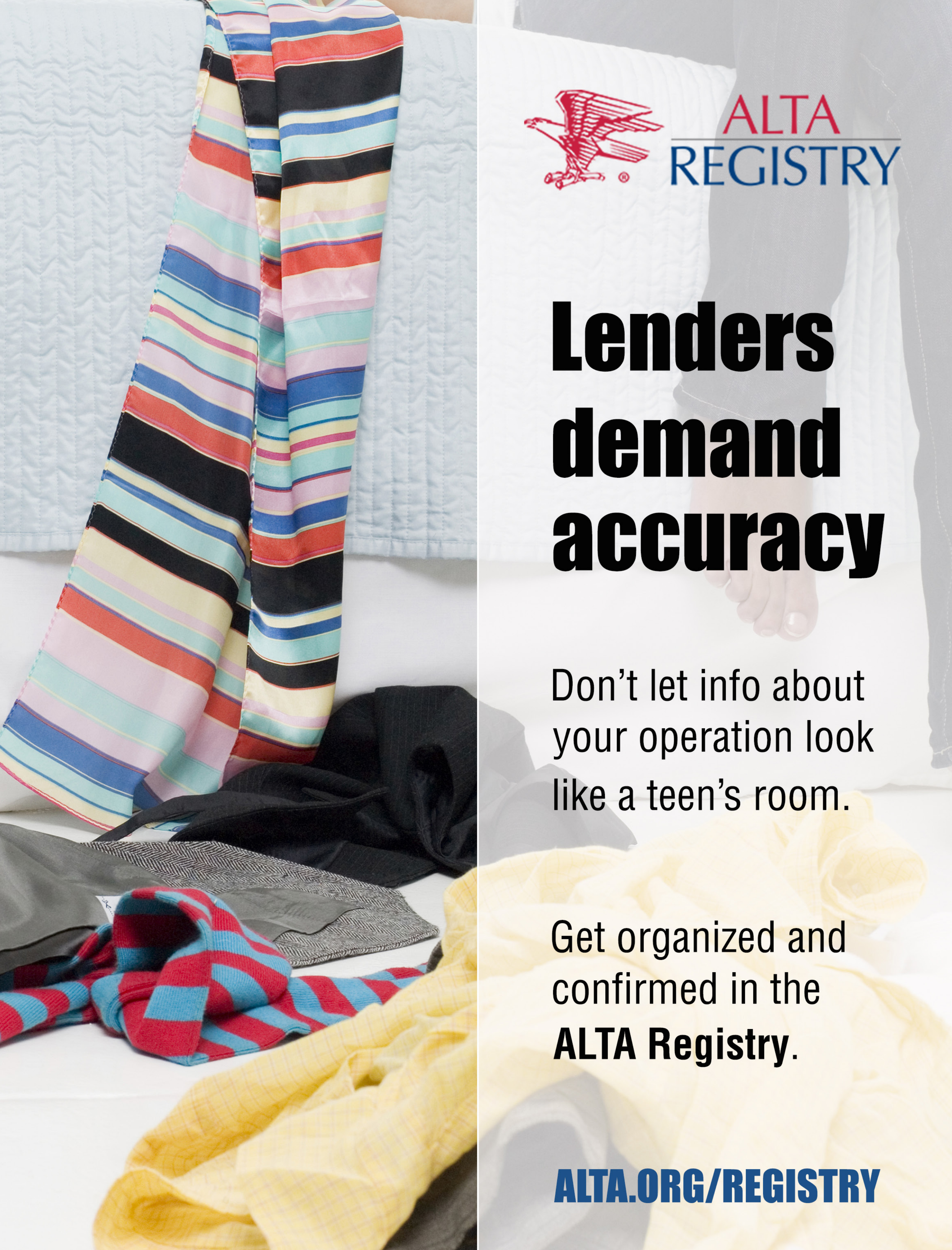
"We saw an immediate need to provide companies, real estate firms and municipalities with a solution that effectively closes the door to the hackers' key entry point (their email) to steal an organization's assets and reputation," stated James Caron, founder and CEO of Cloudphish.

Financial Technology Start-up Introduces Cloud-based Title Search Software

Kentucky-based FinTech start-up Title Leader recently announced the introduction of its title search management automation software-as-a-service (SaaS). The cloud-based technology platform provides automated ordering of title searches for any residential or commercial property in the United States and streamlines the title search management process.

"Title Leader is workflow process automation and search technology for the entire 11-step title search management process," said Monroe Jett, company CEO. "We developed Title Leader specifically for law firms that deal with high volume title searches, and want to increase productivity and reduce personnel expense." Jett adds, "We're not just ordering software, we're full-on business management technology for the entire title search process."

According to Jett, Title Leader automates ordering, tracking, receipt, access, storage, search, communication, invoice receipt-review-payment and reporting.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ALTA.ORG/REGISTRY

SingleSource Launches Deed in Lieu Title Product

SingleSource now offers a deed in lieu title product that provides full, state-driven searches at 20, 40 and 60 years. As a result of the ever-increasing pool of REO properties, SingleSource devised a end-to-end deed in lieu process and has added team members who specialize in servicing these transactions.

"One of the biggest challenges servicers face is title transparency and quicker decisioning ability," said Ed Austin, COO at SingleSource. "Rather than rely exclusively on a current owner search, we go the extra mile to provide servicers with a full product search to help them make informed decisions about properties from the outset of their involvement with transactions."

Stewart Insurance Partners with CertifID

In response to the wire fraud epidemic facing the title and real estate industry, Stewart Insurance, a subsidiary of Stewart Title Co., announced a new endorsement for select title professionals offering coverage up to $500,000 for all inbound and outbound wire funds transfers when CertifID is used to send and receive wiring instructions. CertifID provides money transfer protection for all participants in real estate transactions. In addition to the new endorsement through Stewart Insurance, CertifID guarantees each wire up to $1 million after identities have been confirmed and wiring instructions securely shared.

Recent Integrations

- **SnapClose** recently expanded its integration with **First American Title Insurance Co.** to allow agents to electronically remit and upload policies. SnapClose's existing integrations with First American Title include the ability to issue closing protection letters (CPL) and policy jackets.

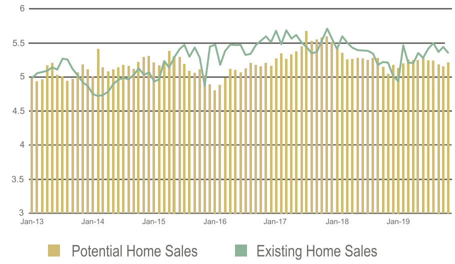
Housing Market Potential

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

5.35 SAAR
Existing Home Sales

5.21 SAAR
Potential Home Sales

+2.7%
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

November 2019

$417,710
House-Buying Power

+17.9%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Cities

States

1. New Jersey: **$558,323**
2. Maryland: **$546,106**
3. Hawaii: **$540,330**
4. Massachusetts: **$534,362**
5. Connecticut: **$533,276**

Cities

1. San Jose, CA: **$804,464**
2. San Francisco, CA: **$719,757**
3. Washington, DC: **$704,113**
4. Boston, MA: **$616,345**
5. Seattle, WA: **$582,526**

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

Movers & Shakers

Agents National Hires COO

Agents National Title Insurance Co. (ANTIC) announced it has hired Todd Mendolia as chief operating officer. Mendolia will support ANTIC's regional and national agents, while leading key initiatives supporting the geographic expansion of ANTIC. Prior to joining ANTIC, Mendolia served in several operational and sales positions for some of the largest underwritten title companies.

North American Title Names Louisiana State Manager

North American Title Insurance Co. (NATIC) has hired Shirley Carroll as Louisiana state agency manager to oversee agency operations. Joining NATIC with 26 years of experience in the industry, Carroll brings a diverse background of skills, including sales, marketing, customer service, training, accounting and comprehensive knowledge of the closing process. Previously, Carroll served as agency manager for a national underwriter.

Holley

RecordsOnline Bolsters Sales Team

RecordsOnline, a Texas-based SaaS platform, recently hired Mark Holley as executive sales director. In this role, he is responsible for the coordination, management and direction of sales operations for all RecordsOnline product groups. Holley has over 20 years of software and technical experience in the title industry. He has held regional and national management positions for a title software company and a national underwriter.

WFG Names COO for National Title Support Division

WFG National Title Insurance Co. has named Kevin Beach as chief operating officer for the company's national title support (NTS) division. Beach has more than 40 years of industry experience and comes to WFG from Title Information Associates, the management and business-consulting firm he founded in 2010.

Stewart Promotes Group SVP for Pacific Northwest and Mountain States

Stewart Information Services Corp. recently promoted Wyomia Clifton to group senior vice president for the Pacific Northwest and Mountain States. She will be responsible for overseeing direct operations in the Montana, Idaho, Colorado and Utah markets, on top of her existing markets of Alaska, Nevada, Oregon and Washington. Prior to joining Stewart, Clifton ran her own business in Kirkland, Wash.

RynohLive Names VP of Sales

Shane Palladino has joined the RynohLive as vice president of sales. In this role, Palladino will primarily focus on new customer acquisition with a secondary focus on expanding Rynoh into new verticals to bolster the company's strategic growth.

Fidelity Hires Exec to Lead Expansion of Alamo Title

Fidelity National Financial announced that title industry veteran John Magness has joined the company as executive vice president and EVP of Alamo Title Company. In this capacity, Magness will lead the operational expansion and growth of Alamo Title Company in Texas and across the United States. Magness has over three decades of experience in the title insurance and real estate industries. He most recently served as group president at Stewart Title, where he oversaw all U.S. direct title operations.

Stewart Title Promotes Chief Human Resources Officer

Stewart Information Services Corp. promoted Emily Kain to chief human resources officer. She will be responsible for overseeing the people side of the business, focusing on attracting, retaining and engaging associates worldwide. Kain joined Stewart Title in 2014 as manager of associate onboarding and made a positive impact on the organization by re-engineering the hiring and onboarding processes and the employee referral program.

Worth the Risk

MARY O'DONNELL
ALTA president

SUCCESSFUL ENTREPRENEURS OFTEN EMBRACE TAKING RISKS. However, making blind business decisions and expecting great results is foolish. It takes careful planning and hard work. There are risks involved in hiring, marketing strategies and customer service.

Founder and CEO of Amazon Jeff Bezos has said, "I knew that when I was 80, I was not going to regret having tried this … I knew that if I failed, I wouldn't regret that. I knew the one thing I might regret is not ever having tried. And I knew that would haunt me every day."

If you want your business to succeed, risks are necessary. While you can't control origination volume and market conditions, you can actively build an operation that weathers any real estate cycle. At ALTA SPRINGBOARD, the schedule and offerings." allow you to customize your learning journey and have the conversations and networking you want to build long-term success. This is a smarter investment than the prospectors who flocked to Denver in 1858 looking for gold.

Speaking of Denver, those who arrived early enough during the alleged gold rush found other ways to strike it rich—they staked out a claim of land, laid out city streets and then sold the lots to those arriving later. The prospectors understood the value of land and property rights. As a title professional, so do you. ALTA always strives to provide the tools and information to help you lead, deliver and protect in your community—resources to help you make calculated risks. According to author Frederick Wilcox, "Progress always involves risks. You can't steal second base and keep your foot on first."

The conversations during the Ideas Festivals at ALTA SPRINGBOARD will push people to think about how they attract talent and whether their staff reflects the community. They will also spark discussions on issues and trends affecting business and how technology is being used to make operations more efficient.

Innovation involves changing how people do things. It is about sharing and teaching what we know and putting new ideas into practice. That's the essence of ALTA SPRINGBOARD (and I haven't even mentioned BrainDating, which is an online platform that lets attendees schedule meetings and network with others). We hope the conversations that take place in Denver inspire title professionals to take risks and lift their businesses and careers to mile-high heights!

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