TITLE News
JANUARY 2021
AMERICAN LAND TITLE ASSOCIATION

HOW THE

ELECTION RESULTS WILL AFFECT THE TITLE INDUSTRY

FNF FAMILY OF COMPANIES | Alamo Title Insurance. | CHICAGO TITLE INSURANCE COMPANY | Commonwealth LAND TITLE INSURANCE COMPANY | Fidelity National Title Insurance Company

nationalagency.fnf.com

LET FNF
be your guide

With the largest local underwriting team in the country, our FNF crew is here to help with all of your underwriting needs. Contact your local FNF Agency rep today to see how our Underwriting Guidance, "UGuide," can be your resource for any transaction. Learn more at nationalagency.fnf.com.

iN This Issue

VOLUME 100 | NUMBER 1 | JANUARY 2021

COVER STORY

FEATURES

DEPARTMENTS

AMERICAN LAND TITLE ASSOCIATION

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

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

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

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

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

TITLENews

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

PUBLISHER + EDITOR IN CHIEF
Jeremy Yohe

DIRECTOR OF DIGITAL AND PRINT MEDIA
Shawn Sullivan

Be Kind to Others, and Yourself

JEREMY YOHE
ALTA vice president of communications

SPOTIFY CEO AND SELF-MADE BILLIONAIRE DANIEL EK describes himself as an average guy with "zero natural charisma." The Swede claims he's not great at anything, despite having built Spotify into a $50 billion public company. It's the world's most popular audio streaming subscription service, with 320 million users, including 144 million subscribers, across 92 markets.

His Twitter handle is @eldsjal, a Swedish word that means "fiery soul." According to Ek, he sees himself as someone who is intensely passionate about something and perseveres during the good and bad times. Ek recently was interviewed on the business podcast The Tim Ferriss Show.

Ferriss, a best-selling author most known for his book, "The 4-Hour Workweek," asked Ek, "If you had a billboard, metaphorically speaking, to get a message, a quote, a question, an image, anything out to billions of people, noncommercial, what might you put on that billboard?"

Ek offered a rather simple eight-word response: "Be kind; everyone is on their own journey."

During this pandemic, Ek went on to say, it's important to remember that everyone is dealing with something—even successful people who may be hiding complications and pain. "I constantly face people who I always find are smarter than me, deeper than me on various subjects, and all of that stuff. But I think we're all on journeys and we all have our own insecurities. We have all our own stuff that's happening in our lives," he said.

The persona we create for ourselves on social media isn't really who we are. Virtually everyone faces issues we don't share with others, and Ek says that should enhance our feelings for one another. "Just being mindful that we're all going through things has created a lot of empathy for me and created a lot of understanding for me as I meet co-workers, as I meet people out in society as well," Ek says. Acknowledging our personal messiness fuels empathy and builds connection. If you want to improve your emotional intelligence, remember Ek's simple billboard message that everyone is on their own journey.

In the meantime, don't forget to be kind to yourself. According to Gallup's latest Health and Healthcare survey, Americans' latest assessment of their mental health is worse than it has been at any point in the last two decades. Just 76 percent of U.S. adults rate their mental health positively, representing a nine-point decline from 2019.

Each year since 2001, Gallup has asked Americans to say whether their own mental or emotional well-being is excellent, good, only fair or poor. The average for those rating their mental health as excellent or good ranged from 81 to 89 percent until this year's results.

The latest weakening in positive ratings is undoubtedly influenced by the pandemic, which continues to profoundly disrupt people's lives, but may also reflect views of the election and the state of race relations, both of which were on Americans' minds this year, Gallup reported.

So, as we continue this journey, let's all be fiery souls—intensely passionate and willing to persevere. Let's also be kind, including to ourselves.

ALTA Reports 17.6 Percent Increase in Q3 Title Industry Premium Volume

The title insurance industry generated $5.1 billion in title insurance premiums during the third quarter of 2020, according to ALTA's latest Market Share Analysis. Title premium volume is up 17.6 percent compared to the same period a year ago.

Every state except New York and Delaware, along with the District of Columbia, experienced an increase in volume compared to the third quarter of 2020.

During the Q3 of 2020, total operating income for the industry was up 17.2 percent and operating expenses were up 16.9 percent, but loss and loss adjustment expenses were down 2.5 percent.

For the first three quarters of 2020, title insurance premium volume is up 17 percent ($13.2 billion) compared to the first nine months of 2019 ($11.3 billion). The title industry has paid $347.8 million in claims during the first nine months of 2020. This is down from $409.3 million in claims paid during the same period a year ago.

Third-quarter Family Market Share (80.1%)
- Fidelity Family, 33.4%
- First American Family, 23.1%
- Old Republic Family, 14.5%
- Stewart Family, 9.1%

Third-quarter Independent Companies Market Share (19.9%)
- Westcor Land Title Insurance Co., 6.0%
- WFG National Title Insurance Co., 2.9%
- Title Resources Guaranty Co., 2.6%
- North American Title Insurance Co., 1.8%
- Alliant National Title Co., 1.1%

Top States During Third Quarter
- Texas, $685,472,500 (12.6% increase)
- California, $636,240,692 (28.6% increase)
- Florida, $489,603,422 (9.0% increase)
- New York, $242,843,842 (-15.4% decrease)
- Pennsylvania, $217,708,957 (25.2% increase)

To access the market share data, go to alta.org/industry-research.

Deadline Jan. 31 for ALTA Good Deeds Foundation Grant Applications

The deadline to apply for a grant from the ALTA Good Deeds Foundation, a nonprofit organization founded by ALTA, is Jan. 31, 2021.

Land title insurance industry professionals can apply for grants on behalf of recognized 501(c)(3) organizations that they support either financially or through volunteer efforts. The grant application process is open twice annually with deadlines of Jan. 31 and July 31. The number and amount of grants awarded each year will vary.

AMERICAN LAND TITLE ASSOCIATION GOOD DEEDS FOUNDATION

Eligible organizations must align with the Foundation's mission: "Good deeds grow communities. The ALTA Good Deeds Foundation supports the charitable efforts of title professionals as they work to build and strengthen their local communities and exemplify the title industry's values of We Lead, We Deliver, We Protect." Additionally, organizations should be nonpolitical, nonpartisan, secular and focused on benefitting local communities. Preference will be given to housing-related charities.

To submit a grant application or to donate, go to altagooddeeds.org.

STEWART **REFRAMED**

Things at Stewart are changing. Improving. We're advancing every day – financial strength, customer experience, shared expertise. We're structuring new methods of supporting our customers and partners, ones that create winning relationships and greater success for all of us. We're pushing ourselves to rethink the way we do business so we can better help you grow yours. This is the new Stewart. Doing more so we can continue to succeed together. ***Redefined and moving ahead.***

See what our changes mean for you. Visit stewart.com/tn1.

stewart™

Webinar Recording: What You Need to Know About the 2021 ALTA Policy Forms

The last changes to ALTA's Policy Forms came with a complete rewrite in 2006. However, advancements in electronic notarizations, changes in certain consumer and creditors' rights laws, and case law developments were primary drivers leading to the latest revision of the ALTA Loan and Owner's policies and numerous other ALTA forms. These changes are presently expected to go into effect July 1, 2021. It's important you understand the revisions so you can educate your staff and customers.

Listen to this First American-sponsored ALTA Insights webinar as ALTA Forms Committee experts discuss how the new forms differ from the 2006 policies.

Speakers

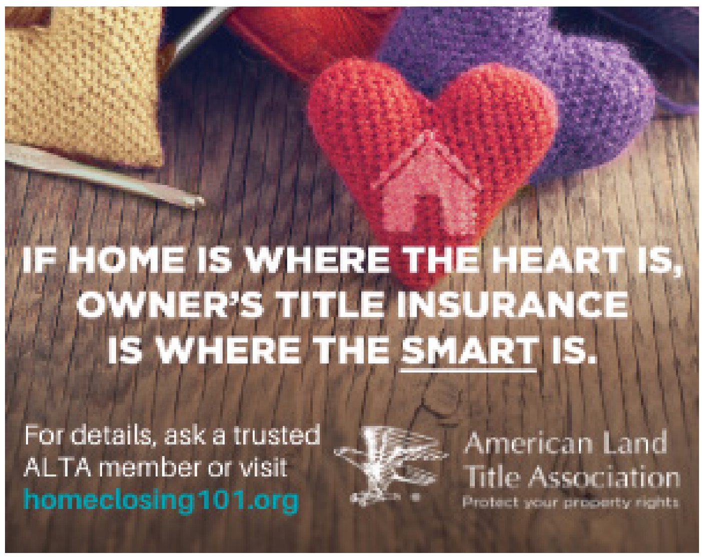
- Paul Hammann | SVP and Chief Title Counsel | First American Title Insurance Co.
- Jim Gosdin | SVP and Associate General Counsel | Stewart Title Guaranty Co.

To access ALTA's webinar archive, go to alta.org/webinars.

Use Digital Ads to Market Your Business

ALTA provides members several digital advertising options that can be used on social media to promote how an operation is working remotely during the COVID-19 health crisis and showcase how closings will be handled. This is also a great time to help customers understand the benefits of title insurance and how it protects property rights. Through the Homeowner Outreach Program, ALTA provides several resources to help ALTA members educate consumers about title insurance.

To access the content, go to alta.org/homeowner.



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. In 2020, TIPAC received $328,765 from 489 donors. In addition, $122,500 from 20 companies was pledged to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

DataTrace®

Trust DataTrace
We Know Title Automation

TitleIQ™ ENTERPRISE

Nationwide. Search & Examination. Integrated.

TitleIQ Enterprise™ delivers an entirely new automated way to efficiently produce title reports and commitments while reducing costs and complexities.

Powered by the industry's largest title database, TitleIQ Enterprise provides unified title search and examination nationwide through a single platform directly into your closing system – improving operational efficiency, quality and productivity.

- **545+ Title Plants**
- **Nationwide Recorded Property Data**
- **7 Billion Document Images**
- **Trusted Title Production Expertise**

Single Source for Nationwide Title Search & Examination

The New State of Title Automation, TitleIQ Enterprise:

- Centralized Order Management
- Unified Title Search Workflows & Nationwide Coverage
- Advanced Technologies & Automation Efficiencies
- Single Examination Workbench & Verification
- Electronic Title Report & Commitment Delivery
- Direct Title Production System Integration

Meet evolving market conditions & client demand across all transaction types & geographies

Move your title business forward today with TitleIQ Enterprise

DataTraceTitle.com/TitleIQEnterpriseALTA **800.221.2056**

HOW THE

ELECTION RESULTS WILL AFFECT THE TITLE INDUSTRY

Expect a More Consumer-focused Legislative and Regulatory Agenda

PRESIDENT-ELECT JOE BIDEN AND THE 117TH CONGRESS take office amid a raging pandemic as Democrats' policy agenda and nominees hinge on who controls the Senate. Two Georgia runoff elections on Jan. 5 will determine majority: Democrat Raphael Warnock vs. Republican Sen. Kelly Loeffler (appointed) and Democrat Jon Ossoff vs. Republican Sen. David Perdue (incumbent). If the Republicans win either, they will continue to control the chamber. If the Democrats take both, they will control the chamber with Vice President-elect Kamala Harris breaking any tie votes.

No matter how the Senate runoffs pan out, Democrats will continue to control the House of Representatives, but by slimmer margins than was expected. House Republicans fared better than predicted and this could open the door to have the GOP take back the chamber in the 2022 midterms. Until then, a significant milestone of the 2020 election is the anticipated record number of women who will serve in the next Congress: 131, up from 127. Meanwhile, businesses in the title and settlement industry will need to brace for a change in policies and legislative direction, but can expect the strong housing market to continue.

"As the dust settles and with slim margins in both chambers, compromise will be essential if anything significant is to get accomplished legislatively," said Chris Morton, ALTA's senior vice president of public affairs. "President-elect Joe Biden has already announced several economic policy nominees and we can expect an active, consumer-focused legislative and regulatory agenda coming out of the Biden White House, cabinet departments and agencies such as HUD, FHFA and CFPB. Because of this, we will need to introduce ourselves early in the new year to officials in those key seats."

SECURE Notarization Act

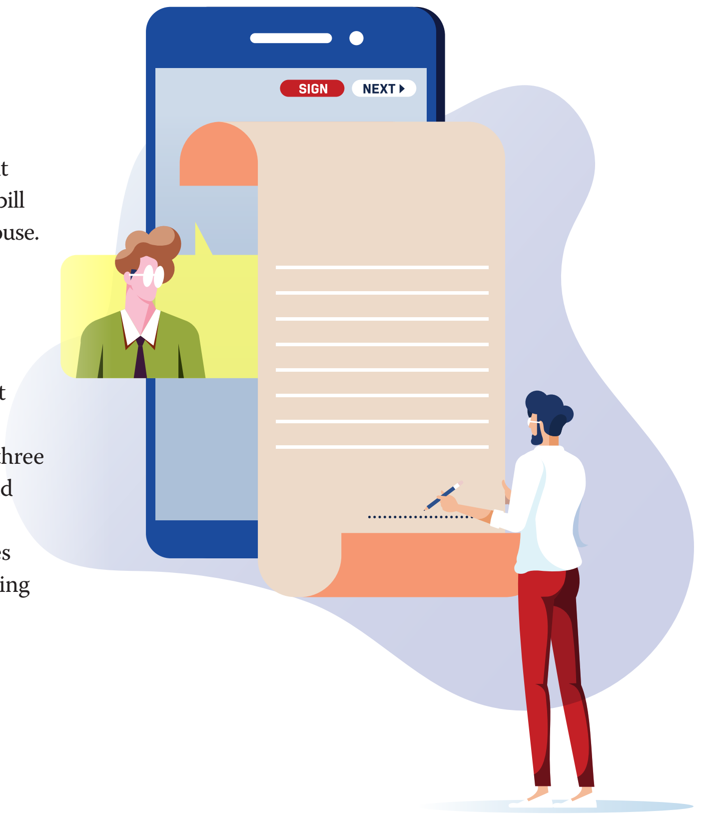
While Congress hasn't voted on the SECURE Notarization Act and the bill wasn't included in any COVID-19 stimulus package, it continues to collect strong bipartisan support. In addition to the bill sponsor, there are five co-sponsors in the Senate and 82 in the House.

The three main components of SECURE would allow for nationwide use of remote online notarization (RON), establish minimum national standards and provide certainty regarding interstate recognition. These standards require the use of multi-factor authentication of the signer, use of tamper-evident technology, and an audio-video recording of the notarial act.

"Any state RON law already on the books that meets these three criteria, then the state law would supersede the federal law," said Elizabeth Blosser, ALTA's vice president of government affairs.

Emily Tryon, ALTA's director of policy, said ALTA continues to lead a coalition of trade associations and corporations lobbying in support of SECURE and push for passage of the legislation. In addition to the Mortgage Bankers Association and National Association of Realtors, other groups represent builders and community bankers.

"We will continue to work to try and get this added to any COVID-19 relief package or other legislative vehicle moving forward in 2021," Tryon added.



ISTOCK / TREETY / 1255420365 / SIMON2579 / FILO

Housing Finance Reform, GSEs, FHFA

Over the past two years under the Trump administration, the focus of reforming Fannie Mae and Freddie Mac have focused on privatizing the government sponsored entities (GSEs) and moving them out of conservatorship. However, there's speculation that a Biden administration won't have the same urgency. Like the Consumer Financial Protection Bureau (CFPB), the Federal Housing Finance Agency (FHFA) is overseen by a single director appointed by the president for a term of five years. During the summer of 2020, the Supreme Court ruled 5-4 in *Seila Law LLC v. Consumer Financial Protection Bureau* that the bureau's structure was unconstitutional and the president may remove the CFPB director at will. Due to the similar leadership structures, some believe Biden will attempt to remove FHFA chief Mark Calabria. The Supreme Court is currently debating the FHFA's structure in *Collins v. Mnuchin.*

"What we do know from the Biden housing platform is that they may set GSE reform aside for the time being," said Steve Gottheim, ALTA's general counsel. "If you're looking to effect housing policy without having to pass legislation, the easiest way to do that is by leaving the GSEs under conservatorship."

How this plays out will impact items such as any extensions on the moratorium on evictions and foreclosures. Gottheim said there are several levers the Biden Administration can pull without having to go through Congress or getting another COVID relief package passed.

During COVID, the GSEs have played a significant role in the eviction and foreclosure moratoriums by providing relief to struggling homeowners. Under the Trump administration, these moratoriums were extended on a month-to-month basis. This was like the temporary guidance on several policy areas to support mortgage originations, including limited powers of attorney and acceptance of remote online notarization, which was extended each month.

"If Calabria is removed, we might expect a longer period of time for some of these actions that were put in place," Gottheim said.

Housing Opportunity and Affordability

The Biden administration can also use the GSEs as a tool to address housing opportunity and affordability. Over the past two years, the Housing Financial Services Committee chaired by U.S. Rep. Maxine Waters (D-Calif.) has made affordability a cornerstone of the committee's focus. Gottheim expects this topic to garner even more attention under Biden. Housing opportunities and affordability is expected to be the focus of hearings early in 2021.

President-elect Biden has proposed a first-time homebuyer tax credit of $15,000. Currently, only about one in 10 households can get a tax incentive for buying and owning a home, according to the National Association of Realtors.

"This is similar to a credit that was in place from 2008 to 2010 that was a little more generous," Gottheim said. The idea is that the credit would help new buyers with their down payment. Hearings are expected on this proposal. This idea has received support from Republicans in the past, so this could be an area for bipartisan collaboration.

According to studies, about three million homebuyers took advantage of the credit. Of these, about 450,000 were true first-time buyers who could not have purchased a home without the credit.

Lastly, Gottheim said there will be a focus on racial justice. Waters, as well as the Biden administration, will schedule hearings on exclusionary zoning, redlining and disparate impact, which under the Fair Housing Act states that a policy may be considered discriminatory if it has a disproportionate "adverse impact" against any group based on race, national origin, color, religion, sex, familial status or disability when there is no legitimate, non-discriminatory business need for the policy.

ISTOCK / TREETY

"Expect all of these topics to get a higher level of attention in hearings during the first half of 2021," Gottheim said. "The administration will attempt to put a focus on issues that have kept communities of color from entering the housing market."

Tax Policy

During his campaign, Biden unveiled a $775 billion plan to make childcare more affordable, while adding support for early education. As a revenue source to help cover costs of the plan, Biden's team has considered rolling back some tax breaks associated with real estate investments. According to reports, Blosser said ALTA believes this could include the elimination of 1031 exchanges. ALTA has joined two other associations to commission a study on the economic benefits of 1031s.

"ALTA will educate the administration and members of Congress on how 1031s benefit the economy and jobs," Blosser said. "With the COVID-19 pandemic, 1031s are more valuable than ever because they allow property owners with excess commercial space to convert into another use."

Financial Services Policy

During the first two years of the Biden administration, any change to financial services policy is going to be a bit muted given the close margins in both chambers on Capitol Hill. A "blue wave"—with the Democrats winning the Senate as well as the House and the presidency—would have paved the way to substantial legislative reforms, such as sweeping changes similar to the Dodd-Frank Act being enacted and signed by the president early in the administration. Instead, reform will come through further actions by the financial service regulators, according to Gottheim.

CFPB

The Trump administration significantly scaled back the activities of the CFPB. Analysts expect the CFPB under Biden to follow a model similar to that pursued by the agency under President Obama and former CFPB Director Richard Cordray. Businesses can expect an increase in calling out predatory practices and assessing hefty enforcement penalties.

"The thing to pay attention to is who is being interviewed by the president-elect and his team for the director position," Gottheim said.

In December, Rep. Waters sent a letter to President-elect Biden, offering her suggestions for financial services-related administrative actions to prioritize "on day one." The lengthy letter outlined specific rule changes Waters would like to see and likely will serve as an outline for the committee's oversight during the first year of the new administration. While a lot of the letter focuses on COVID and ensuring people are protected from evictions and foreclosures, she also proposes specific actions and rule changes. A few of the requests included firing Director Kathy Kraninger; directing the CFPB to aggressively protect consumers by enforcing unfair, deceptive or abusive acts or practices (UDAAP) laws; more aggressive enforcement of time limits for consumer reporting agencies or furnishers to investigate consumer report disputes; and reinstating rulemaking on PACE lending.

Gottheim doesn't expect the CFPB to take up anything related to mortgages or the TILA-RESPA Integrated Disclosure rule (TRID) soon, except for updates to the Qualified Mortgage rule. There are other areas where the bureau may provide additional guidance that would be helpful to title and settlement companies. Tryon said ALTA has spent a lot of time asking for additional, clear guidance from the CFPB.

"Under a new director, the question becomes whether the bureau will continue to use these new tools and will additional guidance continue to be provided, or will it revert to how things were in the past," Tryon said.

Cannabis

In November, voters in several states approved a series of proposals legalizing the use and distribution of cannabis for either medical or recreational purposes.

South Dakota became the first state whose voters approved both recreational and medical cannabis in the same election. New Jersey, Montana and Arizona all legalized recreational cannabis, while Mississippi voters approved medicinal marijuana.

ISTOCK / ALEKSANDR DURNOV

In South Dakota, cannabis remains illegal until July 1, 2021. After that, medical use sales can start and residents can possess, consume and grow up to three plants. The state has until April 1, 2022, to develop rules and regulations for selling recreational cannabis. In New Jersey, the effective date is Jan. 1, 2021. The state's legislature must establish rules and regulations for the consumer marketplace. Arizona's recreational sales could start April 5, 2021, or sooner. Montana's recreational sales go into effect January 2022.

There are now 15 states, two territories and Washington, D.C., that have legalized marijuana for recreational use, while 34 states and two territories allow medical marijuana.

With many states expected to face some budget shortfalls, legislators are looking for new revenue streams. This could come from taxing cannabis, Blosser said.

"I think that's why we saw a state like South Dakota that's very conservative move forward and legalize marijuana," she added. "As more states allow the use of cannabis products, it puts more pressure on the federal government to act on this."

At the federal level, the Marijuana Opportunity Reinvestment and Expungement (MORE) Act passed the House in December by a vote of 228-164. The bill decriminalizes cannabis at the federal level while also expunging nonviolent cannabis convictions from criminal records. While this is being talked about as a historic step, the bill will not be taken up in the Senate this year. The fate of this legislation in the Senate will depend on who controls the chamber in the next Congress. If the Republicans retain control, you will likely see more targeted cannabis legislation like the SAFE Banking Act, but if Democrats take control of the Senate, you are more likely to see broad decriminalization legislation.

ALTA supports efforts to clarify compliance for businesses that provide services to the growing cannabis industry, and to clarify compliance under state and federal laws for businesses that facilitate transfer and sale of real estate that could be used in growing, storing or selling of cannabis.

Beneficial Ownership

During the lame-duck session in December, Congress passed the National Defense Authorization Act, which included a beneficial ownership amendment designed to help limit money laundering and other criminal activity. The legislation requires companies and LLCs to file beneficial ownership information with the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) at the time the entity is created and update the information yearly. It was expected to become law as of this writing.

This is a version of the Corporate Transparency Act that ALTA members asked legislators to co-sponsor during the 2019 ALTA Advocacy Summit. Title companies report beneficial ownership information to FinCEN as part of the Geographic Targeting Orders (GTOs). A requirement for companies to report their beneficial ownership to a national repository will help law enforcement identify and combat the use of real estate in money laundering without creating new compliance burdens for title companies.

"This is integral for efforts to modernize the United States anti-money laundering rules and to help counter the financing of terrorist activity," said Diane Tomb, chief executive officer of ALTA. "Financial institutions with customer due diligence obligations will be able to access the FinCEN data with their customers' permission. This could help streamline reporting burdens of title insurance companies and give them more assurance that the information they report under Geographic Targeting Orders is accurate."

ISTOCK / TREETY

Data Privacy

While laws over the past few years have dealt with data security, attention is shifting to data privacy. The two concepts are often combined in legislation. Blosser said it's important to understand the distinction. Data privacy involves how data is used, while data security focuses on the policies, methods and means to secure data.

"Comprehensive data privacy laws give consumers rights relating to information about themselves," Blosser said. "They give consumers the right to ask companies to update or delete information or provide any information you may have about them in a portable format. This is a fundamental change in how we view data ownership."

ALTA has promoted the idea that entities that already must comply with the Gramm-Leach-Bliley Act (GLB) should be exempted from data privacy laws. ALTA also wants to avoid a patchwork of state privacy laws that would create inconsistent protection of data and confusion for both consumers and businesses seeking to understand compliance obligations.

Blosser said more than a half dozen comprehensive data privacy bills have been introduced in Congress. Three major issues common in these proposals deal with federal preemption, existing exemptions like GLB and the inclusion of a private right of action.

"If Democrats take control of the Senate, we are more likely to see a national data privacy bill move forward," Blosser said. "If Republicans maintain control, we are much less likely to see movement here because it will be tough to get consensus on the three issues. It is coming in one shape or form, however, over time."

Title Industry Champions

Over the past two-year election cycle, ALTA supported 110 candidates. Most of these were incumbents and 102 of them were re-elected. Most of these members of Congress serve on key committees—including financial services—in leadership and are those who generally support the title insurance industry.

Leah Shimp Vass, ALTA's director of grassroots and political affairs, said it will be important for the industry to connect with the new members of Congress and broaden relationships with other committees. To help with this effort, title and settlement professionals are encouraged to join the Title Action Network, which is a free service and connects advocates with members of Congress on issues important to the industry. Additional tools ALTA utilizes are Congressional Liaisons, which are industry professionals who offer expertise to help legislators make educated decisions, and the Title Insurance Political Action Committee, a voluntary, non-partisan political action committee.

"All of our advocacy programs go hand in hand," Shimp Vass said. "It's important for everyone to get involved because other committees where we don't have strong relationships are starting to focus on issues such as redaction and wire fraud." ■

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

ALTA Advocacy Wins in 2020

While 2020 proved to be a different way of advocating, ALTA's Government Affairs team found success in helping members' business. Here's a look at a few of the positive outcomes.

- Ensured that title and settlement services were deemed essential and able to remain open and operational under guidance from the Department of Homeland Security.
- Developed a county recorder operational status tracking system to help ALTA members and state land title associations monitor and trouble shoot local recording problems.
- Drafted a bipartisan, federal Remote Online Notarization bill that was introduced in the House and Senate, and now has over 80 policymakers signed on as supporters. This provides a national model for digital closings.
- Assisted members in understanding and accessing the Paycheck Protection Program (PPP) to provide critical liquidity during the early part of the pandemic. ALTA continues to build support for PPP issues, including simplified loan forgiveness and expense deductibility going forward.
- Heightened awareness of the growing problem of wire transfer fraud by securing language in multiple agency appropriations reports to ensure various agencies are collecting data and reporting their findings to Congress.
- Drafted anti-money laundering language for the National Defense Authorization Act that requires shell companies to report their ownership information to FinCEN. This will help reduce the reporting and compliance burden that Geographic Targeting Orders have placed on title companies.

Help Protect Your Industry:
Take the Congressional Liaisons Survey

The 2020 election is behind us and the congressional landscape has changed dramatically as new members of Congress were recently sworn in. 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 districts. Congressional Liaisons have played a key role in shaping legislation from the fight to preserve the deduction for gains on the sale of a principal residence to legislation to improve the CFPB.

You can shape 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 our survey.

To take the survey, go to http://re.spon.se/0PKYzb.

2021 Market Forecast: The Big Short?

People Will Continue to Purchase Homes at Historic Levels but Supply Will Hinder Volume

Defying high unemployment and an economic recession, the housing market surged during the COVID-19 pandemic. While the same refinance volume isn't expected in 2021, analysts predict a surge in the purchase market that should help buoy another strong year for order volume. Some experts predict more home sales in 2021 than any other year since 2006.

Fannie Mae predicts average rates for the 30-year fixed loan will remain at 2.8 percent through 2021 and only rise to 2.9 percent next year. The Mortgage Bankers Association (MBA), however, projects rates will rise to 3.3 percent in 2021 and to 3.6 percent in 2022. MBA Chief Economist Mike Fratantoni expects rates to go even higher if both Senate seats in Georgia flip to the Democrats after January's runoff election.

For 2021, Fannie Mae's latest projections call for $2.72 trillion in mortgage originations, up from the $2.62 trillion that Fannie Mae Chief Economist Doug Duncan last predicted. MBA's Fratantoni projects $2.56 trillion in originations in 2021, up from $2.49 trillion made in his previous forecast. While Fratantoni's total forecast remains conservative compared with Duncan's, he also boosted his prior prediction for record purchase activity over the next three years. The MBA expects 2020 to end with $1.42 trillion in purchase volume. That will increase to $1.59 trillion next year, then to $1.63 trillion in 2022 and $1.65 trillion in 2023.

Total home sales are expected to increase by 0.8 percent next year, with new-home sales up by 6.2 percent and existing-home sales remaining flat in Fannie Mae's forecast.

Lawrence Yun, chief economist for the National Association of Realtors (NAR), called 2020 a year of surprises for the real estate market, churning along at historic levels despite the health crisis. Existing-home sales in September climbed nearly 21 percent higher than a year ago and new-home sales were 32 percent higher compared to 2019. Meanwhile, mortgage applications also are up 20 percent year over year. Home prices are up too: The median existing-home price for all housing types was $311,800 in September—a 14.8 percent increase from a year ago.

What's this mean for 2021? A persistent housing shortage will likely keep home prices elevated, while new- and existing-home sales will continue to rise as record low mortgage rates and a work-from-home trend give housing markets a boost, according to Yun.

"There are not enough homes for sale and that means multiple offers and prices that are rising too fast," he said. "It also could limit some renters from becoming owners."

Work-from-home Trends

More Americans are rethinking where they call home as remote work grows. About half of Americans who used to work in an office are still working from home, which has sparked widespread office vacancies in many cities, Yun said. The largest office vacancies are occurring in New York City, San Francisco, Los Angeles, and Boston. Several tech companies have announced a permanent transition to working from home for its employees. The latest trend of moving to the suburbs could persist in post-pandemic times, Yun said.

"'Work from home' can also now mean 'work from vacation home,'" Yun said, noting a rise in home sales in vacation and resort areas since the pandemic.

A recent NAR survey showed that 47 percent of Realtors said their clients are interested in moving to the suburbs or a subdivision, and 39 percent are interested in relocating to a rural area. However, only 14 percent are interested in moving to an urban area or central city. Also, since the COVID-19 outbreak, homebuyers have been seeking larger homes and ones that can accommodate multiple generations, according to NAR's 2020 Profile of Home Buyers and Sellers. Yun predicts the move to smaller cities and suburbs will continue beyond the pandemic due to a lasting work-from-home trend.

"If you don't have to commute every day, you might not mind living further out," he said.

Record Home Sales?

Daryl Fairweather, Redfin's chief economist, also sees Americans continuing to buy homes that fit their new lifestyle. As a result, in 2021 she believes there will be more home sales than any year since 2006. Annual sales growth will increase 10 percent in 2021, according to Fairweather.

"Areas with the fewest COVID-19 cases per capita are now seeing 60 percent faster growth in the number of people listing homes for sale than areas with the most cases per capital," she said. "As COVID-19 cases hopefully decline due to vaccination, we expect more new listings to make for a more balanced market and more home sales."

In 2021, Fairweather believes the number of Americans moving across county lines will surpass 14.5 million, "as everyone settles into their post-pandemic ways of living." That will be more than a 25 percent increase in out-of-town movers from 2018 when 11.4 million Americans moved across county lines, according to Redfin. The last time there was this much cross-county migration was 2004, when 15.3 million Americans moved counties. With the increased prevalence of remote work, many families will be able to move to more affordable areas away from the city centers.

"That's going to be good news for the economies of affordable places like Buffalo, Cleveland and Pittsburgh," Fairweather said. "These cities have lost more than 40% of their populations since the 1970s. As high-earning remote workers migrate in next year, they will need to hire local child-care providers, mechanics and plumbers, which will create economic opportunity in these places."

"There will be many employers who want to take advantage of the fact that it costs a lot less to employ someone living in a place like Cleveland than a person with comparable skills in San Francisco. That will cause many employers to open or expand satellite offices in affordable cities and continue to offer the option for employees to work remotely from anywhere," she added.

Fairweather also believes more new homes will be built during 2021 than in any year since 2006. For over a decade, builders have struggled to construct enough homes to meet demand due to high costs of construction, but since the pandemic began, construction of new homes has spiked. Building permits were up 21 percent from September to November compared to the same time in 2019.

"That's partially because homebuilders haven't had to compete with office builders for labor, materials and land," Fairweather said. "Historically low interest rates have also allowed builders to borrow more cheaply for their projects, further reducing the cost of building homes."

Yun said that when pandemic-related foreclosure moratoriums and mortgage forbearance programs come to an end, that could lead to a spike in foreclosures. However, unlike the subprime

Conforming Loan Limits

For most of the country, the Federal Housing Finance Agency (FHFA) raised conforming loan limits by 7.5 percent to $548,250 in 2021 for one-unit properties. This marks the fifth consecutive year of increases from the FHFA.

Loan limits for Fannie Mae and Freddie Mac increased for all but 18 counties across the country, including Alaska, Hawaii, Guam and the U.S. Virgin Islands. In those 18 counties, the limits remained unchanged.

There are high-cost areas within the following states: California, Colorado, Connecticut, District of Columbia, Florida, Idaho, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Tennessee, Utah, Virginia, Washington, West Virginia and Wyoming.

Meanwhile, the Federal Housing Agency (FHA) increased its single-family loan limit for 2021 to $356,362 for most areas of the country. FHA's loan limit ceiling will also increase, rising to $822,375 from $765,600. The ceiling applies in high-cost areas where the median home price greatly exceeds the floor limit, a scattered footprint that includes about 65 counties nationwide.

Maximum Fannie and Freddie Loan Amounts for 2021

Units	Contiguous States, D.C. and Puerto Rico	Alaska, Guam, Hawaii and the U.S. Virgin Islands
1	$548,250	$822,375
2	$702,000	$1,053,000
3	$848,500	$1,272,750
4	$1,054,500	$1,581,750

Fannie Mae

Housing Forecast: December 2020

	2020				2021				2022							
	20.1	20.2	20.3	20.4	21.1	21.2	21.3	21.4	22.1	22.2	22.3	22.4	2019	2020	2021	2022
SAAR, Thous. Units																
Total Housing Starts	1,484	1,079	1,440	1,496	1,404	1,404	1,456	1,513	1,526	1,541	1,558	1,578	1,290	1,375	1,444	1,551
Percent Change: YoY													*3.2*	*6.6*	*5.1*	*7.4*
Single-Family (1 Unit)	968	766	1,041	1,148	1,077	1,073	1,113	1,163	1,174	1,180	1,191	1,202	888	981	1,107	1,187
Percent Change: YoY													*1.4*	*10.5*	*12.8*	*7.2*
Multifamily (2+ Units)	517	313	399	348	327	331	343	350	353	361	367	376	402	394	338	364
Percent Change: YoY													*7.5*	*-2.0*	*-14.3*	*7.9*
Total Home Sales	6,184	5,016	7,131	7,601	7,055	6,615	6,512	6,472	6,452	6,462	6,484	6,519	6,023	6,483	6,664	6,479
Percent Change: YoY													*1.1*	*7.6*	*2.8*	*-2.8*
New Single-Family	701	703	994	978	910	853	855	868	872	876	881	890	683	844	872	880
Percent Change: YoY													*10.7*	*23.6*	*3.3*	*0.9*
Existing (Single-Family, Condos/Co-Ops)	5,483	4,313	6,137	6,623	6,145	5,762	5,657	5,604	5,580	5,586	5,603	5,629	5,340	5,639	5,792	5,600
Percent Change: YoY													*0.0*	*5.6*	*2.7*	*-3.3*
NSA, Thous. $																
Median New Home Price	330	323	328	349	350	341	336	355	353	342	340	360	322	332	346	349
Median Existing Home Price	272	288	309	291	289	304	317	296	292	306	321	300	272	290	302	305
Percent Change: Quarterly YoY, Annual Q4/Q4																
FHFA Purchase-Only Index	6.1	5.5	7.8	6.4	5.9	5.4	2.3	2.1	0.8	1.1	1.7	1.7	5.4	6.4	2.1	1.7
Percent																
30-Year Fixed Rate Mortgage	3.5	3.2	3.0	2.8	2.7	2.7	2.8	2.8	2.8	2.9	2.9	2.9	3.9	3.1	2.7	2.9
5-Year Adjustable Rate Mortgage	3.3	3.2	3.0	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8	3.6	3.1	2.9	2.8
NSA, Bil. $, 1-4 Units																
Single-Family Mortgage Originations	752	1,095	1,265	1,173	891	913	872	790	656	744	751	684	2,462	4,285	3,466	2,835
Purchase	290	353	475	437	330	467	466	400	317	462	471	411	1,326	1,556	1,663	1,661
Refinance	462	741	790	736	561	445	407	390	339	282	280	273	1,136	2,729	1,803	1,174
Refinance Share *(Percent)*	61	68	62	63	63	49	47	49	52	38	37	40	46	64	52	41

Source: Fannie Mae

meltdown more than a decade ago, the marketplace will benefit. Back then, there was a 10-month supply of housing inventory compared to this market, which is under a three-month supply.

"We are lacking inventory," Yun said. "Any foreclosure increases will likely be quickly absorbed by the market. It will not lead to any price declines."

Most homeowners have continued to gain equity during the pandemic. For example, the typical buyer who purchased their home in 2011 has accumulated about $120,000 in housing wealth, according to NAR. Those who purchased in 2016 have about $60,000 in housing wealth. A balanced housing market is at a five- to six-month supply, far from the current market's less than three-month supply.

Commercial Conundrum

According to the MBA, commercial and multifamily lending declined 34 percent year-over-year in 2020. With vaccines being rolled out, there's hope some normalcy returns to this sector.

"The way that the pandemic hit and the way it flowed through the economy to commercial real estate affected different property types in dramatically different ways," said Jamie Woodwell, vice president for commercial real estate research at the MBA. "Most immediately, and most dramatically, it affected the lodging and retail sectors. We sort of took a vacation from vacations and we saw hotel and motel really get hit hard. Then with various shutdowns, whether it be by localities or by operators themselves, the retail sector saw significant stress."

He estimated about 22 percent of all hotel and motel loans are currently delinquent, while about 13 percent of retail loans are delinquent. Meanwhile, offices have been spared so far because of long lease terms and apartments have been saved by stimulus checks and rent support.

Total multifamily lending is forecast to fall 21 percent to $288 billion in 2020 from last year's record total of $364 billion. MBA anticipates a slight increase in lending volumes in 2021, with activity rising to $407 billion in commercial/multifamily mortgage bankers originations and $305 billion in total multifamily lending.

"There remains a great deal of uncertainty about the pandemic and its impacts on the economy and commercial real estate, with significant differences across property types and capital sources," Woodwell said. "The downturn is putting downward pressure on some property incomes, particularly property types most impacted by the pandemic or with shorter lease terms. With low interest rates and investment yields, property values are likely to hold up better, which should help put a floor under sales and originations volumes this year and next."


ALTA.ORG/MARKETPLACE
FIND SOLUTIONS FOR YOUR BUSINESS
ALTA
Market
place

Enhancing Efficiencies Has Never Been More Important

Artificial Intelligence, Robotic Process Automation Can Improve Title and Settlement Operations

By Shannon Cobb

THE ONGOING PANDEMIC HAS HAD AN UNPRECEDENTED NEGATIVE IMPACT on many sectors of the U.S. economy. Yet, with mortgage rates at historic lows and other factors in play, the mortgage industry is doing rather well – all things considered—and is even experiencing a surge in housing demand. For example, even in December, the Mortgage Bankers Association's weekly survey as of Dec. 1 showed a 1.1-percent week-on-week increase in mortgage applications for the week ending that day. Even though most of the activity is in refinance, purchase applications also have seen a 26 percent year-on-year increase.

That's all good news for title agents and title insurance underwriters, as they have seen a dramatic surge in transactional volume. The current interest rate environment should continue to facilitate increased volumes, and we will see continued growth primarily driven by refinance activity. However, this rise in volume will also put significant pressure on production capacity, and with default-oriented volumes anticipated to jump-start in early 2021, it will cause ongoing stress on title and settlement operations.

Reducing this stress will require title and settlement providers to place a laser focus on production capacity while managing operating costs. More specifically, it will require ongoing innovation to drive as much efficiency in their title and settlement operations as possible. The question is how.

Surely, the emergence of fintech players and service providers that leverage technology-enabled platforms could help title and settlement companies meet the ever-evolving customer requirements in a very cost-effective way. Applying automation to activities like title and tax searching or data entry will not only increase the accuracy and improve turn times of the product, but can also help title and settlement operations scale up quickly to handle dramatic volume surges.

Still, many title and settlement providers don't realize exactly how much automation can truly improve their operations. For example, automation has already been proven to increase the speeds of property searches by 50 percent while reducing the operational costs of title and settlement service providers by as much as 20 percent. They may also not be aware of the enormous impact artificial intelligence (AI) and robotic process automation (RPA) are having in the title space. For example, RPA has been shown to reduce the average time it takes to handle tax research requests from 14 minutes to just eight minutes, while also reducing online tax searches and document downloads from four minutes to one minute.

These newer technologies are also creating huge improvements in savings and accuracy when it comes to preliminary title reports. For example, some title technology and service providers are able

to search and examine electronic title plant databases and public records for current and prior owners and create a chain of title, deeds, mortgages, taxes, liens and other information at speeds 59 percent greater than traditional methods—and with 65 percent greater accuracy.

For many companies that don't have the bandwidth or resources to invest in building these efficiencies and capabilities themselves, it may become imperative to find the right industry partner that can help drive these changes and keep up with dynamic market changes and customer expectations. Typically, the right partner is a company that not only has tons of experience in the title and settlement space, but also has the right technology platforms—a company that understands the importance of risk and compliance, and has the best-in-class security protocols as well reliable business continuity plans.

The key to finding such partners is asking the right questions. With so many new fintech companies out there, it's important to ask exactly how much experience a technology provider has with title-related activities. For example, how many title searches and exams have they provided, and how long have they been doing so? It's equally important to ask about a provider's performance. What is the quality level of their bulk title search orders? Do they have a 100 percent on-time completion rate? How do they manage overall quality; in other words, what does their final quality check (QC) process look like? How do they manage spikes in volume?

The best providers will be those that leverage new technology to end-to-end workflow solutions for back office title operations as well as a complete range of property title search reports in any market where their clients do business. The very best will go a step further by offering process re-engineering to lower costs and streamline a company's operations. Process reengineering involves identifying where the efficiencies and bottlenecks are hidden within a title company's operations and finding places along the title agent's workflow that can be automated or outsourced with improved results.

Given the cyclical nature of the housing market and the ever-present potential for disruption—as the COVID pandemic has demonstrated—the challenges never stop for title and settlement providers. Because of this, it's incumbent upon title and settlement service providers to continually adapt their businesses to meet these challenges. This is not an impossible task by any means. With some forward thinking, a little research and the right help, any company, large or small, can place themselves in prime position to weather the obstacles and come out ahead.

SHANNON COBB *is the executive vice president of title and tax solutions at SLK Global Solutions, a provider of digital solutions and business process outsourcing for the mortgage industry. He can be reached at shannon.cobb@slkgroup.com.*

CFPB Releases Findings From TRID Assessment Report

Consumer Financial Protection Bureau (CFPB) released a 316-page report last year analyzing the effectiveness of the TILA-RESPA Integrated Disclosures Rule (TRID).

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires the CFPB to review some of its rules and issue reports within five years after they take effect. In November 2013, the bureau issued its final TRID rule, which went into effect Oct. 3, 2015.

In its assessment, the bureau used both its own research and external sources to evaluate the effectiveness of the rule in meeting the purposes and objectives of the CFPB as well as the specific goals of the rule.

The bureau said that expected major benefits and cost savings of TRID included:

1. Enabling consumers to choose loans that are better for them in terms of price or loan features.
2. Enabling consumers to know whether they actually got the price and loan terms that they expected.
3. Better enabling consumers to compare competing offers (and therefore potentially increasing comparison shopping).
4. Giving consumers more time to ask questions, negotiate with respect to terms that have changed (between application and settlement), and otherwise adjust the loan terms or settlement costs prior to consummation.
5. Create more efficient closings.
6. Generate net savings due to fewer different required forms resulting in lower paperwork burdens.

Implementation Cost

According to the CFPB, industry surveys show TRID cost title and closing companies $39 per closing to implement TRID in 2015. Meanwhile, a typical cost for a lender to implement TRID was $146 per mortgage originated in 2015. The CFPB reported that the rule's impact on ongoing costs is less clear. The median respondent to the Closing Company Survey reported facing additional ongoing operational costs of $100 per closing. This contrasts with the rule's benefit-cost analysis, which predicted that ongoing costs due to TRID would be negligible relative to the baseline of existing regulatory requirements. Closing companies that responded to the CFPB's survey reported that these costs largely stemmed from efforts to understand the requirements of TRID and from new information technology systems, policies and training.

Title Insurance Fee Disclosure

Regarding the title insurance premium disclosure, the CFPB did not ask consumers or the industry any of the questions ALTA suggested in its comment letter. However, the bureau did suggest that the confusion caused by the title disclosure was insignificant.

According to the bureau:

Very few respondents to the Closing Company Survey indicated that the share of consumers who bought owner's title insurance policies decreased or that owner's title insurance premiums decreased. This suggests that the Rule did not decrease consumer demand for owner's title policies, as might be expected if the TRID disclosures regarding title insurance confused consumers or otherwise made owner's title policies appear unnecessary.

Effect on Consumers

According to the report, the disclosures helped borrowers locate key mortgage information. In addition, TRID improved consumers' ability to compare features and costs of mortgage offers and compare estimated and actual terms and costs. However, results were mixed whether the rule increased consumer shopping for mortgages.

Selecting a Closing/Settlement Agent

In the preamble to the TRID rule, the bureau notes that the Loan Estimate makes clear to consumers which settlement services they can shop for and if consumers were to use this information to shop, then it could benefit them by reducing the cost of the loan.

According to the report, post-TRID rule borrowers were more likely to select a settlement or closing agent based on recommendations from their lender, broker or real estate agent compared to pre-TRID rule consumers. In addition, most closing companies responding to the Closing Company Survey reported no change in consumers shopping for closing services after the TRID Rule took effect.

The CFPB reported that prior to TRID, 65 percent chose a settlement or closing agent selected by the lender, mortgage broker, or real estate agent, 21 percent chose an agent they used previously, and 13 percent chose an agent they found by shopping around.

Meanwhile, following implementation of TRID, the report found that borrowers were 5.6 percentage points more likely to choose a settlement or closing agent recommended by the lender, mortgage broker, or real estate agent, after adjusting for loan and borrower characteristics (first-time, repeat and refinance). Post-TRID borrowers were 2.9 percentage points less likely to choose a settlement or closing agent they used previously. This was driven by refinancers, who were 4.3 percentage points less likely to choose a previous agent.

Lastly, the report found that post-TRID respondents were 6.4 percentage points less likely to choose a settlement or closing agent from shopping around. The largest change came from first-time homebuyers, who were 10.6 percentage points less likely to use someone they found shopping around. Repeat buyers and refinancers were also less likely to shop for a closing agent.

Additional findings of note in the assessment and accompanying data report include:

- Almost 90 percent of mortgages received at least one revision (either a revised Loan Estimate or a corrected Closing Disclosure). About 62 percent received at least one revised Loan Estimate, and about 49 percent received at least one corrected Closing Disclosure.
- The median number of days between consumers receiving their first Closing Disclosure and closing on their mortgage was six calendar days. Thus, for most mortgages, lenders provided Closing Disclosures sooner than they were required to under TRID.
- The time between applying for and closing on a mortgage varied significantly. The median number of days between application and closing was 44 calendar days, and for half of mortgages, this duration was between 35 and 57 days (the 25th and 75th percentiles).
- Almost half of the mortgages had at least one post-closing Closing Disclosure, which is a corrected Closing Disclosure that is generated after a mortgage is consummated. However, the finance charge and APR changed between the last Closing Disclosure and the last post-closing Closing Disclosure for only about 1 percent of mortgages with a post-closing Closing Disclosure, and changes to other loan terms were even rarer. This underscores the fact that many post-closing Closing Disclosures are generated in response to secondary market requirements and do not necessarily reflect substantial changes to the mortgage.

Industry Update

FTC, Zoom Reach Deal to Settle Data Security Concerns

The Federal Trade Commission (FTC) announced it had reached a settlement with Zoom Video Communications Inc. requiring the company to implement a robust information security program.

The FTC alleged that the video conferencing provider engaged in deceptive and unfair practices that undermined the security of its users. Since the onset of the COVID-19 pandemic, Zoom usage has skyrocketed from 10 million in December 2019 to 300 million in April 2020.

In its complaint, the FTC alleged that, since at least 2016, Zoom misled users by touting that it offered "end-to-end, 256-bit encryption" to secure users' communications. Instead, the FTC alleged, Zoom provided a lower level of security. End-to-end encryption is a method of securing communications so that only the sender and recipient(s)—and no other person, not even the platform provider—can read the content. The FTC alleged Zoom maintained the cryptographic keys that could allow Zoom to access the content of its customers' meetings, and secured its Zoom meetings, in part, with a lower level of encryption than promised.

"During the pandemic, practically everyone—families, schools, social groups, businesses—is using videoconferencing to communicate, making the security of these platforms more critical than ever," said Andrew Smith, Director of the FTC's

Bureau of Consumer Protection. "Zoom's security practices didn't line up with its promises, and this action will help to make sure that Zoom meetings and data about Zoom users are protected."

According to the FTC's complaint, Zoom also misled some users who wanted to store recorded meetings on the company's cloud storage by falsely claiming that those meetings were encrypted immediately after the meeting ended. Instead, some recordings allegedly were stored unencrypted for up to 60 days on Zoom's servers before being transferred to its secure cloud storage.

As part of the consent agreement, Zoom agreed to:

- establish and implement a comprehensive security program.
- assess and document on an annual basis any potential internal and external security risks and develop ways to safeguard against such risks.
- implement a vulnerability management program.
- deploy safeguards such as multi-factor authentication to protect against unauthorized access to its network, institute data deletion controls and take steps to prevent the use of known compromised user credentials.
- review any software updates for security flaws and ensure the updates will not hamper third-party security features.
- implement regular security training for all employees, including specialized training for developers and engineers.
- not make misrepresentations about its privacy and security practices, including about how it collects, uses, maintains or discloses personal information, its security features, and the extent to which users can control the privacy or security of their personal information.
- obtain biennial assessments of its security program by an independent third party, which the FTC has authority to approve.
- notify the FTC if Zoom experiences a data breach.

The commission voted 3-2 to issue the proposed administrative complaint and to accept the consent agreement with the company. Commissioners Rohit Chopra and Rebecca Kelly Slaughter issued dissenting statements, while Chairman Joe Simons as well as Commissioners Noah Joshua Phillips and Christine S. Wilson issued a majority statement.

Chicago Title Acquires Minneapolis-based Commercial Partners Title

Chicago Title recently acquired Commercial Partners Title in Minneapolis in a move to bolster the company's presence in the market.

"This purchase was a strategic acquisition for us," said John Wunderlich, executive vice president of Chicago Title. "Chicago Title's commercial footprint in Minnesota primarily involves national customers doing business in Minneapolis. Commercial Partners has a dominant position in the local Minneapolis marketplace. The significant resources that Chicago Title can provide combined with the outstanding leadership and talent that Commercial Partners brings to the table is an exciting combination for our company and our clients. The intention is to keep the talent in both teams and merge Chicago Title into Commercial Partners."

Mark Goodman, vice president and manager of Commercial Partners, will lead the new company, which will be called Commercial Partners Title, a division of Chicago Title. He joined Commercial Partners in 1995.

CHOOSE THE RIGHT CLOSING AND TITLE SOFTWARE FOR YOUR BUSINESS.

SoftPro is the most trusted provider of real estate closing, title and escrow software for thousands of users nationwide.

TAKE THEIR WORD FOR IT »

"We love the intuitive layout, content and ease of use of SoftPro Select. We also love the efficiency that SoftPro 360 enables; super easy and so much quicker when linking to 3rd party apps/tools. SoftPro allows us to focus on the customer service aspects of our job and not worry about the data collection, integration, dissemination and storage."

— MICHAEL SHERMAN | 8z Title

"I absolutely love SoftPro and its merging capabilities. It is by far the best title software I have ever used over my 30 years of experience. Especially now that 360 has been integrated into the system to easily merge the jackets and CPLs."

— FAYE SETTLE | Keable & Brown, P.A.

"We have been using SoftPro for over 16 years and we love all of the functions of it! I have always been most impressed with their customer service – they are always helpful, understanding and prompt at helping us out with anything. I love the product, but the customer service is the icing on the cake!"

— TINA SELLER
AmeriTitle Downtown

"The reason we chose SoftPro was its flexibility, integration and reporting capabilities, tasking, worklists, workflow, formulas, automation, and the list goes on. We believe that SoftPro is committed to service excellence, and they have always been there for us. They know their product and the industry and are a committed and valuable resource."

— MARLA SINGLETARY
Weissman

HEAR WHAT OTHER CUSTOMERS HAVE TO SAY:
www.softprocorp.com/about/case-studies-testimonials/

SOFTPRO®

800-848-0143 | sales@softprocorp.com
www.softprocorp.com

"I am very excited about this next chapter for Commercial Partners and Chicago Title," Goodman said. "Chicago Title is a great organization that can help us get to the next level. We value our customers as partners, and look forward to continuing to serve them with even more resources."

Fran Iverson at Chicago Title will move to a new role as national commercial counsel and join the underwriting team. Iverson has served as state counsel. For the last several years she has managed the Chicago Title operations.

"My new role is perfect for me and our clients," said Iverson. "We have and will continue to do everything we can to meet the needs of our clients with this incredible team."

Tony Winczewski and Jane Miller co-founded Commercial Partners 25 years ago. Winczewski will remain on the leadership team of the combined operations.

First American Invests Additional $40 Million to Expand Digital Closing Platform

First American Financial Corp. is investing an additional $40 million into the digital title and escrow company Endpoint. The new funding will help Endpoint's hiring plans, proprietary technology development and expansion into new U.S. markets.

Launched by First American last year, Endpoint surpassed its growth targets and has since expanded operations into Southern California and Arizona. In a release, the company reported it has doubled its employee base this year and is currently rolling out enhancements to further simplify transaction management and improve accessibility from any device.

"There are a number of companies attempting to deploy technology to speed up the digitization of the real estate transaction," said Paul Hurst, managing director of venture investments at First American Financial Corporation. "Endpoint has already validated the demand for, and the functionality of, its product and is now broadening its focus to fundamentally simplify and automate the escrow process across all states, with the support of First American."

Report: Rocket Mortgage, Amrock Deliver 90% of Digital Closings With E-notes

Rocket Mortgage and Amrock completed 90 percent of all digital closings with eNotes through the first three quarters of 2020, according to data provided by the Mortgage Electronic Registration System (MERS) eRegistry.

In the first nine months of 2020, Rocket Mortgage and Amrock—both of which are subsidiaries of Rocket Companies—have more than doubled the number of digital closings they completed in all of 2019. The growth of e-closings was accelerated by the COVID-19 pandemic.

"Amrock is focused on providing our signing agent and mortgage lender partners the best process for the clients they serve. That means using technology to make the mortgage closing safer, more secure, more accurate and easier for everyone involved," said Brian Hughes, CEO of Amrock. "We have gone all-in on digital closings, and we are glad to see clients benefitting from our technology for a better closing experience. We will continue to promote the expansion of digital closings nationwide and we look forward to digitizing more and more of the home loan process."

Rocket Mortgage and Amrock complete closings using online notarization (RON) services through the proprietary Clear Sign platform from Rocket Companies subsidiary Nexsys Technologies, among others.

NotaryCam Receives MISMO RON Certification

Digital notary platform provider NotaryCam announced it has received the Remote Online Notarization (RON) Software Compliance Certification from the Mortgage Industry Standard Maintenance Organization (MISMO).

The certification program was designed to increase adoption of RON-enabled digital mortgage closings and support the integrity and scalability of e-mortgages. In addition, the certification provides clarity to mortgage industry participants regarding which providers comply with MISMO's RON standards and reduces the resource burden of executing duplicative assessment, certification and approval processes of RON providers.

"Recognizing the need for industry-wide RON standards, NotaryCam has been a long-time MISMO supporter and collaborator in the development of the RON standards to promote consistency across mortgage industry practices and state regulations," said NotaryCam founder Rick Triola.

Other companies that have received MISMO's RON certification include eNotaryLog, Notarize, Signix and Pavaso. Docutech, Heracles Holding, Nexsys and Snapdocs are in the process of receiving certification.

Orogen Group Acquires Majority Stake of Westcor

The Orogen Group received regulatory approval to acquire a majority stake of Westcor Land Title Insurance Co.

"Westcor plays a critical role in facilitating real estate transactions for millions of consumers," said Vikram Pandit, Orogen's chair and CEO. "Mary O'Donnell and her team are at the forefront of bringing new and innovative approaches to the title insurance industry by leveraging technology to improve


CLOUDSTAR
Those who know trust Cloudstar.
www.mycloudstar.com

efficiency, make agents' lives easier and enhance the customer experience. We look forward to working with Mary and the Westcor team to help drive their next chapter of success."

Since O'Donnell was appointed CEO of Westcor in 2004, the company has grown from a three-state underwriter to the fifth-largest title underwriter in the U.S. New York-based Orogen is a private operating company focused on making significant strategic investments in financial services companies and related businesses.

SoftPro Releases New App to Improve Ordering, Delivery of Services

SoftPro released a new application within its business exchange platform that enhances ordering and delivering of services between users.

With Sync, one SoftPro customer can order services such as a title search or a title commitment directly from another SoftPro customer. The customer ordering the services is identified as the requestor and the customer providing the services is identified as the provider. Using the title commitment request, for example, the requestor can order a title commitment directly from the provider. The provider can produce the commitment without having to rekey data such as the buyer name, sales price, loan amount, etc. Once the commitment is generated, it can be quickly delivered back to the ordering customer via Sync.

Recent Integrations

- **First American Title Insurance Co.** has integrated with **Lone Wolf Technologies** to help digitize the entire title insurance and transaction experience. With the integration, real estate agents using Lone Wolf Transactions will be able to complete digital title orders with their local First American Title office.

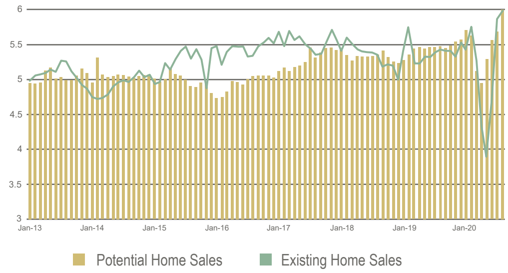
Housing Market Potential

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

5.98 SAAR
Existing Home Sales

5.99 SAAR
Potential Home Sales

-0.3%
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

August 2020

$494,147
House-Buying Power

+15.6%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Cities

States

1. New Jersey: **$658,323**
2. Maryland: **$646,413**
3. Hawaii: **$630,023**
4. Massachusetts: **$627,506**
5. California: **$595,193**

Cities

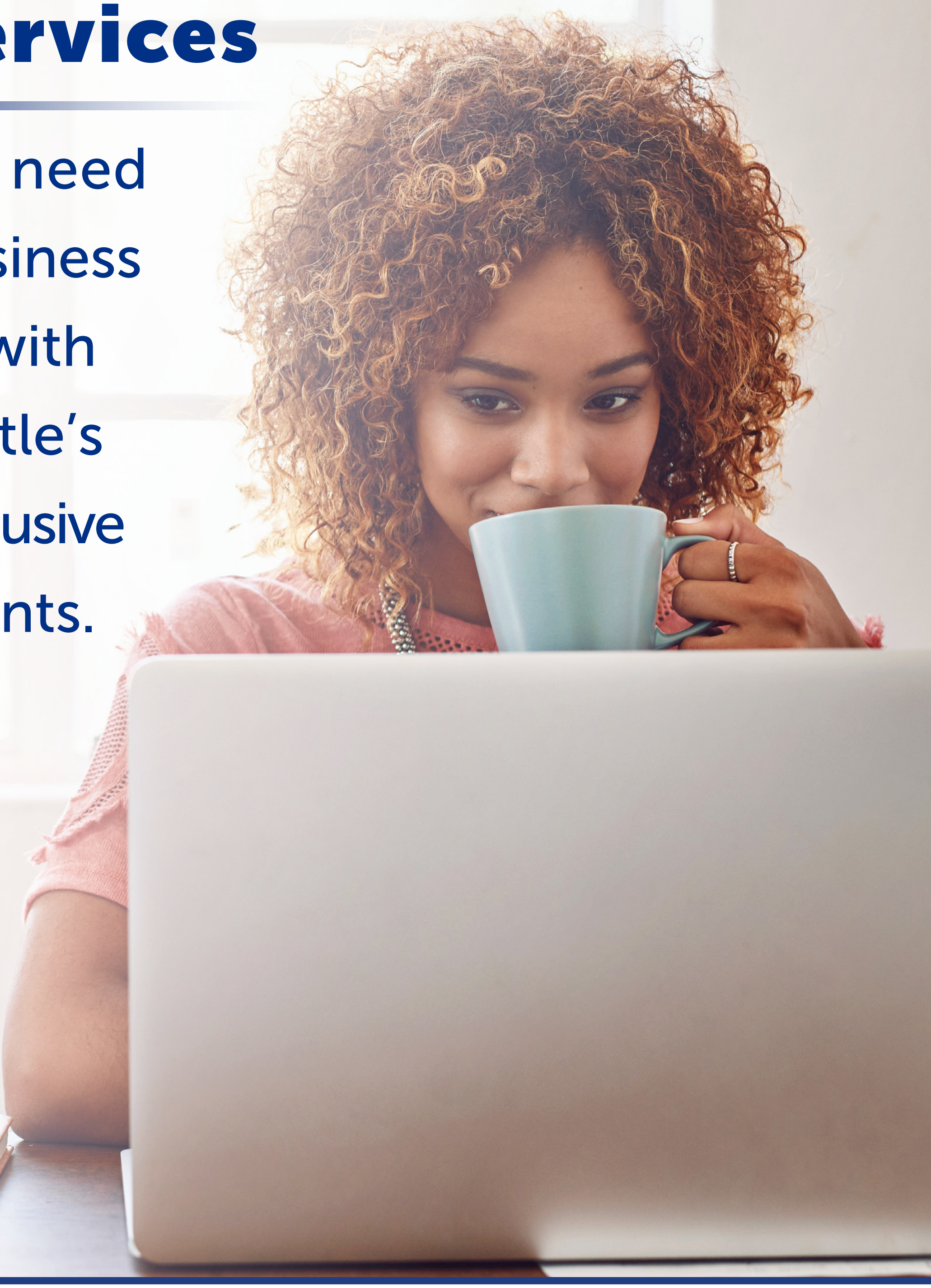
1. San Jose, CA: **$1,066,458**
2. San Francisco, CA: **$885,915**
3. Washington, DC: **$811,909**
4. Boston, MA: **$734,895**
5. Baltimore, MD: **$640,831**

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

OLD REPUBLIC TITLE

Agency Services

Find things you need to run your business electronically with Old Republic Title's "ez" services exclusive to our Title Agents.



With Old Republic Title, it's just *that* easy.

To learn more about our Agency Services visit: **www.oldrepublictitle.com**

OLD REPUBLIC INSURANCE GROUP

Movers & Shakers

SLK Global Strengthens Title and Tax Solutions Team

SLK Global Solutions, a provider of technology-enabled platform solutions for the financial services industry, has hired Alan Shumate as vice president of business development. In this role, he will oversee growth of the company's title support services business and platform-based solutions, including SmartProp for property title search reports and SmartTrak for property tax reports.

Shumate, who will also be responsible for strategically growing SLK's customer base of title insurance agents, has more than 15 years of experience in the financial services industry. He most recently served as vice president of fiduciary banking at Capital Bank, where he was responsible for acquiring and maintaining title agents' escrow and operating accounts. He has also held roles at Bank of America, reQuire and RynohLive.

TitleWave Names Midwest Regional VP, NJ State Manager

TitleWave Real Estate Solutions, a division of the FNF Family of Companies, has named David Loyd as regional vice president for the Midwest and Bryan Durr as New Jersey state manager.

Loyd brings 17 years of experience in the title industry to his new role at TitleWave. He most recently served as senior production center manager for national production services at First American Title. He oversaw operations for the Southwest and Northwest regions, plus 27 states outside of the firm's central production units.

Durr brings more than 20 years of experience in the New Jersey and Pennsylvania title industries to his new the position. He has experience in title examination, abstracting, title production and digital platform integration.

CATIC Expands Into Ohio, Names Vice President of Business Development

CATIC announced it has expanded into the Ohio market and named Richard Jacobson as vice president of business development in the state. With more than 40 years in practice, Jacobson most recently was senior partner at McCalla Raymer Leibert Pierce LLC, where he was responsible for client relations and business generation, title clearance and all aspects of real estate closings. He is admitted to the bar in both Connecticut and Ohio.

Westcor Adds Agency Reps in Florida, Texas

Westcor Land Title Insurance Co. announced it has hired Liz Shade as an agency representative in Florida, while Steve Ortego has rejoined the company as an agency representative in Texas.

Shade, who has more than 20 years of experience in the industry, will focus on serving agents in the northeast part of Florida. Ortega has over 13 years of experience in banking and lending.

ALTA PROVIDES HIRING RESOURCES

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

DAY OF DEALS

High-performance tech that keeps everyone connected and collaborating at our biggest sale of the year. ALTA Members can save up to 50% off select systems now until 12/20! Visit www.Dell.com/ALTA to access these savings or call our US Small Business Advisors at 800-757-8442

For any questions around the best remote solution for you and your business, call our Small Business Advisors at 800-757-8442.

AMERICAN LAND TITLE ASSOCIATION

Members can save up to 50% on select systems

Mention Member ID: 530018550207 for savings.

Christian Mims
Strategic Partnership Account Executive
PHONE: (512) 513-2433
EMAIL: Christian_Mims@Dell.com

Stay Resilient Against Cyber Fraud

BILL BURDING NTP
ALTA president

MARCH 2020 WILL DO DOWN IN HISTORY as the time when the World Health Organization declared COVID-19 a pandemic. The United States declared a national emergency days later. We've been living a different life since.

The last three weeks of the year added another challenging layer with the exposure of the world's latest serious nation-state cyberattack. A "Trojan horse" virus from suspected Russian hackers injected malware into the Orion IT management software sold by SolarWinds. This malware gave hackers access to sensitive data belonging to many U.S. companies and government agencies. The hack went undiscovered for many months. In December, the Cybersecurity and Infrastructure Security Agency (CISA) issued an alert urging all federal civilian agencies to immediately disconnect or turn off any SolarWinds Orion products.

CISA urged everyone to assess their exposure to the compromise and to secure networks against any exploitation. SolarWinds provides network monitoring and management tools used by private companies, including several title companies. Companies should talk with their IT departments about what security updates and precautions they need to take in response to this hack.

It's been reported that at least 1,800 organizations, including banks, corporations and dozens of government departments, fell victim to the compromised software. Forensics experts have said there have not been any confirmed breaches related to the hack. In other words, the back door was open, but apparently nobody used it.

Helping you protect your customers' privacy and investment is a strategic priority for ALTA in 2021. The association will continue to promote awareness of closing scams and other real estate fraud, while educating members about the latest cybersecurity threats.

Last year, ALTA successfully worked with the Senate and House Committees on Appropriations to push several federal agencies to focus more on real estate wire fraud as part of Congress's annual appropriations process. The language directs federal agencies like the FBI, the FTC and FinCEN to produce reports on their current efforts on wire fraud, offering suggestions for new legislative authority to help them combat these crimes. The law also requires the Department of Housing and Urban Development to develop wire fraud education materials for consumers through its housing counseling programs.

An appropriations bill, also known as a spending bill, is legislation that authorizes the expenditure of government funds. These bills direct federal agencies on how to spend their budgets. Directing agencies to commit dollars to a specific effort or to produce a report is a critical way to elevate an issue with federal policymakers.

Cyber threats will continue to evolve and increase in 2021. It's a game of Whac-A-Mole, however, but a mix of policies and procedures, ongoing staff education and technology can all help reduce the threat. Stay vigilant my friends.