

NOVEMBER 2022

# TITLE News

AMERICAN LAND TITLE ASSOCIATION



## Risky Business

*ALTA Warns Alternative Title Insurance Products Pose Danger to Lenders, Consumers*



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## Risky Business

ALTA Warns Alternative Title Insurance Products Pose Dangers to Lenders, Consumers

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DIGITAL ISSUE OF

# TITLENews

The digital edition of **TITLENews** includes a webinar recording that details why having multiple technologies with overlapping capabilities or poor compatibility can have a negative impact on your bottom line. This webinar discusses practical elements necessary to build a strong tech stack, including user interface, connectivity, ability to co-exist with other technologies and cost.

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# TITLENews

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

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## More Than Insurance and Closings

### AFTER HURRICANE IAN DEVASTATED HIS HOME STATE IN SEPTEMBER,



**JEREMY YOHE**

ALTA vice president of communications

ALTA member Aaron Davis—who was first dubbed the Tampa Chainsaw Man for his volunteer efforts during the February 2021 Texas winter storm—saw another opportunity to live up to the name.

Within a week of the hurricane, Aaron and his brother bought and donated 30 power tools to assist with cleanup efforts and handed out hot meals to residents of the hard-hit Port Charlotte area.

"Some people have hobbies like stamp collecting," Davis said. "My brother Nate and I like to do hard work."

Pitching in and doing the difficult tasks is woven in the title industry's fabric. It's more than just protecting property rights, disbursing funds and recording documents. Title and settlement professionals across the country deeply care about their communities.

Industry professionals have donated more than \$1 million to the ALTA Good Deeds Foundation since it was created in 2020. This generosity has allowed the foundation to give more than \$550,000 in grants to 97 community nonprofits in 36 states—plus Washington, D.C. This includes a \$10,000 emergency grant given to the Collier Comes Together Hurricane Recovery Fund following the devastation of Hurricane Ian.

There are also several areas in which ALTA is involved that relate to homeownership.

A work group of ALTA's State Legislative and Regulatory Action Committee meets regularly to discuss the various ways the industry and government can address the issue of heirs' property. The group is discussing questions like how to quantify heirs' property, how to better leverage estate planning tools and resources, as well as expanding access to programs and services for those with heirs' property. ALTA has endorsed the Uniform Partition of Heirs Property Act (UPHPA), which helps preserve family wealth passed to the next generation in the form of real property.

Meanwhile, ALTA members have been actively involved in serving their communities by tackling fraud on several fronts. In October, U.S. Reps. Emanuel Cleaver II (D-Mo.) and Dwight Evans (D-Pa.) introduced the Good Documentation and Enforcement of Estate Deeds (Good DEED) Act. The bill would create a federal grant program to assist in the prevention, detection, investigation and prosecution of deed fraud, strengthen protections for homeowners against fraudulent notarizations and require the FBI to include data on deed fraud in the Uniform Crime Reporting program. ALTA looks forward to working with the representatives and supporting their important efforts as they further consider the bill.

In addition, addressing the existence of discriminatory covenants in land records has been a top priority for ALTA. Our members have collaborated with many organizations and county recorders across the country to identify discriminatory covenants and help property owners address them. This is why ALTA has supported proposed federal legislation to research discriminatory covenants in land records.

We should be proud of the many socioeconomic efforts ALTA and its members are involved in. As we know, it's about more than curing title defects, insuring lien priority and wiring funds. It's about our neighbors and communities. Helping each other is what this industry is all about.

## | ALTA Installs New President, Board of Governors



ALTA installed Jack Rattikin III as president as well as members to its Board of Governors for the 2022-2023 year, during ALTA ONE in San Diego. Rattikin is a third generation ALTA president, following his father's presidency in 1984-1985 and his grandfather's presidency in 1939-1940.

"I am humbled to follow in both my father's and grandfather's footsteps in taking on the role of ALTA president," said Rattikin, president and CEO of Rattikin Title Company in Fort Worth, Texas. "As a young man, I knew it was an important position. However, during my time on the ALTA Board of Governors, I've realized exactly how much of my father's and grandfather's heart and soul went into their time as president. The ALTA presidency gives me the opportunity to collaborate with more than 6,500 of ALTA member companies and thousands of my title insurance industry colleagues and peers who are dedicated to helping their communities grow. I am honored to represent the profession that generations of my family have given their lives to, and I look forward to accomplishing great things with the Board of Governors, staff and membership in the year ahead."

ALTA's 2022-2023 strategic priorities include helping members:

- Optimize their businesses in a changing market
- Leverage modern payment systems, including digital funds transfers and currencies
- Promote homeownership opportunities
- Navigate the regulatory environment

Rattikin is a past president of the Texas Land Title Association (TLTA) and received the TLTA Title Man of the Year award in 2005.

### Members of ALTA's 2022-2023 [Board of Governors](#) include:

- President: Jack Rattikin III, Rattikin Title Co.
- President-elect: Don Kennedy, First American Title Insurance Co.
- Treasurer: Tara Smith, Stewart Title Guaranty Co.
- Chair of Finance Committee: Quinn H. Stufflebeam, Title Financial Corp.
- Agents Section Chair: Richard H. Welshons, The Title Team and DCA Title
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- Underwriters Section Rep: Scott T. Chandler CTIS, NTP, Westcor Land Title Insurance Co.
- Immediate Past President: Daniel M. Wold, Old Republic National Title Insurance Co.

## | ALTA Sets Record Membership

ALTA marked a new all-time high of record membership with more than 6,500 member companies. The association already has surpassed its 2020 membership record by 65 companies. In 10 years, ALTA's membership has increased by 57 percent.

"ALTA is honored to be the voice of 6,500 member companies—and to have

their trust that we will represent their best interests in Washington, D.C.," said ALTA CEO Diane Tomb. "As title insurance professionals face a changing market, ALTA provides education, training and networking opportunities to help our members continue to thrive."

ALTA's active, committed and diverse membership includes title insurance

companies, title and settlement agents, abstracters and real estate attorneys. The majority of these members are small business owners who rely on the variety of benefits and services that ALTA provides. For information on the benefits of ALTA membership, click [here](#).

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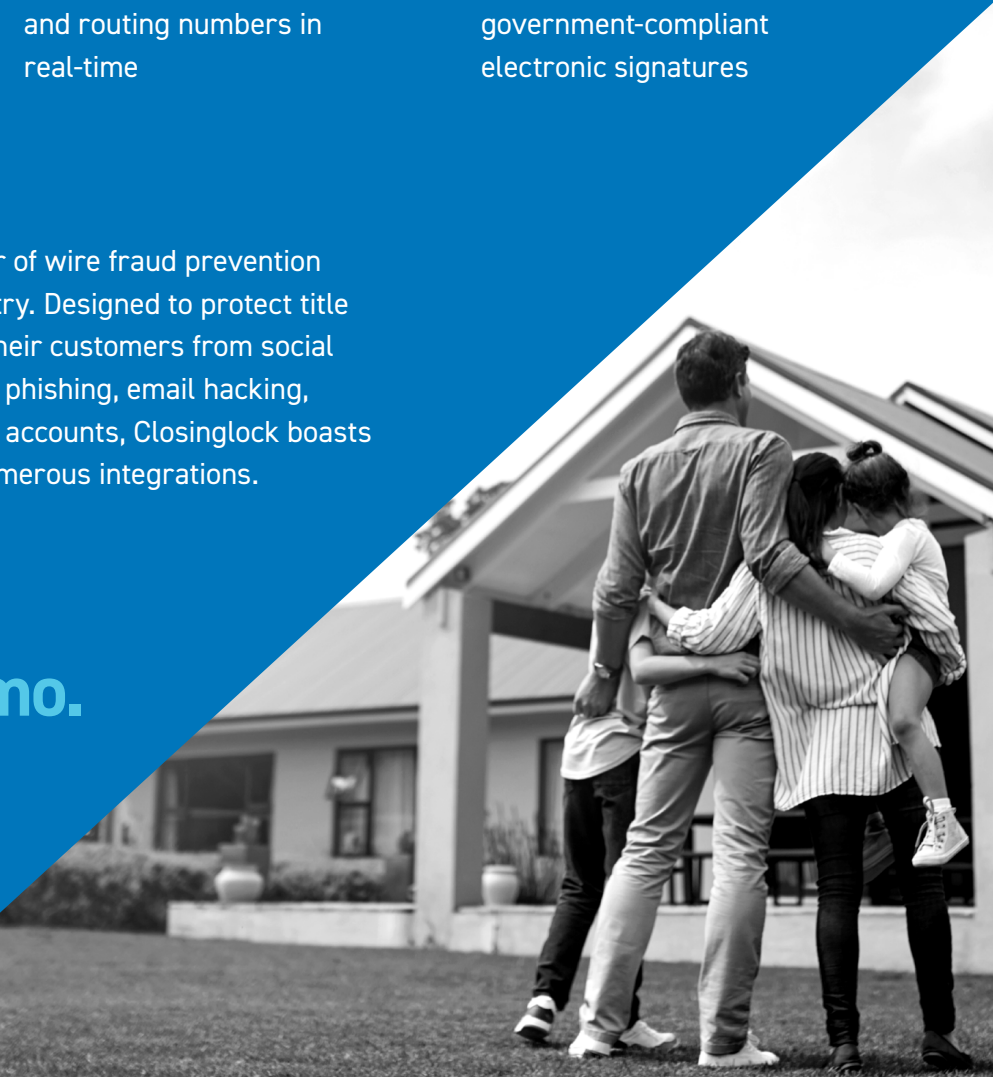


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## | ALTA Reports Q2 2022 Title Premium Volume

The title insurance industry generated \$6.21 billion in title insurance premiums during the second quarter of 2022 compared to \$6.54 billion during the same period a year ago, according to ALTA's latest [Market Share Analysis](#).

Second quarter results showed mixed results as total operating income was down 4.2%, while operating expenses were down 3.5%, and loss and loss adjustment expenses were up 4.9%. This resulted in net operating income of \$562.5 million, compared to \$593.8 million for the second quarter of 2021.

For the first six months of the year, title premium volume was nearly flat compared to the first six months of 2021, down .5% from \$12.22 billion to \$12.16 billion. The industry paid \$277.2 million in claims through the first six months of 2022. This is up from \$221.1 million during the same period a year ago.

### Top 10 Individual Underwriters by Market Share

- First American Title Insurance Co., 21.4%
- Old Republic National Title Insurance Co., 14.9%
- Chicago Title Insurance Co., 14.3%
- Fidelity National Title Insurance Co., 14.3%
- Stewart Title Guaranty Co., 8.8%
- Westcor Land Title Insurance Co., 4.2%
- Title Resources Guaranty Co., 2.7%
- WFG National Title Insurance Co., 2.5%
- Doma Title Insurance Co., 1.8%
- First National Title Insurance Co., 0.9%

### Top 5 States

- Texas: \$969,681,005, +12.6%
  - Florida: \$770,141,053, +7.4%
  - California: \$582,062,862, -23.0%
  - New York: \$385,326,198 +17.4%
  - Pennsylvania: \$237,714,936, -19.2%
- Click [here](#) for more market share data.

## | Membership by the Numbers

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

- New Members: 33
- Title Agents: 22
- New Associate Members: 3
- New Attorney Members: 4
- State with the most, new members: Florida with 8
- Total Members: 6,519

### ALTA 2022 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 2022, TIPAC raised \$505,230 from 792 people. In addition, \$151,000 from 20 companies has been pledged to the TIPAC Education Fund. Check out who has supported the industry at [alta.org/tipac](https://alta.org/tipac).

# CALENDAR

## 2023 ALTA CONFERENCES

### LARGE AGENTS CONFERENCE

Jan. 22-24  
Scottsdale, Ariz.

### COMMERCIAL NETWORK

Feb. 15-17  
San Diego, Calif.

### ALTA ADVOCACY SUMMIT

May 8-10  
Washington, D.C.

## STATE CONVENTIONS

### KENTUCKY

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New Orleans, La.





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# Risky



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*ALTA Warns Alternative  
Title Insurance Products Pose  
Danger to Lenders, Consumers*

# Business By Jeremy Yohe

**EARLIER THIS YEAR,** Fannie Mae updated its Selling Guide to align its policy with Freddie Mac so both entities now accept written attorney opinion letters in lieu of a title insurance policy “in limited circumstances.”

Lenders “must ensure the loan is covered by either a title policy issued by an acceptable insurer (including any required endorsements) or a title opinion letter issued by an attorney,” according to Fannie Mae. This brings Fannie Mae’s guidance in line with guidance Freddie Mac issued several years ago.

Fannie Mae requires lenders to use a special code to flag loans using an attorney title opinion letter. The attorney issuing the title opinion letter must be licensed to practice law in the jurisdiction where the subject property is located and must be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction.

The attorney title opinion letter must:

- Be addressed to the lender and all successors in interest of the lender.
- Be commonly accepted in the area where the subject property is located.
- Provide gap coverage for the duration between the loan closing and recordation of the mortgage.
- List all other liens and state they are subordinate.
- State the title condition of the property is acceptable and the mortgage constitutes a lien of the required priority on a fee simple estate in the property.

The following transactions are not eligible for an attorney title opinion letter:

- loans secured by a unit in a condo project
- co-op share loans
- loans secured by a dwelling on a leasehold estate,

including leasehold estates on property owned by a community land trust

- loans secured by a manufactured home
- HomeStyle Energy and HomeStyle Renovation loans
- Texas Section 50(a)(6) loans
- loans secured by property subject to restrictive agreements or restrictive covenants
- loans executed using a power of attorney

## Shifting of Risk

Attorney opinions, in providing more limited coverage of title risks, represent a shifting of risk to the lender because they are responsible for representations and warranties for the life of the loan that pertain to clear title and first-lien enforceability. Title insurance protects a lender’s security interest in a property by ensuring that its lien has priority over others and is enforceable. Title insurance policies can insure against lien impairment caused by diversion of funds and similar risks while alternative products cannot.

Since the policy change, ALTA has engaged with the Federal Housing Financial Agency (FHFA), government sponsored entities (GSEs), lenders and state regulators to explain the risks alternative products including certain attorney opinion letters (AOLs) present to lenders and consumers.

“ALTA believes it is misguided for lenders to offer title insurance alternatives that provide less coverage



***ALTA believes it is misguided for lenders to offer title insurance alternatives that provide less coverage but introduce more risk to lenders and consumers.***

***—Diane Tomb,  
ALTA's chief executive officer***

but introduce more risk to lenders and consumers,” said Diane Tomb, ALTA’s chief executive officer. “We know that in some parts of the country and on limited types of transactions, other products such as attorney opinion letters have been used in limited situations. However, over the years, AOLs have been replaced by title insurance in most of the country because of the protections afforded by title insurance.

Unlike alternative products, including certain attorney opinion letters, title insurance goes beyond a public records search, providing the most comprehensive protection. Title insurance policies insure against unknown risks that are not discoverable during searches of public records.

Some of these unknown risks could include fraud, forgery, false impersonation by someone purporting to be the owner of the property, mis-indexed items, errors in surveys, boundary disputes, undisclosed or missing heirs, errors on the deed, conflicting wills, unpaid child or spousal support, encroachments, liens from contractors, taxing entities or previous lenders, claims by an ex-spouse who didn’t authorize the sale or claims related to a falsified power of attorney, among other risks.

“What many may not realize is that the unknown risks are the most significant,” Tomb said. “A title search will reveal many of the known issues. It is the unknown risks that form the reason for obtaining a proven product like title insurance.”

One sizable risk is related to items not discoverable in a public records search like federal tax liens, mis-indexed items or HOA liens. Another important example of the difference in coverage is fraud or

forgery of title documents. Title insurance provides coverage when a seller’s deed was forged or there was fraud with the previous owner’s will. An attorney opinion letter does not.

Unlike an AOL, title insurance provides lenders with a defense—including all attorneys’ fees and costs—in a lien priority dispute or other matter covered by the policy.

Lastly, unlike title insurance, AOLs might push more consumers into foreclosure since that is a condition to making a valid claim under the service provider policy wrapper in certain versions of the product emerging in the market.

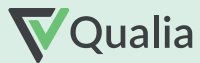
Lenders also can’t forget about the risk alternative products pose for consumers.

“Should a title issue arise on a property covered by an attorney opinion only, the buyer would need to prove negligence on the part of the attorney to pursue the claim with them,” Tomb said. “If not proven, a claimant would likely need to pay the legal costs involved to litigate the title matter, posing a financial burden and a significant risk.

“We continue to work with the GSEs to ensure that access to sustainable homeownership opportunities is available for all Americans in a way that does not increase risk or undermine the property rights of homebuyers, particularly low- and moderate-income and first-time homebuyers,” Tomb continued.

## **ALTA Sounds Alarm to the FHFA**

Earlier this year, ALTA sent a letter to FHFA Director Sandra Thompson outlining concerns about the gaps and inadequacies with title insurance alternatives



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## Help Lenders Understand the Risks Involved With Alternative Title Products With Alternative Title Products

Lenders need to understand the differences between title insurance and alternative products such as certain attorney opinion letters. Here are some examples to share with your lender clients.

- Lenders considering the use of attorney opinion letters or other alternatives must understand the risks they are taking on by not getting title insurance. Attorney opinions, in providing more limited coverage of risks, represent a shifting of risk to the lender, not an elimination of the risk.
- Title insurance provides an underwriting service to mortgage lenders to ensure the borrower has clear ownership rights to the property, free of any other claims to ownership.
- Historically, lenders have preferred the protection of a title insurance policy because it provides strong protections and mitigates risk. In fact, the protections afforded by title insurance actually replaced attorney opinion letters as the realities of risks experienced from a static examination of the title records became clear.
- One sizable risk is related to items not discoverable in a public records search like federal tax liens, mis-indexed items or HOA liens. An attorney opinion letter does not cover items not shown in a public records search.
- Another important example of the difference in coverage is fraud or forgery of title documents. Title insurance provides coverage when a seller's deed was forged or there was fraud with the previous owner's will. An attorney opinion letter does not.
- Unlike an attorney opinion letter, title insurance provides lenders with a defense—including all attorneys' fees and costs—in a lien priority dispute or other matter covered by the policy.
- Importantly, title insurance policies are also backed by statutorily required financial reserves to cover future claims risks.
- Critically, unlike title insurance, attorney opinion letter alternatives could push more consumers into foreclosure since that is a condition to make a valid claim under the terms of these alternative products currently in the market.

currently under consideration as part of the Equitable Housing Finance Plans, especially as they relate to consumer protection risks.

“Historically, lenders have preferred the strong protection of a title insurance policy because it

provides the best mix of strong protections and cost,” Tomb said. “Lenders considering the use of AOLs or other alternatives must understand the risks they are taking on by not getting title insurance since they will be on the hook given Fannie Mae and Freddie Mac’s life of loan representations and warranties related to title.”

During the financial crisis of 2008, the United States unfortunately witnessed several systemic financial problems caused by shortcuts to well-established processes. Throughout that time, the title insurance industry indisputably proved its ability to reliably resolve claims, many fraud-related, even in a severe recession.

“If that crisis taught us anything, it is that underwriting standards and risk-protection should be strong and well-tested,” Tomb said. “Strong underwriting protects lenders and consumers alike—and title insurance provides a key part of this due diligence. We have a very sound, dependable, trustworthy real estate system in the United States, and a home is the most valuable asset most people will ever purchase. Title insurance is the product that helps protect this system and that investment most comprehensively.”

## Members of Congress Share Concerns

Sharing similar concerns, U.S. Reps. Blaine Luetkemeyer (R-Mo.) and Brad Sherman (D-Calif.) sent a letter in October to the FHFA outlining questions and concerns on the potential harmful impact of attorney opinion letter alternatives on consumers, lenders, and Fannie Mae and Freddie Mac.

Luetkemeyer is the ranking member of the House Financial Services Subcommittee on Consumer Protection and Financial Institutions. Sherman chairs the House Financial Services Subcommittee on Investor Protection, Entrepreneurship and Capital Markets.

“The plans aim to lower closing costs and make homeownership more accessible for low- to moderate-income and minority homebuyers. However, these initiatives appear to risk exposing these consumers to harm by not providing the same consumer protections as title insurance. They also raise concerns about the safety and soundness of the Enterprises, increasing taxpayer risk which FHFA must consider as the GSEs’ regulator and conservator,” the letter stated.

Luetkemeyer and Sherman requested information to be provided prior to approving the expansion of any

*Disruption has become a favorite concept in the innovation economy in recent years. Yet, disruption in the financial system, especially without any obvious purpose behind it, can lead to another crisis.*

*—Eric Miller,  
president of Rideau Potomac Strategy Group  
and global fellow at the Wilson Institute*



GSE closing cost pilot on the use of attorney opinion letter alternative products, including:

- The data and methodology used by both Fannie Mae and Freddie Mac to formulate the closing cost analyses reflected in their respective plans.
- A detailed economic analysis of the potential costs to consumers of purchasing attorney title opinions compared to title insurance, broken down by property valuation, transaction type and geographic market.
- An analysis of the risks of AOLs compared to title insurance to the property and financial interests of (a) consumers, (b) mortgage lenders and (c) Fannie Mae and Freddie Mac.
- Details of how attorney title opinions will be marketed to consumers, including what communications and disclaimers will be made and the steps that will be taken to avoid violations of consumer protection laws.

ALTA commended Luetkemeyer and Sherman for sharing their own concerns about broadening the use of attorney opinion letter alternatives in lieu of title insurance.

“It’s critical that all consumers get the strong protections offered through title insurance policies,” Tomb said. “Attorney opinion letter alternatives do not provide the same level of protection. Should a title issue arise on a property only covered by an attorney opinion, the homeowner would need to prove negligence on the part of the attorney to pursue the claim with them. If not proven, a claimant would likely need to pay the legal costs involved to litigate the title matter, posing a financial burden and a significant risk.”

## What Others are Saying

The move by Fannie Mae caught the attention of Eric Miller, president of Rideau Potomac Strategy Group and a global fellow at the Wilson Institute Canada.

He pointed out that the 2008-10 Great Recession and global financial crisis was caused, at core, by the failure to adhere to well-established lending standards and proper due diligence. Federal policy for the previous dozen years had been focused on making it easier to “get people into homes.” Permissive policies, over time, created incentives for both sub-optimal lending decisions and outright fraud. When this house of cards collapsed, the U.S. economy went with it. Because of this, he said it’s unsettling to see Fannie Mae go down this road. While it can be argued AOLs themselves won’t take down the housing market, Miller believes it’s this type of weakening standards that put the U.S. on a path to a housing crisis.

“Over the years, the title insurance industry has developed products that expedite the closing process while mitigating risks to the homeowner and lender’s investment. They do this by providing insurance tailored to the risks experienced by both parties,” Miller said. “Disruption has become a favorite concept in the innovation economy in recent years. Yet, disruption in the financial system, especially without any obvious purpose behind it, can lead to another crisis.” ■



**JEREMY YOHE** is ALTA’s vice president of communications. He can be reached at [jyohe@alta.org](mailto:jyohe@alta.org).

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# Real Estate Firm Placing 40-year Right-to-list Contracts on Properties

## ALTA Supports Efforts to Protect Consumers and Prohibit This Practice

**TITLE PROFESSIONALS ACROSS THE COUNTRY HAVE RAISED CONCERNS ABOUT** right-to-list contracts Florida-based MV Realty is recording on properties in various counties.

Called the Homeowner Benefit Program, the brokerage offers to pay up-front money to homeowners whether or not they have plans to sell their home. In exchange for between \$300 and \$5,000, homeowners sign an agreement stating if they decide to sell, MV Realty has the exclusive right to list their home on commission, generally 6% per the agreement.

The contract is for 40 years. Records in various state courts show civil lawsuits have been filed in relation to the Homeowner Benefit Program, either by homeowners seeking to vacate the agreement or by MV Realty seeking to enforce its terms or attach a lien to a foreclosed property. Standard listing agreements from licensed real estate agents typically range from three to 12 months.

The agreement also states if the homeowner defaults during those 40 years, whether by losing the home through foreclosure, listing the home with another real estate agent or listing it for sale by owner, the homeowner would owe MV Realty an early termination fee equal to 3% of the property's fair market value. Homeowners also waive their right to be party to a class action lawsuit.

The practice of submitting Non-Title Recorded Agreements for Personal Services (NTRAPS) for inclusion in property records characterized as liens, covenants, encumbrances or security

interests in exchange for money has recently emerged throughout the country. These agreements obligate the current owner to use the other party's services in the future, and further attempt to bind successor owners by purporting to create a real property interest. Failure to comply with these agreements may give rise to a lien against the property to secure liquidated damages.

ALTA supports efforts to protect consumers by prohibiting the filing of unfair real estate fee agreements in property records, a practice that creates impediments and increases the cost and complexity of selling, refinancing or transferring real estate. ALTA advocates for state laws and regulations preventing enforcement of NTRAPS.

These agreements are filed in property records to provide notice evidencing an owner's agreement for a future service in exchange for up-front monetary compensation paid to the owner upon execution of the agreement. Regardless of what these agreements are called, they are recorded even though they do not constitute a real property interest. Additionally, the implied nature of these documents (mortgages, liens, covenant of security interests, etc.) raises questions about compliance with legal and regulatory requirements regarding lending and licensing.

Grand Traverse County (Michigan) Register of Deeds Peggy

Haines said that the MV Realty agreement documents filed with the Register of Deeds office aren't the full agreement. It is a referencing document called a "Memorandum of MVR Homeowner Benefit Agreement," which alerts a title company that an underlying agreement exists.

The *Traverse City Record Eagle* reported that according to records, the two-page memorandum and the multi-page full agreement include the 40-year timeframe and state obligations in the agreement "run with the land."

According to Jim Moody of Encore Title Services in Jacksonville, Fla., MV Realty continues to execute these memorandums in Duval County, Fla. Recent ones were executed on behalf of MV Realty by parties purporting to be (as stamped) "POA for Amanda Zachman." The notary noted the identification of the signatory as "((person)), POA for Amanda Zachman, officer for MV Realty for Florida."

Moody has found no recorded power of attorney of record in his county.

"Also, though I'm not an attorney, I would reject this instrument as a bona fide document in the chain of title for failure to properly identify the signatory's authority to sign on behalf of the corporation," Moody posted on the ALTA Connection discussion about this issue. "You can't just delegate the authority vested in you by virtue of a corporate resolution or other means of authorization. And 'officer for MV Realty' doesn't quite cut it as to whether said officer may sign on behalf of said corporate entity absent attestation of the Secretary, absent corporate seal and

absent witnesses. The notary also fails to mark, clearly, whether the signatory is personally known or has provided identification."

For insuring purposes, underwriters are treating these agreements like other liens or mortgages, and calling for release

*ALTA supports efforts to protect consumers by prohibiting the filing of unfair real estate fee arrangements in property records, a practice that creates impediments and increases the cost and complexity of selling, refinancing or transferring real estate.*

or termination in the commitment. If a release or termination is not obtained, an exception is made in any title policies for the MVR agreement and/or covenant, including any pending or future litigation that may be filed to enforce MVR's contract.

"The circumstances by which these agreements are marketed to property owners and the terms, duration, and enforcement of these agreements are concerning," said Diane Tomb, ALTA's chief executive officer. "In addition, the act of recording these agreements in property records can create a long-term barrier to the sale or refinancing of real estate or hamper estate administration."

## ALTA Principles for Agreements Impacting Property Rights

### Agreements should be equitable.

The duration, terms and enforcement of any agreement should be fair, equitable and in compliance with state law, including those concerning unfair and deceptive practices.

### Property rights should not be unreasonably restrained.

ALTA members protect property rights, knowing homeownership often represents the largest financial investment of a lifetime. Good public policy should support certainty of landownership by ensuring there are no unreasonable restraints on future ability to sell or refinance property due to unwarranted transactional costs.

### Real property covenants should touch and concern the land.

The benefit and burden of real property covenants should touch and concern the land. Non-Title Recorded Agreements for Personal Services (NTRAPS) in and of themselves DO NOT create a valid interest in real estate. Treating these agreements as real property covenants erodes the certainty of property rights and unreasonably restrains transferability.

### Non-Title Recorded Agreements for Personal Services

#### **(NTRAPS) should not involuntarily bind future homeowners.**

A successor owner should not be financially liable for benefits provided exclusively to a previous homeowner as part of an agreement. Efforts to enforce agreements executed without the consent or knowledge of a future homeowner are unfair and deceptive. Additionally, this anti-competitive practice creates long-term adverse financial impact by binding subsequent homeowners to pricing that does not accurately reflect the evolving market.


#### **The reliability of property records should not be negatively impacted by the filing of NTRAPS.**

Public property records are accessed, reviewed and used in every real estate transaction, including refinancing of home loans. Reliable land records are critical to the safe and dependable transfer of real estate. Property recordings should be limited to documents legitimately affecting the title to real estate. The timely release or termination of NTRAPS currently filed in property records must be appropriately conducted as required in compliance with state law.



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# SURVEY:

## RON Use Projected to Increase in 2022

Results Show Title Companies Split on Efficiencies Gained



**COMPANIES CURRENTLY OFFERING REMOTE ONLINE NOTARIZATIONS (RON)** expect these types of closings to increase in 2022, according to ALTA's latest 2022 Digital Closing Survey.

The survey of 390 title professionals showed that 62% of companies offering RON believe this offering will increase over the next year, while a third reported they don't anticipate any change.

Meanwhile, according to the 2022 survey, the number of companies offering RON decreased to 30% in 2021 compared to 35% who indicated their company offered RON in 2020. Three years ago, prior to the health crisis, a 2019 survey showed that 14% of companies offered digital closings.

"During the COVID-19 pandemic, title and settlement professionals

responded during historic mortgage origination volume to meet customer needs and deliver digital closings while helping to keep everyone as safe as possible," said Diane Tomb, ALTA's chief executive officer. "The desire for digital closings remains, and despite the drop in

companies offering RON in 2021 from 2020, the percentage of transactions completed using this closing option held steady at 5%. This is a service industry, and our members will always provide the customers' preferred closing method, whether it is online, in person or hybrid in some fashion."

The survey responses showed that 77% surveyed believe requests from lenders, real estate agents and consumers to use RON would speed up adoption. Nearly half of title companies offering RON actively market it to customers, but it is not viewed

as a competitive issue by those not offering the option. Companies are using various channels to market RON capabilities, including social media, website, direct emails, print ads and verbal communication to customers and clients.

Regarding efficiencies and

### 2022 DIGITAL CLOSING SURVEY

Based on your experience in implementing RON, do you agree or disagree with the following statements?

Statement	Year	STRONGLY DISAGREE	SOMEWHAT DISAGREE	NEITHER AGREE NOR DISAGREE	SOMEWHAT AGREE	STRONGLY AGREE
Fewer errors	2022	12.05%	18.07%	34.94%	19.28%	15.66%
	2021	13.16%	11.84%	38.16%	15.79%	21.05%
Reduced processing time	2022	12.20%	25.61%	26.83%	19.51%	15.85%
	2021	19.74%	13.16%	25.00%	27.63%	14.47%
Cost savings (digital vs paper)	2022	10.98%	19.51%	30.49%	19.51%	19.51%
	2021	14.47%	18.42%	23.68%	26.32%	17.11%
Decreased closing time (documents pre-signed)	2022	10.98%	12.20%	23.17%	29.27%	24.39%
	2021	13.16%	15.79%	18.42%	35.53%	17.11%
Decreased closing time (documents reviewed early)	2022	9.76%	17.07%	26.83%	24.39%	21.95%
	2021	10.53%	13.16%	28.95%	35.53%	11.84%

cost savings, survey results show opinions remain fairly split as the industry continues to adopt and get more familiar with the technology.

Currently, 42 states have enacted laws allowing permanent access to remote online notarization. The ALTA-supported Securing and Enabling Commerce Using Remote and Electronic (SECURE) Notarization Act ([H.R. 3962](#)) was [passed](#) by the U.S. House of Representatives earlier this year. A bipartisan companion bill has been introduced in the Senate, but has not been brought up for a vote. The bill would permit immediate nationwide use of RON, create national minimum standards for its use and provide certainty for the interstate recognition of RON.

Additional survey highlights:

- Survey results show that 75% of residential transactions closed via RON were for cash and seller-side only deals. This percentage was nearly the same as results from the 2021 survey.
- Of companies that offer RON, 64% utilize one RON platform. This is a significant change as more than 50% in the 2021 survey indicated they used two or more vendors. The results indicate that companies are identifying preferred RON platforms to work with.
- 65% of customers have a positive perception of RON closings. This is up from 60% of customers who had a positive perception of RON closings the prior year.
- 78% of those surveyed said they are training a team of experts versus training their entire staff to support RON closings. This is up from the 2021 survey, in which 64% indicated they trained a team of experts.
- Also highlighting that companies are focusing on having RON experts on staff, the survey showed that companies employ fewer RON notaries. 87% of companies that offer RON have one to five RON notaries on staff, compared to 59% in 2020. Conversely, this year's survey showed that only 4% of respondents employ more than 25 RON notaries. This compared to 12% that had more than 25 notaries who could perform RON on staff in 2020.

## Show Lenders You are RON Ready

Lenders are searching for “RON Ready” title companies. If your operation offers remote online notarizations, let lenders

know with a free listing in the ALTA Registry. ALTA will place a special RON Ready icon next to your company name in your ALTA Registry listing. Get your free listing in the ALTA Registry [here](#).

## Data Shows Digital Notarizations Help Remove 800K Cars From Roads

New data from Notarize and The Bridgespan Group shows the positive social return on investment and positive environmental impact of online notarizations.

The findings show that Notarize's platform leads to material positive environmental impacts for notorious paper, car and shipping-dependent industries like real estate, financial services and automotive by reducing their dependencies on processes that produce greenhouse gas (GHG). By 2031, digitizing the entire notarization market across all industries is expected to reduce nearly four million metric tons of GHG emissions, or the equivalent of over 800,000 cars a year, according to the data.

According to Notarize, 1.25 billion documents are notarized in the U.S. each year, and prior to the COVID-19 pandemic, these notarizations overwhelmingly took place in person.

“We have been diligently building the infrastructure needed to make remote online notarizations compliant, simple and secure since 2015,” said Pat Kinsel, founder and CEO of Notarize. “We launched the company knowing we could expand access to notaries, while also evolving the legacy process to make it more delightful for customers. Years later, a global pandemic created a greater need for safety and convenience for transactions, and now online notarizations also have the ability to support pen-and-paper industries in their ESG goals. The data tells us just how impactful this is—not only for consumers but also for waste prevention in these very traditional businesses.”

Key findings of the report found that transitioning to remote online notarizations leads to:

- A 10% decrease in printing on a per-notarization basis.
- A reduction of 1.9 Kg of GHG emissions per-notarization in ecommerce transactions.
- A reduction of 2.3 Kg of GHG emissions per-notarization in business transactions.
- A staggering 9.8 Kg reduction of GHG emissions per-notarization for real-estate transactions.
- Rural and suburban areas are on average 33.5 and 7.8 miles round trip, respectively, and the biggest contributor to GHG emissions per-notarization.
- In July, the U.S. House of Representatives passed by a vote of 336-90 passed a series of bills rolled into a package that included the ALTA-supported Securing and Enabling Commerce Using Remote and Electronic (SECURE) Notarization Act ([H.R. 3962](#)).

The SECURE Notarization Act would:

- Permit immediate nationwide use of remote online notarization (RON).
- Create national minimum standards for its use.
- Provide certainty for the interstate recognition of RON.

# The Next Generation Title Tech Questions to Ask

## Industry No Longer Questioning Automation, but Now Thinking About What's Next

By Randall Nelson, CEO & Co-Founder, Alanna.ai

As an industry, we're not that far removed from a time when the idea of automating the title and closing process was an idea, or even a dream. And yet, it finally seems safe to say that the title and settlement services industry has embraced the idea of automating its entire workflow. That's not to say every title business is optimally digital yet. But it's getting harder and harder to find an agent or owner who still justifies manual processes "because that's the way we've always done it." Instead, title firms are moving decisively to apply technology for the improvement of weaknesses in their workflows.

As far as we've come, the bigger questions facing title agents—especially as we enter the first real down market we've seen in years—is no longer, "Should I automate?" It's not hard to find a title business operating with a modern title production system and/or other platforms designed to take keying data and manual tasks out of the workflow. Instead, the questions for this new generation of the title industry fall more into the category of "Where do we go from here?" Or, perhaps more appropriately, "How do we get the most from our new tech stacks?" A tech stack is set of technologies that are stacked together to build any application.

Here are a few of the most relevant questions title-related businesses are starting to ask themselves. The answers will go a long way toward promoting the next generation of title technology innovation as well as determining how successful title agencies will perform in the future.

### Is My Tech Stack Optimal?

Title business owners and operations executives are no longer relying on a single platform to manage each of their unique needs. The concept of "end-to-end" is all but gone. Instead, tech stacks comprised of single or limited-function technologies, hand-picked by agents or owners to address their specific workflow challenges, have become the norm.

The idea of a tech stack, however, assumes a series of technologies that are integrated or, at the very least, able to co-exist (and it won't be long before open APIs become the norm). The early days and weeks of the TRID era taught title and mortgage professionals alike the real consequences of siloed technologies. Suddenly, embedded technology was the goal.

Deciding on which pieces their tech stacks will need really starts with a clear and objective understanding of one's business: workflow, capabilities, capacities, staffing and market as well as client needs. From there, the decision-makers can pursue and apply the appropriate technologies, rather than relying solely on demos from developers with shiny new technology. Most technology providers today are fairly transparent about which systems their own tools will (or won't) co-exist with. But rest assured, there are many developers actively seeking ways to ensure their products are compatible with a wide range of popular technologies.

### How Do I Best Redeploy Staff for Optimal Results?

It can't be said often enough: technology is not coming to steal jobs from the title industry. If anything, good technology supports existing staff, emancipating them from redundant and menial





tasks involving keying, data entry or manual efforts. Most title professionals, once introduced to a technology that successfully eliminates “stare and compare” processes or frees them from redundant status-based phone calls, quickly embrace these tools. And those hours (dozens or hundreds, even) are now available for more complex and productive tasks such as sales, quality control, training or more proactive client service. Agents and owners asking themselves “But now what will my staff do all day?” are not asking the best question. Instead, well-deployed tech should have executives asking, “What have we always wanted to do with the business that we simply didn’t have the time or resources to?”

Don’t forget, also, that empowering and challenging employees with more complex and rewarding work usually leads to higher staff retention rates and easier recruitment. While the industry may be beset by layoffs at the moment, the overall workforce (especially as Baby Boomers retire) is shrinking. In addition, the industry for several years has struggled to attract and retain talent.

## Am I Making the Most of the Returns?

There’s no argument against it. A technology strategy that’s well-planned and executed, in combination with the most effective systems for the specific firm, will bring about savings for owners—in both time and cost. What owners do with those savings can vary widely. For some, it might just mean better margins.

But for those seeking to grow their businesses, it’s important to measure the ROI from their technology and specify where those savings will be reinvested in the business. For some, it could be even more technology to address additional workflow choke

points. For others, it may be marketing and sales efforts. Perhaps it’s time to grow the firm’s geographical footprint. Maybe its compliance or cyber defense awareness and training. And don’t forget client service levels as well. The title industry has always prided itself on its customer service. Also, no matter how many of the mundane steps automation takes away, the title process will always call for knowledgeable, accessible experts to guide consumers and even other professionals. When staff members spend less time emailing real estate agents and buyers to remind them what they need to bring to the closing, they find more time to follow up post transaction, or to proactively reach out to key clients. Technology doesn’t eliminate client service or the need for it. Instead, used properly, it can elevate it to new levels. But, like any other business process, this too involves planning, training, executing and monitoring.

The title industry is entering a new era; one that may look very different from past generations. Some of this has been prompted by pandemic conditions followed by a stark change of the market environment. Regardless of the “why,” title firms are now much more automated than they once were. With that progress comes new opportunities and new questions—likely new technologies as well. How we choose to answer those questions will point us toward what the next generation of settlement services looks like.

**RANDALL NELSON** is CEO and co-founder of *alanna.ai*, a conversational AI assistant for title agents. He is a serial entrepreneur who has founded or co-founded businesses such as *RamQuest Software*, *PhaseWare Inc.* and *alanna.ai*. Nelson can be reached at [rnelson@alanna.ai](mailto:rnelson@alanna.ai).



Jennifer Luedtke | HR Manager | Town n' Country Title | Wisconsin

## Top TSwift Fan Blends Passion for HR and Title

### How long have you been in the title industry and how did you get started in this profession?

In a professional capacity, I've been a part of Town n' Country Title (TNCT) since 2017, really diving deep into the industry. But, I got my toes wet when I was 14 years old. I am second generation title! When my mother, Nancy McHugh, president/owner of Town n' Country Title, opened up her operation in 2007, I would go help with whatever I could after school and throughout college! I would assist with anything from bookkeeping to searching to typing. Like any kid, I wanted to blaze my own trail after college where I gained very valuable experience in my profession of human resources. When the time came that TNCT grew to several locations and Nancy needed a trusted HR professional on her team, she gave me a call and I moved home (Wisconsin) from Colorado to join the team. The rest is history and I'm so thankful I made the decision to join TNCT "officially" and take the dive into this amazing industry.

What's a day on the job like for you? What excites you about what you do or what is the most challenging aspect of your job?

Each day is truly different! My job is unique that I don't solely focus on HR 100% of the time. Some days I help with operations, other days I am working with our sales and marketing initiatives, and then I might be handling some IT related questions! I wear many hats in my company, but that is what I love most. Through the thick of the last two-plus years, I rolled up my sleeves and jumped in where I could with entering orders, learning how to process files, as well as assist with closings. I love that my company has invested in my growth and my team members have dedicated their time and patience to teaching me all the things that they do in a day! It only makes me a better human resource and advocate for them as employees!

I would be remiss if I didn't say one of the most challenging aspects of my job is the talent environment when it comes to finding and developing top talent in our industry. Some of the greatest stories start with just simply taking a chance on someone who really takes hold onto title and the job, and in turn, that's super rewarding.

### What's your best industry "war" story? (e.g., difficult search, interesting closing)

During the height of COVID, I volunteered to type up a stack of legal descriptions for a Department of Transportation contract that we had. I spent a single night typing up about 65 legal descriptions. It took me until 2 a.m., but I was determined to get them done that

night for my team so they could move on to the next step. It wasn't the most fun I've had, but it felt good being able to help my team!

As far as something more related to what I do daily, I would say that my greatest war story would be surviving 2020! I am a single-person department that had a great team of leaders working to support me, but it was a lot of work to make sure I was supporting all our team members in the best way I could through COVID concerns, hiring the right staff to carry the increased workload, and maintain our culture and HR functions! I am proud that we made it though, and made it through even stronger than before!

Why is the title industry a great career opportunity for those entering the workforce? Where are you finding new employees?

The title industry is a great career opportunity for anyone that is looking for something that is rewarding, can be a part of changing someone's life positively, and one that is fulfilling in nature of continuous learning and training opportunity! I am a huge advocate for taking a chance on those that don't have prior experience and bringing in new candidates to our industry to show them how wonderful of a career they can build. The one thing I tell every applicant is that we don't just see our positions as "jobs" but truly as "careers." I source applicants from different industries and jobs that we feel may have relatable skills and by word of mouth through talking with others in my community!

As the Talent Committee chair at ALTA, we have developed resources for recruiting, retention, and so much more to attract and retain talent to our industry. I encourage all our members to check those out!

### How has the industry evolved since you began your career? How has your company had to change in order to remain competitive?

In the last five years, the level of technology and systems has increased tremendously, as well as the need for cybersecurity awareness and training. I have taken those two things in stride and made sure that I stay on top of the most up-to-date use of technology in our industry, what is being developed, and how we can better our company's use of technology and leverage that with our talent. When it comes to cybersecurity, we have really doubled down on our education and training of our team members, consumers, and customers to make sure we are providing the most accurate, and up-to-date training and use of cybersecurity tech we can in order to keep our business and transactions safe.



real estate settlement industry and alike. I am a huge cheerleader and advocate for ALTA and for those that want to get involved, I highly encourage that you do – you will not regret it!

### Which ALTA committees do you participate in? Why do you participate?

I participate in the Talent Committee, where I have been the chair of the committee since 2020. This committee has been the best of both worlds for me—combining my love for human capital and the title industry. I have met and collaborated with so many wonderful leaders across the country to develop a strategy and resources for ALTA members so that we can create sustainable recruiting, retention, and other resources so that we can best support the ever-changing workforce needs of our members!

### Why is it important to advocate for the industry?

It is important to advocate for our industry because we are the voices that make waves to evoke positive change and sustainability on the title insurance industry and real estate transaction process. We help continue to shape the promise of the American Dream and be the Protectors of Property Rights!

### What is something that others in the industry may not know about you?

In my free time, I love working on graphic design and marketing initiatives for businesses and other smaller projects where I've helped friends and family with different projects such as social media content creation, website creation and other graphic design needs.

### If you could have dinner with anyone, who would it be and why?

Taylor Swift, hands down. I have no shame in saying that I may just be her No. 1 biggest fan. I am the same age as her and feel like I have really grown up with her through her music and would love to chat about her experiences through life and music.

### What's your favorite book/movie/TV series? Why?

- **Book:** *The Happiness Advantage* by Shawn Achor. This book really changed my perspective on how much my mentality effected my success. I recommend this book to everyone.
- **Movie:** This is always a tough one! I love a good comedy—my top two favorites of all time are *Ace Ventura: Pet Detective* and *Just Go With It*.
- **TV Series:** I don't watch a ton of TV and don't really follow a show per se, but I love *One Tree Hill*—a teen drama from when I was in high school that was on in the late 2000s. Otherwise, a more recent show I became obsessed with was *Stranger Things*.

### What's in your music playlist?

I am in the top 1% of Taylor Swift listeners on Spotify. Other than that, I actually mostly listen to alternative and indie music—much different from TSwift.

### How does your company differentiate itself in the market?

The services and technology that we use and offer to stay innovative and advanced in our markets has really set us apart from our competition. Instead of shying away from the technology in the industry, we have really embraced learning about it and how we can incorporate it into our processes to provide the most effective and efficient closing services for our customers.

### How does your company support its community?

TNCT is committed to serving the communities in which we do business. In support of this effort, we provide volunteer time off to our employees, which is time away from work with pay, to volunteer for organizations of their choice within their communities. We also participate in different local fundraising efforts, charity events, and sponsorships to show our support to the things that mean most to our team and company.

### Why are you a member of ALTA?

I am a member of ALTA because I find value in the mission of the association, our industry, and the passion of those that want to better our communities through the efforts of what we do every day. ALTA provides resources, connections with others, and education to those that are excited about title insurance and the

## FinCEN Issues Final Rule for Beneficial Ownership Reporting

The Financial Crimes Enforcement Network (FinCEN) on Sept. 29 issued a final rule implementing its new beneficial ownership information (BOI) reporting requirements. This is the first of three rules that FinCEN is putting out to implement the Corporate Transparency Act (CTA). ALTA has been actively engaged with FinCEN as a part of this process and submitted two comment letters as part of the rulemaking.

Currently, ALTA is reviewing the rule and will provide resources to assist members in understanding how it will impact their businesses. The rule outlines who must file a BOI report, what information must be reported and when a report is due. The effective date for the rule is Jan. 1, 2024.

One important highlight is that FinCEN appears to have incorporated ALTA's recommendations by limiting the number of companies that will be excluded from requirements to file BOI reports. This is critical because it makes it more likely that FinCEN will reduce reporting obligations for financial institutions like title companies that have to comply with Geographic Targeting Orders (GTOs).

Under the system, companies will have to file a report containing:

1. Information about the entity, including full legal name, DBAs, address, state of incorporation and IRS TIN.
2. Identification of each beneficial owner's full legal name, date of birth, current residential street address and unique identifying number from an acceptable identification document. Consistent with the GTOs, a person is a beneficial owner if they exert substantial control over the business or own 25% of the business.
3. An image of the beneficial owner's identifying document.

Corporations, LLCs or other legal entities created after Jan. 1, 2024, will have to file their initial registration within 30 days of filing incorporation papers with the state. This was increased from the 14 days in the proposed rule. FinCEN is working on partnerships with states to streamline the process so that BOI data can be filed at the time a company incorporates. For



existing companies (or those created in 2023), the filing deadline is Jan. 1, 2025. Companies will also have 30 days to update their BOI reports when the beneficial ownership changes. FinCEN estimates it will take 70 minutes and \$85 dollars to file the initial BOI submission.

To address concerns about accuracy of the BOI data, the final rule requires each reporting company to certify that its reports are "true, correct, and complete." This is similar to the certification used in filing IRS forms. Importantly, the certification is made by the entity and not the person completing the report.

FinCEN will soon engage in additional rulemaking to:

1. Establish rules for who may access BOI, for what purposes, and what safeguards will be required to ensure that the information is secured and protected.
2. Revise FinCEN's customer due diligence rule following the promulgation of the BOI reporting final rule. ALTA will continue to provide feedback and submit additional comments as FinCEN moves through implementing the CTA.

ALTA will work with its membership and workgroups and committees as this process moves forward.

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## South Oak Title Expands Florida Footprint

South Oak Title opened its fifth office in Florida with a new location in Destin.

The title company also operates in Alabama and Tennessee. "As our clients move to dynamic, growth-oriented areas, so

do we," said Marcus Hunt, co-owner of South Oak Title. "South Oak is excited to increase our presence in the Florida panhandle which we think will be the center of a tremendous amount of real estate investment for years to come."



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## Knox-Precision Holdings Acquires Lenders Title

Knox-Precision Holdings LLC acquired Lenders Title Group from First Horizon Corp. Terms of the deal were not disclosed.

"Our vision is to build the largest and best independent title agency in the country," said Alex Gregor, Knox-Precision Holdings founder and managing partner. "One element of our plan involves buying world class title businesses, led by exceptional operators who share our belief in the merit of building a business where our employees feel valued, safe and enjoy abundant career growth opportunities. LTG also adds to our geographic footprint so that we are now super regional and well on our way to becoming national."

Lenders Title, which has been in business for over 100 years, operates in Arkansas, Louisiana and Tennessee. Beau Fast, president and CEO of Lenders Title, will join Knox-Precision Holding.

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## Stewart Acquires FNC Title Services

Stewart Information Services Corp. acquired FNC Title Services LLC (FNC). Stewart also signed an agreement to acquire FNC Title of California, pending approval of the California Department of Insurance.

Rockville, Md.-based FNC is a full-service title and settlement company specializing in reverse mortgage closings. The company has built a multi-domain national platform, servicing the top 25 reverse mortgage lenders.

"As more and more homeowners are looking at home equity as a viable retirement savings, the demand for reverse mortgages is increasing, and FNC has built one of the largest and best

settlement service providers for reverse mortgages," said Stewart CEO Fred Eppinger.

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## Shaddock National Holdings Acquires Santa Fe Title

Shaddock National Holdings acquired Santa Fe Title Company, which was founded in 2014 and is based in Santa Fe, N.M. Steve Riemann will remain as president and continue to run the company after the purchase along with all current staff.

"We are thrilled to become a part of Shaddock National Holdings and its team of leading title companies across the United States," Riemann said. "The independent title agents in America need a national alliance to keep them strong, protected and connected to the national strengths and resources. Shaddock National Holdings facilitates this objective, while maintaining the local branding and culture that has made us successful to this point."

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## AEGIS Land Title Group Acquires Capital Title of Washington

The AEGIS Land Title Group recently acquired Capital Title of Washington, a boutique independent title and escrow provider in the greater Seattle area.

The AEGIS Land Title Group has been owned and operated by Paul and Julie Hofmann since 2015, after they acquired Stewart Title of Kitsap and rebranded it to align with their core mission of keeping business local.

When Paul Hofmann and Mike Rubin, president of the Shaddock National Holdings (the prior owner of Capital Title of Washington) met to discuss a possible sale, it quickly became evident that both

leadership groups were driven by the same values: Both are customer-centric businesses that care for their employees like family. After further negotiations, Rubin felt confident that his Washington division would be in better hands with the Hofmanns.

Capital Title of Washington will become part of the larger Washington State entity of The AEGIS Land Title Group. AEGIS now spans most of the Puget Sound metroplex, to include Snohomish, King, Pierce, Thurston, Kitsap, Mason and Jefferson counties, as well as a branch on Vashon Island.

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## Federal Jury Hands Down Guilty Verdict in Houston Deed Fraud Scheme

A federal jury sitting in Houston has convicted a 61-year-old Dallas man for his role in a deed fraud scheme in the Houston area.

The jury deliberated for half a day before convicting Clarence Roland III on charges of money laundering, conspiracy to commit and committing wire fraud following an eight-day trial.

In 2009, Roland began working with co-conspirator Arlando Jacobs, 57, in a deed fraud scheme to cancel and challenge mortgage loans held in the name of Jacobs or others. During this time, Roland frequently used the alias Joshua Stein, while Jacobs used Caleb Wright or Dexter Ponzey.

According to testimony, the men solicited and received the help of other co-conspirators to establish over 11 business entities or shell companies and office spaces with mailing addresses in Houston, The Woodlands and Katy to carry out the scheme.

The jury heard that Roland and co-conspirators fraudulently acquired

real property by manipulating and filing fraudulent deeds and other documents, according to U.S. Attorney Jennifer B. Lowery. Roland sold the properties and received profits from the sales. The original mortgage liens were not paid off and the mortgage holders were ultimately defrauded. Some title insurance companies were forced to pay claims to buyers who had acquired the title when purchasing the real property Roland sold to them, according to the U.S. Attorney's Office in the Southern District of Texas.

The co-conspirators fabricated a series of documents to falsely create the appearance of transferred ownership of real property to the shell companies, court records show. To do so, they signed documents claiming to represent one of the many entities in the transactions. The same names were used as signors on many documents and purported to represent different entities. They were also fraudulently notarized by using fake notary stamps.

The defense attempted to convince the jury the law allowed Roland to file fraudulent documents in the real property records to transfer title of houses on which there were mortgages so he could then sell them free of those mortgages. Members of the jury did not believe those claims and found Roland guilty as charged.

Jacobs pleaded guilty in advance of trial in an unrelated fraud case in the Northern District of Texas and was sentenced to 51 months in prison and ordered to pay restitution of \$7.6 million.

U.S. District Judge Lee H. Rosenthal presided over the trial and set sentencing for Jan. 25, 2023. At that time, Roland faces up to 30 years for conspiracy to commit wire fraud affecting a financial institution and 20 years for wire fraud. The charges also carry potential fines of up to \$1 million. For money laundering, he faces another 10 years as well as a fine of \$250,000.

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## Visionet Introduces New Portal for Title Production Solution

Visionet Systems unveiled a new portal for its AtClose title production system to help title companies improve their client experience by reducing closing times.

The new consumer portal enables real-time collaboration and visibility between the borrower and all major parties involved in the transaction. The secure, digital workspace allows title companies, sellers, borrowers and real estate agents to manage the process by sending, signing and storing documents, contracts and other agreements as well as obtaining information online through the secure portal. AtClose also provides each of the involved parties with a real-time status of the transaction.

"AtClose is proven to successfully enhance the internal processes for title companies to enable faster closings and improved partner communications," said Adeel Ahmad, senior vice president and head of AtClose at Visionet Systems. "The primary purpose of this portal is to ensure seamless communication between all parties involved and to keep them updated on the status of applications and other documents so that closings can be executed faster and borrowers (can) have an enhanced experience."

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## CATIC Expands into Alabama, Tennessee

CATIC announced it is now licensed in Alabama and Tennessee.

In business for more than 50 years, the CATIC Family of Companies is now licensed in every state east of the Mississippi and in Texas, and is currently doing business through an independent agent network in 15 states. Its sister company, CATIC Title Insurance Company,

issues policies in New York, New Jersey and Pennsylvania.

CATIC hired Shonda Thurman as senior agency advisor to drive growth in Tennessee.

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## Doma Launches Home Equity Solutions to Support Shifting Lender Business

Doma Holdings Inc. released a new home equity financing offering built for lenders.

The solution leverages Doma's Intelligence platform to accelerate the title search for home equity loans and home equity lines of credit (HELOC). According to Doma, its proprietary machine intelligence-powered solutions can deliver 80% of title decisions in minutes.

"In an environment of fluctuating interest rates and housing inventory, Doma addressed the need from lenders to close loans faster and minimize costs to better serve their customers in the current market," said Max Simkoff, CEO of Doma. "Doma's mission has always been to deliver a better, faster and more affordable home closing experience, and we're excited to expand our solutions for lenders' shifting business and extend the digital-first benefits to the home equity financing market."

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## Philadelphia Improves System Alerting Notaries of Forged Notarized Deed

To help thwart deed fraud, the Department of Records for the City of Philadelphia has improved an email alert service available to notaries public to help them determine if their signature and notary stamp were used fraudulently on a

document recorded in the office.

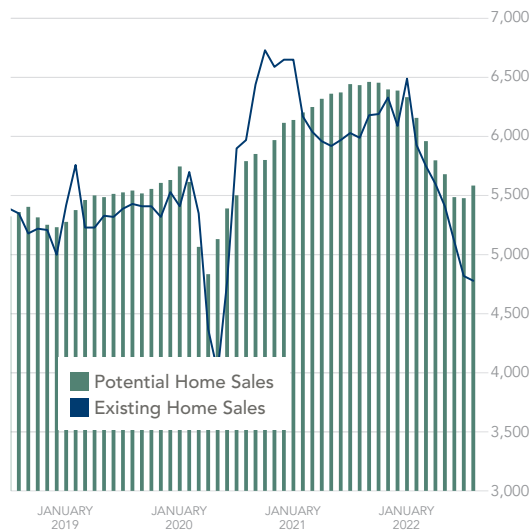
The department's Deed Fraud Guard email alert system has been expanded to inform notaries if their name appears as a notary in a document recorded in the office. Notaries will be able to view the electronic document to determine if a fraudster forged their signature and stamp on a fraudulent deed.

## Recent Integrations

- **SoftPro** has released new enhancements to its **Fidelity National Financial agentTRAX** integration. In addition to creating policy jackets, agents of Fidelity National Financial's family of underwriters that use SoftPro can now take advantage of new Patriot Search capabilities as well as new automation of agentTRAX's Starter Search feature. The latest release also includes enhancements to high liability approval (HLA) requests.
- **Snapdocs** recently completed its integration with **BeSmartee's** digital mortgage platform. The new integrated solution employs machine learning to automate and streamline the borrower's closing document review and signature steps.
- **LodeStar Software Solutions** unveiled an integration with **Stewart** that expedites access of title and settlement fees. The new integration allows users of LodeStar's closing fee calculator to access the title and settlement fees of any Stewart-related company, including those of independent title agencies issuing Stewart policies.
- **SoftPro** released a new integration with **Traditional Title Services** for title abstracts. The integration allows SoftPro users to order and receive title abstract services from Traditional Title Services directly via the SoftPro 360 business exchange portal, eliminating the need for manual processes such as emails and phone calls.

# Housing Market Potential

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



**4.78** SAAR  
Existing Home Sales

**5.59** SAAR  
Potential Home Sales

**-14.4%**  
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 2022

**\$385,805**  
House-Buying Power

**-22.8%**  
Year-Over-Year

## Where House-Buying Power is Strongest

Top States and Markets

- |   |                                   |   |                                       |
|---|-----------------------------------|---|---------------------------------------|
| 1 | New Jersey<br><b>\$547,978</b>    | 1 | San Jose, CA<br><b>\$782,488</b>      |
| 3 | Massachusetts<br><b>\$545,151</b> | 2 | San Francisco, CA<br><b>\$745,466</b> |
| 2 | Maryland<br><b>\$539,019</b>      | 3 | Washington, DC<br><b>\$687,719</b>    |
| 4 | Hawaii<br><b>\$527,630</b>        | 4 | Boston, MA<br><b>\$613,751</b>        |
| 5 | California<br><b>\$511,268</b>    | 5 | Seattle, WA<br><b>\$552,313</b>       |

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



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## Fidelity Appoints President of Eastern Operations



Joe Grealish

Fidelity National Financial announced the appointment of Joe Grealish as president of Eastern Operations. In this role, Grealish will assume management responsibility for all direct commercial, residential and ancillary operations in the Eastern United States and for FNF's direct title operations throughout Canada. Grealish will also lead many key initiatives for the company, including a focus on talent acquisition and recruiting, and the acquisition of key title companies in the East to expand the FNF family of title companies' direct footprint.

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## Stewart Hires New Chief Information Officer

Stewart Information Services Corp. recently hired John Hamm as chief information officer for its global technology operations, overseeing and leading the company's technology development and strategy. Current CIO Brad Rable was promoted to president of technology and operations. Prior to joining Stewart, Hamm served as vice president of information technology at Texas Children's Hospital. Hamm has more than 25 years of experience leading IT transformation along with merger and acquisition experience at global Fortune 500 and enterprise non-profit organizations.

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## AccuTitle Selects Chief Strategy Officer

AccuTitle, home of title management platforms TitleFusion, Landtech, Closers' Choice and TrackerPro, has named Alice Bell as chief strategy officer. Bell is the previous owner and CEO of Landtech Data Corp., which was acquired by AccuTitle in July 2020. Alice Bell is the daughter of the late Wyatt Bell, creator and founder of Landtech Closing software. After taking over Landtech in 2017, Alice Bell made several improvements to the operations of the business and enhancements to the Landtech software that led to increased revenue, customer satisfaction and a successful acquisition by AccuTitle.

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## PropLogix Names CFO

PropLogix hired industry veteran Brent Scheer as chief financial officer. Scheer spent nearly 15 years with Agent's National Title Insurance Co. as chief financial and chief operating officer. He comes to PropLogix most recently after spending almost two years as CFO for Shaddock National Holdings and First National Title Insurance Co. Scheer is a licensed CPA and has been active in the title industry speaking at ALTA and various state land title association conferences during his career on various topics.

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## FNF Names Chief HR Officer

Fidelity National Financial Inc. (FNF) recently named Melissa Circelli as chief human resources officer. Building on more than 25 years of experience leading and managing human resources for several companies, Circelli assumes responsibilities related to human resources, benefits, talent acquisition, employee onboarding and relations, diversity and inclusion, and community engagement. Prior to joining FNF, Circelli held human resource leadership positions with Cigna, Volvo Commercial Finance and Fortegra Financial. She most recently served as chief human resources officer at Black Knight Financial Services.

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## Old Republic Promotes Oregon Agency Manager

Old Republic Title promoted Bob Wallin to Oregon agency manager and senior underwriter. A veteran of the title insurance industry, he previously served as vice president and Oregon agency underwriter. Wallin began his career in the title industry as a poster and title examiner for a major title insurance company in Bremerton, Wash. Before joining Old Republic Title in September 2016, he held numerous industry positions in Oregon, Washington and Alaska, including county manager, underwriter, chief title officer, commercial title officer and title operations manager, where he managed multi-state production centers for large national underwriters.

## Advocacy Affects Us All

**SUCCESS IN WASHINGTON, D.C.,** comes from not only having relationships



**DAN WOLD**  
ALTA past president

with key decision-makers but also understanding the way government works. You can have a seat at the table, but maintaining the ability to speak to these officials and present the strongest argument in the room is crucial.

ALTA has a seat at the table and is respected as the voice of the title insurance industry on a wide variety of policy issues at the federal level. We have accomplished a lot in the past year but with the results of the November election, the work isn't done.

We've taken the offense on remote online notarization and the effort to get Congress to move on the SECURE Notarization Act, which overwhelmingly passed the full House of Representatives in 2021 and 2022 with strong bipartisan support. We continue to press forward in the Senate.

The SAFE Banking Act, which protects our industry when working with cannabis-related businesses, has passed the House six times, with growing support and potential for enactment in the Senate.

We've used the appropriations process to build awareness of the need for better government data and federal coordination to tackle the challenge of real estate wire transfer fraud.

We continue to beat back threats to change or repeal the current tax treatment of 1031 real-estate like-kind exchanges.

ALTA also has the important task of engaging in the regulatory process to combat both misimpressions of our industry and its value, and the risk of "regulation by enforcement" at the CFPB through its "junk fees" request for information or other similar initiatives.

We maintain focus on the critical effort to impact the work of FinCEN, through its authorities under the Corporate Transparency Act, to minimize the regulatory burden on our industry brought on by the Geographic Targeting Orders (GTOs).

Most recently, ALTA has been laser-focused on Fannie Mae and Freddie Mac allowing the use of certain attorney opinion letters (AOLs) in lieu of title insurance. You can read more about the risks this poses to lenders and consumers in this edition's cover article.

Rest assured, we remain in good hands moving forward. While I finished my year as ALTA president, Jack Rattikin Jr. was installed as your new leader. Along with his decades of industry experience, ALTA's Board of Governors provides unrivaled knowledge about our business.

As you can see, advocacy is critically important and affects us all. It impacts our profession and our industry. At its core, advocacy is ALTA's most vital mission.

# Automated Title Production Solution

AtClose is an end-to-end title production platform with capabilities that can streamline your title flows with automation. Take a look at our solution's capabilities and how it can make a difference in your title proceedings.



## Customizable Workflows

It provides an enterprise-grade workflow management system that enables title businesses of all sizes to improve collaboration and optimize their processes.



## Consumer Portal

Robust and centralized consumer portal that is easy to use and enables you to exchange information and collaborate with all parties on the transaction.



## Open Integration Framework

With our open integration framework, you'll be able to directly integrate multiple vendors with ease in your entire title and lending ecosystem.



## Robust Vendor Management

Seamlessly integrate and manage multiple vendors involved in the closing process to achieve a faster and consistent closing.



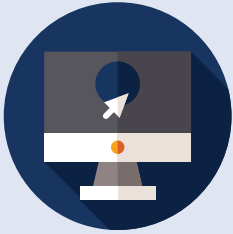
Learn how AtClose has enabled businesses in the Title & Settlement industry to significantly improve their bottom line.



# SOFTPRO<sup>®</sup> Sign

## Your one-stop solution to facilitate eClosings in SoftPro

With SoftPro Sign, all parties involved in a real estate transaction can securely sign or notarize documents online. SoftPro Sign enables seamless online collaboration with the settlement agent, lender, real estate agent, investor, and consumer. SoftPro Sign can be utilized for secure and simple eSigning of documents, or use SoftPro Sign's Remote Online Notarization (RON) capabilities to further streamline the transfer of real property for all entities.



Log into SoftPro 360 and create an eSign or Remote Online Notarization package. Select the documents you want to have signed and/or notarized. Choose the contacts who will sign and which documents they will sign. Review the documents, add signature fields, and make any necessary edits.



Send the package to the signer(s). The signer(s) will receive notifications via text and email alerting them they have new documents to sign. Once signed, the documents will appear in your SoftPro 360 queue and you'll be notified via email.



If utilizing RON, submit the document package through SoftPro Sign. Your notary will schedule a RON webcam session with the signer(s). After a credential analysis, a RON webcam session will begin. Your notary will end the session once all documents are reviewed, signed, and notarized. All documents can be manually added back to your order or automatically added with automation in SoftPro.

To learn more about SoftPro Sign, visit:  
[www.softprocorp.com/sign](http://www.softprocorp.com/sign)