SEPTEMBER 2022

TITLE News

AMERICAN LAND TITLE ASSOCIATION

Making a Difference

ALTA Good Deeds Foundation Nears $1M Raised

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iN This Issue

VOLUME 101 | NUMBER 9 | SEPTEMBER 2022

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AMERICAN LAND TITLE ASSOCIATION

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TITLENews

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

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Back to Normal?

JEREMY YOHE
ALTA vice president of communications

SLOWING HOUSING DEMAND DUE TO INCREASED UNCERTAINTY OVER THE ECONOMY, continued affordability conditions and weak incoming data on application volume led the Mortgage Bankers Association (MBA) to lower its outlook for home sales this year. Existing home sales are expected to decline 11% and new homes sales to decrease 8% in 2022 when compared to 2021.

According to the MBA, this will translate into a 12% decline in purchase volume to $1.64 trillion and 73% decline in refinance volume to $706 billion, dropping from an all-time high of $4.4 trillion in 2021 to $2.3 trillion in 2022.

As we've seen, the housing market continues on a downward trend, but it's not all doom and gloom. Despite the 47% forecasted drop this year, total origination volume would still make 2022 the fifth best year over the past two decades. Except for a historic two-year run in 2020 and 2021, only 2003 and 2004 exceed this year's forecast.

The MBA expects the Fed to continue to raise the funds rate in 2022, reaching a range of 3.25% to 3.5% by the end of the year, as it continues to focus attention on tackling inflation that is close to a 40-year high. The MBA expects a 50-basis-point increase in September.

Doug Duncan, Fannie Mae's chief economist, says the economy is progressing as he previously forecasted. While he projects modest economic growth in the second half of this year, Duncan maintains a modest recession is likely to emerge in the new year as the labor market softens and the effects of tighter monetary policy are more acutely felt.

Despite some data indicating a higher risk of a recession, the job market remains remarkably strong. Both employment and unemployment have regained their pre-pandemic levels. The U.S. economy added 528,000 jobs in July for a pace of 470,000 jobs in 2022. The MBA predicts that the country has reached a trough for unemployment—which stood at 3.5% in August—and expects it to gradually increase to over 4% in 2023 and 2024.

Meanwhile, the commercial sector continues to flourish despite a sluggish office segment. Lawrence Yun, chief economist for the National Association of Realtors, reported that rental demand is booming and rents are up significantly. Demand for warehouse space has surged as retailers stock up to avoid supply chain disruptions. Hotel bookings, air travel and park attendance are now above pre-pandemic levels. All this increased activity has led to high demand for new commercial construction.

It's clear the market has transitioned. Experienced industry professionals understand the cyclical nature of the business. There's still business to be won. Market share growth can be achieved. Use this "normal" time to develop a new strategy, reassess your marketing targets and efforts, and investigate new technologies that can streamline processes and deliver a better experience for your customers.

ALTA News

AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

Attract the Industry's Best with ALTA's Compensation Index

Attract and retain the best and brightest talent within your organization by incorporating a compensation package that beats your competition's. To evaluate how good your company's benefits really are, check out ALTA's Title & Settlement Services Industry Compensation Index!

Sponsored by Qualia, the Compensation Index is open for 2021 data collection. This tool allows you to easily examine the full value of your compensation packages and compare your business to the "other guy" down the street. It can help you examine salary rates for existing positions and assist you in analyzing the current market for new roles. The Compensation Index provides results showing the 25th percentile, median and 75th percentile of responses – as well as where your company falls – in easy-to-read graphs. A minimum of five data points must meet the filter requirement for results to display.

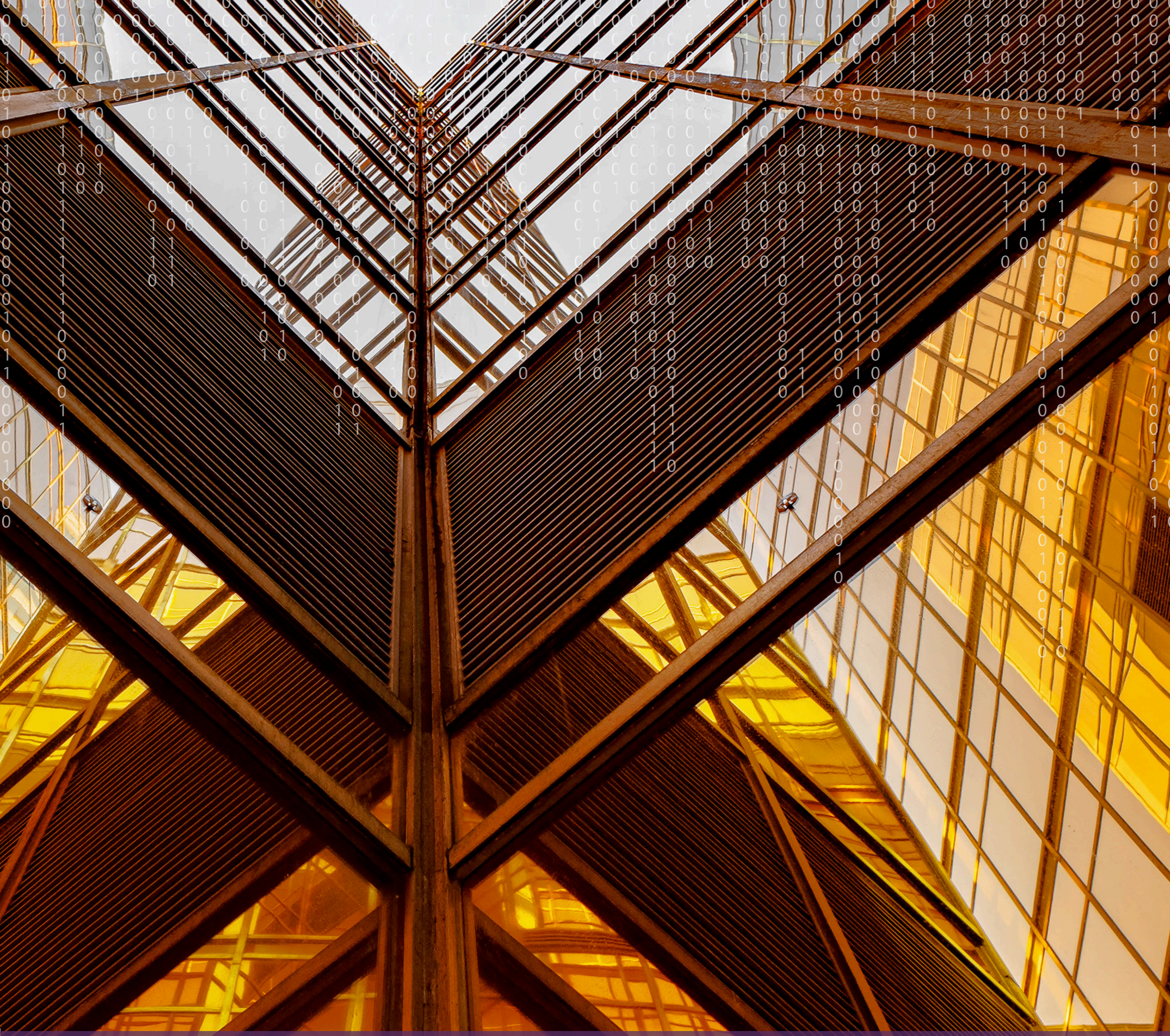
Companies that have completed 100% of the required questions for the Compensation Index can access the national aggregate results for free. Results for 2018-2020 are available immediately.

We know the data you're providing is sensitive, and your privacy is important to us. All company data is collected through a secure third party, and individual data is kept confidential.

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

Other FAQs:

- Who can enter data? The primary contact or a designated individual can complete the Compensation Index on behalf of each company location.
- Who can review the results? Because of the highly sensitive nature of the data contained in the survey, full access to the Compensation Index is restricted to a location's primary contact and/or the designated individual.
- What data will I need to enter?
  - Company demographics by location (state, revenue, staffing numbers, expenses, etc.)
  - Compensation data by position (rates, bonuses, hours worked, etc.)
  - Information on the benefits packages your company offers



Check Out ALTA's Webinar Recordings

ALTA has a library of webinar recordings available on demand. Presentations range from topics to help improve operations and the bottom line to RESPA compliance and industry trends.

Here's a look at some recent webinars:

- RESPA Compliance: Understanding Things of Value and Referrals
- How to Select a RON Provider
- Digital Funds Best Practices
- Title Agent Tips For Social Media Success
- How to Handle Cryptocurrency Transactions

To access the webinar recordings and download a copy of the presentations, go to alta.org/webinars.

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: 99
- New Associate Members: 8
- New Attorney Members: 24
- State with the most, new members: Texas, 16
- Total Members: 6,440

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 $448,905 from 611 people. In addition, $151,000 from 20 companies has been pledged to the TIPAC Education Fund. Check out who has supported the industry at www.alta.org/tipac.

NEWS TO SHARE?

If you have information you'd like us to consider for TiTLE News, send company announcements to **communications@alta.org.**

CALENDAR

2022 ALTA CONFERENCES

2022 ALTA ONE
Oct. 11-14
Coronado, CA

STATE CONVENTIONS

NEBRASKA
Sept. 22-24
Kearney, Neb.

NORTH CAROLINA
Sept. 22-24
Wilmington, N.C.

SOUTHEAST
Sept. 22-24
Miramar Beach, Fla.

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MAKING A DIFFERENCE

By Jeremy Yohe

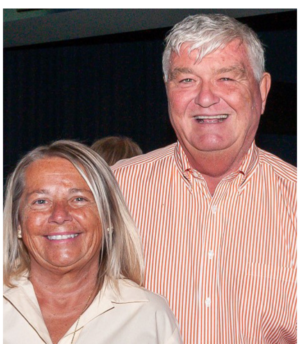
ALTA Good Deeds Foundation Nears $1M Raised

FOR THE PAST TWO YEARS, a 7-year-old girl who lives in Massachusetts has undergone a treatment plan for acute lymphoblastic leukemia, a type of blood and bone cancer. Ellie is now in remission. She also has a new personalized bedroom, partially thanks to the ALTA Good Deeds Foundation (AGDF).

In March, the AGDF awarded a $6,000 grant to Room to Dream Foundation, which is dedicated to helping children with chronic illnesses. Using the grant money, the Room to Dream Foundation built the personalized bedroom. The remodel features two ways for Ellie to get into her bed—either by ladder or a rock wall. The Room to Dream Foundation looks to create healing environments in bedrooms for children facing chronic illnesses.

"It's stories like this that warm your heart and show that the ALTA Good Deeds Foundation's mission of building and strengthening local communities is making a difference," said Diane Tomb, ALTA's CEO. "We could not make an impact if not for the support from title and settlement professionals across the country."

The ALTA Good Deeds Foundation provides charitable grants to 501(c)(3) organizations supported by ALTA members. Grants are awarded to local organizations through a competitive application process completed by a title insurance professional, highlighting how the individual is furthering Our Values through charitable efforts. Donations from companies and individuals have pushed total giving to the AGDF to nearly $1 million since it was created in 2020. So far, $428,000 has been given to 70 organizations.



Michele and Tom Richardson of Liberty Title.

Michigan-based Liberty Title has been one of the largest corporate donors to the foundation, giving $45,000 over the past three years. Tom Richardson, CEO of Liberty Title, said the industry has prospered by helping consumers realize the American Dream of homeownership.

"The AGDF is a wonderful thank you to consumers by helping expand the number of people who can become homeowners," he said.

SHUTTERSTOCK / VECTOR GODDESS / TARTILA

Jeff Bates, CEO of D. Bello

"Real estate gives people the ability to build wealth by creating an asset they can leverage to start their own business, send their children to college and feel secure in their retirement."

Richardson said his company received significant support from Mary O'Donnell, CEO of Westcor Land Title Insurance Co., when Liberty Title expanded into Florida. O'Donnell was a driving force in the foundation's creation and serves as chair of its board.

"We wanted to show our appreciation by helping the AGDF get off to a good start," Richardson said.

California-based D. Bello is another company that has given generously, donating $10,000 this year to the foundation. With more than 30 years in operation and 25 as an ALTA member, Jeff Bates, CEO of D. Bello, said the company would not have made it this long without the generosity and support of the industry.

"So, when the ALTA Good Deeds Foundation was launched, it only seemed right to find ways to give back through the industry that has given us so much," Bates said. "We are excited to be able to partner with other philanthropically oriented organizations in the title industry to make a meaningful, positive impact in our local communities through people and non-profits doing amazing work."

Working in an industry that is local and personal, with deep ties to communities, Bates hopes his company's donation will help AGDF continue to strengthen the relationships and impact that the title industry has with local communities across the country—beyond just the homebuying experience.

"Creating special relationships between colleagues, clients, partners and peers is part of the DNA that makes this industry great," he added. "At D. Bello, we are fortunate enough to work with companies where we get to help come alongside them to provide support, encouragement and momentum to client passion projects beyond just the work. It's why I'll often say I have more friends across the country than I do locally."

"While I am passionate about my work, I've always believed that it will be an opportunity that helps fuel other initiatives and impacts beyond the four walls of the office. I want people to know

Appreciation and Thank You Notes

Leaders of several organizations that have received donations from the ALTA Good Deeds Foundation sent thank you notes sharing how the money will help their efforts to provide housing to those in need.

I want to personally thank you for your generous donation. Your financial support has a significant impact, making it possible for us to continue our mission; ensuring people with the lowest incomes have decent housing in our community. Together we are building hope.

—Allynn Smith, executive director
Bishop Sheen Ecumenical Housing Foundation

On behalf of Homes 4 Families and the families we serve, please accept our sincere thanks and appreciation for the grant in support of our Veteran Enriched Neighborhood program. Your contribution will help create affordable homeownership for low-income veterans and their families! Our program also prepares these families for responsible homeownership and long-term health and success with financial and homebuyer training, trauma-informed care, educational programs, community-building opportunities, and more.

—Donna Deutchman, president and CEO
Homes 4 Families

Thank you for your generous donation to Housing Opportunities! Because of you, we are able to continue our mission and provide access to desperately needed resources in a safe manner. In fact, we have served 1,363 total people across all programs from July 2020-June 2021. Including:

- 77 individuals served in our safe recovery site
- 33 individuals served in our temporary winter shelter
- 203 individuals housed in emergency housing
- Outreached to 185 street homeless individuals
- 338 individuals received rental assistance (behind on rent due to COVID)

—Jordan Stanfill, CEO
Housing Opportunities

When we received your gift, we could not wait to reach out and tell you how grateful we are. Your gift will help open the door to housing for an individual or family and help break the cycle of homelessness. Yes, YOU are doing this.

They will never know your name. But we are honored to have the opportunity to tell you how much your generosity means.

—Karen Hensel, assistant director
Port in the Storm

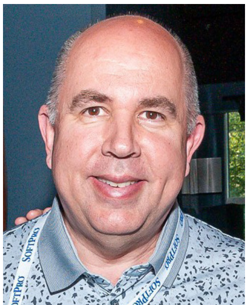
The work that our amazing staff do day in and day out is a true partnership with our homeless; but of equal importance is the partnership with you as our loyal supporters. It only costs $38 per guest per day for The Gathering Inn to provide all the services that it does, and 85 cents of every dollar goes directly to the people that we serve, ensuring that your donated money supports our guests directly.

—Keith E. Diederich, president and CEO
The Gathering Inn

SHUTTERSTOCK / DENAYUNEBGT

how much they're cared for and feel motivated in everything they do, professionally and personally. The AGDF is another unique way to help expand that impact of reaching people and leaving a legacy," Bates continued.

Brian Pitman, CEO and co-founder of Texas-based Independence Title, and Scott Chandler CTIS, NTP, COO for Westcor Land Title Insurance Co., each individually gave $1,000 to the foundation this year.



Brian Pitman, CEO and co-founder of Independence Title

Pitman believes everyone should be involved in their trade association—contributing both time and money. He grew up Methodist, and the phrase at his church was that people should always support the church with your prayers, presence, gifts and service. "I try to support ALTA with my time and donations—including TIPAC," Pitman said.

His favorite quote about being involved in ALTA—and locally in the Texas Land Title Association— is from President Theodore Roosevelt: "Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere."

Pitman said he was unsurprised when the association created AGDF. "I thought it was a great decision for ALTA to create a charity element to our trade association, so I made a decision to support it personally," he added. "Good Deeds is a perfect name for a charity group for the title industry."

Chandler believes it's imperative industry professionals show they are dedicated to being good corporate citizens and giving back to society. He's worked in the title industry for nearly 40 years and is proud of how the foundation captures the industry's essence.

Scott Chandler CTIS, NTP, COO for Westcor Land Title Insurance Co.

"Now more than ever, ALTA needs to make sure everyone knows our true nature and just how good we are," Chandler said. "It is very gratifying to see the momentum we are picking up. I had no idea we would be where we are today as far as the money collected and the charities supported. It's very cool."

Chandler and his wife, Julie, take giving personally and believe they have a moral obligation to help those in need. A nearly 20-year survivor of stage four breast cancer, Julie is active with Susan G. Komen for the Cure.

"She knows her fundraising is helping to save lives," Scott Chandler said. "Were it not for givers before her who donated, the cure that saved her may not have been available and likely she may not be with us today. She has been at or near the top for grassroots fundraising in Denver for many years. We take it very personally."

Jim Czapiga, president and CEO, CATIC

CATIC is another company that has generously given to the ALTA Good Deeds Foundation, donating $25,000 since 2020. Jim Czapiga, CATIC's president and CEO, said his company supports the foundation because they share the same mission.

Many CATIC employees, including Czapiga, are involved in various civic and charitable organizations to help wherever possible. Czapiga said he's passionate about fair and equitable housing opportunities and helping people—regardless of regardless of race, social or economic status—achieve the American Dream.

"Giving back to help strengthen our local communities, many of them underserved, is one of our core values," Czapiga said. "I think donating to and supporting the AGDF gives the industry a chance to make an even greater impact in the communities in which we serve in addition to protecting property rights. It's providing another type of protection and opportunity on another level."

Richardson hopes other title professionals and companies become inspired to donate to the AGDF. He believes every ALTA member should contribute—at a minimum—the revenue they get from closing a typical residential transaction in their market.

"We could promote a 'Just One Closing' theme," he said. "With more than 6,000 members, and a typical closing at a conservative $1,200, we are talking $7-million-plus. That builds an endowment quickly." ■

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

Proposed Revisions to ALTA Best Practices

Final Release of Updated Framework Expected in Early 2023

Proposed revisions to the ALTA Best Practices made by the ALTA Best Practices Executive Committee and Best Practices Work Group are now available for comment.

To access the proposed revisions and associated redlines, go to *alta.org/about/leadership-working.cfm?Best-Practices-Work-Group*

Below is a recap of significant revisions.

Pillar 2: Escrow Accounting

- Updates to the treatment of non-settled funds and outstanding file balances
- Use and treatment of fintech applications
- Escrow funds training
- Use of the ALTA Outgoing Wire Preparation Checklist as a model
- Use of wire verification services

Pillar 3: Privacy and Information Security Programs to Protect Non-public Information (NPI)

- Updates to the physical protection of NPI
- Inclusion of network and cloud security of NPI
- Additional details on coverage of business continuity and disaster recovery plans
- Additional details on the required oversight of service providers and third-party systems
- Use of the ALTA Cybersecurity Incident Response Plan Template as a reference document for the written incident response plan
- Requiring processes for addressing breaches or unauthorized access to NPI.

Pillar 4: Settlement

- Establishing "consumer objectives" for the training of staff
- Disclosure of affiliated business arrangements
- Establishment and implementation of procedures related to closing documents
- Requirements for internal and external signing professionals
- Selection of remote notarization platforms
- Standards for recording procedures
- Compliance with Pillar 2 for procedures and controls for recording fees and any applicable taxes

Revisions to the ALTA Best Practices Framework were made with the objective of helping title agents and direct operations optimize their practices and procedures to ensure financial safety, data security and operational stability. The changes also were made to provide lenders with the assurances that their needs are being fulfilled by improved operations.

Additional documents will be revised later in the process after the completion of the ALTA Best Practice Framework, including revisions to the Best Practices Assessment Procedures.

It's expected ALTA's Board of Governors will review the proposed changes in October. Final release of the complete Best Practices Framework is expected in early 2023.

A RECENT QUESTION POSTED ON ALTA CONNECTION asked how other title and settlement companies manage payments for creditors/revolving debts that must be paid off at closing.

Rachel Petrick, escrow operations manager for FirstSource Title Agency in Ohio, said they overnight checks to customers with instructions on what to do with them.

"We are struggling with a lot of returned checks and/or checks taking a while to cash and customers continually calling and wanting us to stop pay and re issue," she said.

Several in the industry quickly jumped in to share their process. Corinne Kent of Moscow Title in Idaho experienced the same issue from customers calling and saying their payments hadn't been posted. Now, Moscow Title's process is to have the customer sign a release for the company to either make the payment with an invoice they bring in or to send the creditor a check.

"This has almost completely eliminated the issue," Kent said. "If it is a payoff, I treat it just as I would normally treat any payoff and FedEx (the check) to the creditor with the documentation to close the account."

J. Rawleigh Simmons, manager of River Title & Escrow LLC in Virginia, said his company always makes the payment. Usually, it is a requirement of either the title binder or the lender instructions, he added.

"The only way we can control the situation and make sure it is paid off is to do it ourselves," Simmons said.

Gail Malloy, with Westmoreland Paralegal Services in Pennsylvania, said her company treats these payments the same as a mortgage payoff. The company obtains a payoff amount with payoff instructions and make the payment as part of the closing process. "We use ReQuire to track satisfaction on records. It would be extremely rare to rely on a debtor to handle their own payoff," she said.

Assuming the payments are for credit cards, auto loans, and so on, Nancy Gusman CLTP, NTP of GusmanLegal LLC in Maryland requires the lender to collect and forward statements prior to closing. Then her company directly pays the creditors. According to Gusman, if the lender requires it to be paid, then the lender should take responsibility for making sure the title company has the invoice or statement.

"We have responsibility to make sure funds are received by the creditor in a timely manner, per the loan instructions," Gusman said. She added that the three-day requirement for the Closing Disclosure has alleviated the problem of lenders not informing them in advance that creditors will need paid.

Tips on Handling Payments to Creditors

Title Professionals Share Their Processes

“I think that when you give the check to the borrower to pay it, you are increasing your liability with the lender,” Gusman said. “If those checks do not go to the creditor, you are in breach of your loan instructions. Further, you are risking the borrower fraudulently converting the check to their own use instead of paying the bills. You’ll see the check cleared in your account, but you haven’t looked at the check, so you don't know that this has occurred.”

After Gusman becomes aware that a lender requires debts to be satisfied, she contacts the loan officer and/or the processor to inform them the bills cannot be paid without an invoice that must be provided prior to closing or funding in the case of a refinance.

“I just tell the lender that I can’t pay the bill without an invoice and that if they want it paid, they have to provide it, or I’ll send the check to them with the closing package,” Gusman said. “The lenders usually respond. If I don’t have the invoice at the closing table, I will tell the borrower that they must get it to us before the loan funds or the lender may cancel the loan since it is a condition of funding. That works too.”

Darren Meadows of Hull Barrett PC in Georgia says his firm does not close until they have the needed information necessary to make payments directly. If the new lender wants to proceed, Meadows said the lender must waive their requirement. Once that is in writing, the firm sends the money for the payoff they have waived in accordance with the revised instructions.

Joshua Brauwerman, office manager for Trusted Title Inc. in Florida, said that when debt is being paid on a purchase or refinance, his company requests actual statements—not a credit report printout—that includes the appropriate mailing address, full account number and payee name.

“In addition, we notify all parties involved, including the lender or broker, prior to the actual closing, that third-party payments can take up to two to three weeks to be processed by the creditor, and we are not responsible for any missed payments or late fees,” Brauwerman said.

If the client is concerned about timing or missed payments, Trusted Title recommends they make the minimum payment in the interim.

Cheryl Evans, CEO of Zen Abstract in Pennsylvania, said her company requires lenders to complete a form specifying any accounts they want paid and whether it is a pay down, or pay and close. The payment always goes directly to the creditor and is wired when possible. Otherwise, it is overnighted and only put in the mail when the only option is a P.O. box. The debtor also must sign a letter to the creditor with the words “close account” in bold if that is what the lender indicated needed to happen.

Evans said if the payment is not a title requirement, her company does not list it on the Closing Disclosure unless the lender provides a statement.

“Their requirement, their responsibility,” she said.

THE DOCKET

California Court of Appeal Says Seller's Remorse Can't Unwind Deal

CITATION: *Greif v. Sanin, 74 Cal. App. 5th 412 (2022)*

FACTS: To quote the California Court of Appeal, "[t]his is a case of seller's remorse." Earl Greif sold 10 acres of raw land in Rancho Mirage, Calif., to Yardley Protective Limited Partnership for $330,000. A few days after signing the purchase agreement, Greif concluded that the property was worth 10 times the negotiated sales price, and he refused to consummate the sale.

Yardley sued Greif to enforce the purchase agreement. The seller argued that the doctrine of "unilateral mistake"—specifically, his erroneous belief regarding the value of the property—precluded enforcement of the purchase agreement.

Greif also cross-complained against buyer Yardley's broker, alleging that the buyer's broker owed a common law duty to the seller to advise the seller that the negotiated purchase price was below the fair market value of the property. The Court of Appeal affirmed the judgment in favor of the buyer and the buyer's broker.

HOLDING: The Court of Appeal began its analysis with a discussion of the seller's claims against the buyer's broker. The Court of Appeal affirmed judgment in favor of the broker. While the Court of Appeal agreed with the seller that a buyer's broker (generally) owes a common law duty of care to a seller (even where the buyer's broker is the exclusive agent of the buyer, and does not represent the seller), the Court of Appeal held that it would not be appropriate to "place the burden on the buyer's broker … to inform the seller that the purchase price is below [fair] market value." The court noted that the information relevant to the fair market value was equally available to the seller. The court continued, "[p]lacing such a burden on the buyer's broker under these circumstances would wreak havoc on real estate transactions and client/agency relationships…"

After addressing the merits of the claims against the broker, the Court of Appeal turned to the merits of the seller's claim that the purchase agreement should not be enforced due to the doctrine of "unilateral mistake." The Court of Appeal affirmed the judgment in favor of the buyer, finding that the doctrine would not apply to an "error in judgment" as to the value of the property, as distinct from a mistake in fact as to the purchase price listed in the purchase agreement: "[A]ny mistake Earl made in setting the purchase price too low does not amount to the type of mistake of fact that qualifies for rescission under the unilateral mistake of fact defense. Merely making a mistake as to the Property's value is not a valid basis for rescinding the Purchase Agreement based on the unilateral mistake defense …. Earl bore the risk of any mistake in setting the purchase price too low because he was responsible for investigating, evaluating, and determining the purchase price for the Property."

IMPORTANCE TO THE TITLE INDUSTRY: The court ruled as one would have anticipated with regard to the doctrine of unilateral mistake. A contrary ruling that would have allowed a seller to either refuse to consummate a transaction or to unwind a transaction (because the seller decided after the fact that the terms of the transaction were unfavorable) would have unnecessarily and improperly injected uncertainty into real estate transactions.

Kevin Sinclair, a partner with the law firm Sinclair Braun LLP, can be reached at ksinclair@sinclairbraun.com.

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8 Ways to GROW Your Business in a TIGHT Market

By Dr. Cindy McGovern

This is the perfect time to grow your business.

With housing inventory at a low point and interest rates on the rise, some in the title industry think this is a time to wait and see, to accept the fact that home sales are down and to pump the brakes on growing internally.

The true leaders among us are doing the exact opposite.

It's true that fewer houses are on the market and that the ones that are for sale are selling far slower than they were a year ago.

If you focus on what you can't do, though, you won't get anything done.

The fact is, the sky isn't falling. But the wind is blowing in a different direction than most of us would like.

Here are eight ways to generate business even when revenue tightens and volume slows.

1. Instead of counting for-sale signs, count market share. Unless you have more than 80% of the market share in your territory, you've got plenty of work to do, no matter how slow sales are. Even if the market is considerably smaller than it was at this time last year, you could grow the percentage that you own if you aggressively go after it.

   During a slower spell, you have time to do that, and real estate agents and lenders have time to learn about your services and consider switching to your brand. Don't stop selling yourself and your company just because your clients are having a hard time selling homes. Slow real estate sales do not mean you should slow your quest to grow your client base.

   It is doubtful that your competitors see this slowdown as an opportunity to grow. That gives you an advantage. Tap it.
2. Diversify your business. If you're known as the best company in town for single-family sales or refinances, take a look at expanding your specialty into multifamily, corporate or commercial. Use some of your downtime to meet with developers, builders and non-residential real estate agents.

   Local real estate can be a small world. If you've built a reputation as the leader in a specific niche, word gets around, and agents and lenders won't consider you for anything else. When your niche hits a dry spell, you won't have much to do. But if you build expertise into your staff in different facets of the industry, your company's brand changes. You become known as multifaceted, well rounded and qualified on multiple levels.
3. Brand yourself. Your company's brand isn't the only brand that will sell your business and its services. Increasingly, your personal brand and those of your staff members can influence the decision of potential new clients who are considering signing on with you.

   People—including real estate agents and lenders—like to do business with people they know, like and trust. What sort of reputation do you and your team have with your clients and potential clients? If you don't know, ask them for feedback. Ask them why they do business with you and what you could do better. Not only will you get some insight on changes you could make for the better, but those clients will appreciate being asked.

   Also, for leaders, know that your personal brand affects not only clients but your own employees. What is your brand as leader during this shifting time in the industry? Do you hold up a mirror of optimism? Do you bury your head in the sand and hope it all straightens itself up? Do you take the opportunity to forge full steam ahead with innovative ideas? Employees take their cues from their managers and company leaders. Brand yourself as the kind of leader who takes a proactive approach and gets things done, even when competitors think there's nothing they can do but wait out the storm.
4. Brand your employees. Likewise, do the people who work for you have strong personal brands? Are they ambassadors for your business? Do they share fun stories about work with their friends? When they happen to meet a real estate agent at their children's soccer games, do they talk your company up? If not, encourage them to. And make it clear that they should not use their personal social media accounts as a platform for complaining when they have a bad day at work, even on their own time. That's bad publicity and can reflect poorly on the company's brand. Bringing their complaints to

their supervisors is a better way to solve problems.

A trend across industries is to empower your people to build up their own personal brands because research has shown that strengthens the company brand, too.

Big corporations are spending big bucks bringing in personal branding consultants to help employees align their own brands with the company's mission, values and goals. Employees appreciate the attention their employers are giving to their personal growth, which can lead to loyalty and great online reviews.

5. Plan ahead. Most success begins with a solid strategy that takes market trends and market history into consideration. While your competitors are fretting about whether the market will turn up or down over the next weeks and months, be the leader who is prepared beyond what anyone can see. Look two years out. Which innovations will you work on now, so they'll be in place when the market moves up or down later? In the title business, the work we do now typically pays off months later, so start planting those seeds.
6. Redirect your marketing budget. Are you paying to sponsor local golf tournaments and awards banquets for clients and community groups? Are you getting your money's worth out of that? How are you tracking your ROI?

   This might not be the best use of your marketing dollars during a market downturn. Instead, spend your money on helping your clients grow their businesses. If you help a real estate agent weather the market shift and learn how to land new clients, you get more business, too.

   Your attention to helping others will do wonders for your company's brand and your personal brand. When others talk about you, are they saying you're a person who wants to help your clients and your industry and you're being proactive about doing just that? That's a great reputation to have and that is a brand that people can trust and want to tell others about.
7. Turn all employees into salespeople. The fact is that every job is a sales job. Just because an employee's job title doesn't include the word "sales" and the job description doesn't say anything about selling, every employee sells for your business.

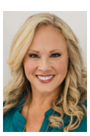
   Are your employees selling the right thing? Are they sharing fun tidbits about the culture at your office? Or are they selling your company as a not-so-good place to work? Is the positive energy that you have created in your office extending to clients and potential clients?

   Use this slower season to develop sales skills for all employees. You never know when an off-hand comment an employee makes about work at a Little League game will convince someone to use your company—or to spread bad news about you. Make sure your team knows how to talk about the business and how to recognize opportunities to do just that.
8. Keep employees in the loop. They know the market is slow because they see it in their workday. Do they know if their jobs are secure? Be transparent about what's going on with the market, the company and any plans that affect them.

In the absence of information, employees will believe gossip and rumors.

Let them know how they can help keep the business on track. Share your optimism with them. Let them in on your plans. Get them all rowing in the same direction.

That the market is shifting is no surprise; it's a cyclical business. Recognize this shift as an opportunity to strategically plan how you will take advantage of the upcycle when it comes—and it will. Take action while your competitors are sitting around waiting for good news. While they're watching to see what happens, give them something really worth watching: you.



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Q2 Results Strong Despite Moderating Real Estate Market

Purchase, Commercial Orders Make Up Bulk of Volume

Consumers continue to express pessimism about homebuying conditions with only 20% reporting it's a good time to buy a home, according to a survey by Fannie Mae.

The government-sponsored entity's Home Purchase Sentiment Index decreased 3.4 points in June to 64.8, its second-lowest reading in a decade.

"In June, a survey-record 81% of consumers reported that the economy is on the wrong track, suggesting to us—and corroborated by other recently released consumer confidence measures—that people appear to be growing increasingly frustrated with inflation and the slowing economy," said Doug Duncan, Fannie Mae's chief economist.

Meanwhile, the median single-family existing-home price climbed 14.2% annually, reaching $413,500 in the second quarter. That marks the first time the median home price has surpassed $400,000, the National Association of Realtors reported.

As the housing market cools during the second half of the year, 2022 is expected to finish as one of the strongest residential purchase markets over the past two decades. Here's a recap of how the largest underwriters fared during the second quarter of 2022.

Fidelity

Fidelity National Financial Inc. (FNF) reported its title insurance segment generated pre-tax earnings of $529.0 million during the second quarter of 2022. This compared to $644.0 million in pre-tax income during the same period a year ago.

"Our title business produced a strong performance in the second quarter despite the housing market experiencing headwinds from higher mortgage rates, which have impacted residential refinance and purchase volumes," said Mike Nolan, FNF's chief executive officer. "Though the economic outlook and near-term market trends are uncertain, we will continue to manage the business the way we have through prior cycles, effectively managing margin by adjusting expenses to align with trends in opened and closed order volumes. We will also be opportunistic and use market dislocation to continue expanding our business through attractive acquisitions and recruiting of established and experienced producers."

Fidelity's direct operations opened 443,000 orders during Q2 2022 and closed 348,000 orders. The company opened 695,000 direct orders during Q2 2021 and closed 568,000 direct orders. Purchase orders comprised 71% of all FNF's closed direct orders during the latest quarter. On the commercial side, FNF reported opened orders decreased 7% and closed commercial orders declined 6% from second quarter of 2021

FNF paid $55.0 million in claims during the second quarter of 2022. The company provisioned $93.0 million for claims and paid $56 million in claims during Q2 2021. FNF's claims provision remains at 4.5% of total premiums.

"While we expect residential purchase demand to continue to moderate in the second half of the year as compared to the record levels seen last year, 2022 will still be one of the strongest residential purchase markets in the last 15 years," Nolan said. "Additionally, we continue to benefit from strength in the commercial market and home price appreciation in the residential purchase market."

First American

First American Financial Corp. reported its title insurance segment generated $240 million in pre-tax income during the second quarter of 2022. This compared to $358 million in pre-tax income during the same period a year ago.

"Given the decline in residential real estate activity and uncertainty in the economic outlook, we are maintaining our focus on expense management, particularly in business units most impacted by the decline in residential transactions," said Ken DeGiorgio, chief executive officer at First American Financial. "While we continue to effectively manage our cost structure, we also remain steadfastly committed to investing in strategic initiatives that support our company's growth and operational efficiency, including our digital closing and title automation initiatives, and the expansion and enhancement of the data assets that fuel them."

First American opened 257,200 direct orders during Q2 2022, while closing 205,000 direct orders. During the same period last year, the company opened 329,500 direct orders and closed 271,100 direct orders. First American's commercial revenues were $289 million, up 30 percent compared with last year.

Personnel costs were $613 million in the second quarter, an increase of 10 percent, compared with the same quarter of 2021. First American reported this was primarily due to the impact of recent acquisitions.

The provision for policy losses and other claims was $69 million in the second quarter, or 4.0% of title premiums and escrow fees. This is in line with the 4.0% loss provision rate in the prior year, according to First American. The company paid $59 million in claims during the second quarter of 2022. This compared to $33 million in claims paid during the same period a year ago.

Old Republic

Old Republic International reported its title insurance segment generated $109.5 million in pre-tax income during the second quarter of 2022. This compared to $138.9 million in pre-tax income during the same period a year ago.

Title insurance net premiums and fees earned declined by 7.1% during the second quarter of 2022 compared to the same period a year ago, the company reported.

According to Old Republic, direct and agency-produced revenues declined during the quarter. The company expects revenues will be lower throughout the year when compared to last year. Old Republic said the main driver of these trends is increasing mortgage interest rates, which continue to significantly reduce refinance activity. Housing prices remained firm, although the effect of increasing mortgage interest rates may reduce purchase activity in the remainder of the year.

Old Republic reported its commercial activity picked up during the second quarter.

The company's loss ratio for the title segment was 2.8% during the latest quarter. This was down from 3.0% during the same period a year ago.

Stewart

Stewart Information Services Corp. reported its title segment generated $93.6 million in pre-tax income during the second quarter of 2022. This compared to $125.7 million in pre-tax income during the same period a year ago.

"Our second quarter results reflect the continuation of a transitioning market which began in the first quarter," said Fred Eppinger, Stewart's chief executive officer. "Notwithstanding these market conditions, our results reflect the fundamental changes we have made to our operating approach and competitive position as we maintained strong operating margins. We believe Stewart is positioned to perform throughout this changing market and the entire real estate cycle, and we continue to invest in our business to improve our operating performance and take advantage of any market opportunities."

Stewart's direct operations opened 103,646 orders and closed 84,882 orders during the latest quarter. This compared to 143,629 direct orders opened during the second quarter of 2021 and 117,473 closed direct orders.

Title loss expense in the second quarter of 2022 decreased to $26.4 million from $33.6 million in the second quarter of 2021, primarily due to favorable claims experience. As a percentage of title revenues, title loss expense during Q2 2022 was 3.5% compared to 4.5% in the prior year quarter. For the full year 2022, Stewart expects title losses to be approximately 4% of title revenues.

During the company's earnings call, Eppinger said growing market share for Stewart's direct operations continues to be part of the overall strategy in target markets. Over the last couple of years, Stewart has acquired 20 regional title companies. Eppinger said the company continues to evaluate additional opportunities.

For its agency business, Eppinger said Stewart has made significant progress deploying technology and service that provide greater connectivity, ease of use and risk reduction for its agents.

"As the industry accelerates the implementation of online and paperless transactions, we are identifying ways to better support our agents as they undergo the critical transition," he said. "We believe our opportunity to grow scale in our growth markets and improve our share with winning independent agents is on a very solid path forward."

The State of E-closings and

Much Has Changed Since 2020. So When Will the Majority of Transactions Be Closed Digitally?

By Aaron Davis and Jonathan Kearns

RON

THE TITLE INDUSTRY HAS SEEN SIGNIFICANT CHANGES SINCE 2020, not the least of which has been the noticeable acceleration of the automation process. But while many expected the pandemic and the rise of work-from-home opportunities to make remote online notarizations (RON) and digital closings nearly universal, that has not been the case thus far. That's not to say the digitalization of the closing process has stalled out. While the majority of closings performed in the past year have remained manual/traditional, the gap between digital and manual is quickly shrinking. Additionally, the change of market cycles and a few other developments suggest that it won't be much longer before the digital closing is the preferred—and perhaps even only—acceptable approach to settlements.

The Business Case for Adoption of Digital Closings

A sizable majority of the title industry already understands the benefits of RON and digital closings. Increased productivity and a more streamlined workflow are two of the most obvious ones. In February 2022, MarketWise Advisors reported the results of their survey of Notarize RON technology users. According to the report, 87% of the professionals surveyed believe e-closings may help close more loans at existing or even decreased levels of staff.

The increased productivity afforded by digital closings also means increased efficiency. Title agents using digital closing technology have reported they're saving up to 104 minutes per file. That's over an hour and a half of recovered time during which staff could be undertaking marketing or client service tasks. Those agents further reported improved lender communication, increased loan quality, the elimination of paper and shipping costs and a 31% reduction in errors such as lost documents or missed signatures as well as the resulting work necessary to cure those defects.

We also don't need mounds of evidence to realize that the availability of RON and digital closings only enhances the consumer experience from a perspective of convenience, speed and simplicity.

This is not to say that lenders are the roadblock to widespread digital closings, however. While e-mortgages currently represent less than 10% of loans, adoption has nearly tripled over the past few years, according to Camelia Martin, head of industry and regulatory affairs at Snapdocs.

More than a few lenders are pushing for the increased adoption of digital closings and RON, having also experienced robust time and cost savings. The previously cited MarketWise survey, for example, reported that lenders using a hybrid e-closing process realized a 99-minute reduction per loan. Lenders using a full e-closing, including online notarization, saved 157 minutes per transaction. Overall, the same lenders indicated that digital closings had saved them up to seven days in the processing and funding cycle, as well as decreasing their cost per loan by $174.

In fact, the dramatic market pivot from refinance to purchase volume, in combination with a decline in overall origination revenue, should only make the use of RON and e-closings more attractive to title agents and lenders alike. The ability to maintain flexible staffing levels in any market conditions has the potential to put an end to the costly mass hire/mass layoff personnel strategy. The implementation of a digital process could also cut into QC/QA expenses. The flexibility brought about with remote and online closings could allow title firms and lenders alike to rethink their brick-and-mortar expenses.

We're Getting There

A 2021 ALTA survey indicated 46% of the title agents responding offered digital closings in 2021. That was a dramatic jump from the 14% offering such services before 2020. The mortgage origination side of the transaction is also moving toward increased RON and digital closing services.

The legal barriers to RON at the state level, long a significant impediment to adoption, are beginning to fall. Currently, 45 states and the District of Columbia permit some level of RON, with only five states requiring in-person settlements. The push for federal action to legalize RON nationwide is gaining momentum, too. In July, the U.S. House of Representatives 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 bipartisan bill has 128 cosponsors in the House. Sens. Kevin Cramer (R-N.D.) and Mark Warner (D-Va.) have introduced a companion bill in the Senate, which has 12 cosponsors.

In just a few short years, the ability to obtain, implement and use RON and digital closing technology has substantially improved for lenders and settlement services providers alike. Both the availability and quality of the technology and service providers necessary to perform RON and/or digital closings has increased considerably.

So why the delay? To some degree, the widespread adoption and deployment of e-note and e-vault technology has been slower than expected, for several reasons. Having lived through the operational chaos of the TRID implementation in 2015, some lenders and title firms remain wary of major operational disruptions, and botched implementations. Others may fear the sunk cost that comes when a new technology fails to do what it was supposed to. Additionally, e-closing adoption got a slow start because of some initial reluctance (which has since waned) within the secondary market to accept digitally closed loans. All of this, however, is changing quickly.

It's becoming apparent that we are, as an industry, moving in the direction of digital closings as the norm, even if a little more slowly than originally anticipated. Much of that is a matter of unwinding and rebuilding a closing process bolted together over decades of transactions. Change has always come slowly to the real estate industry—especially significant change such as the adoption of a digital mortgage process. But the components are now in place, and the understanding of the benefits of digital closings has grown exponentially. It's no longer a stretch to suggest that, when it comes to the possibility of universal digital closings in the real estate industry, it's now only a matter of time.

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Show Lenders You are RON Ready

Lenders are searching for "RON Ready" title professionals! If you offer RON, let lenders know with a FREE listing in the ALTA Registry. Companies that offer RON can get a special RON Ready icon next to the company name in their ALTA Registry listing.

The Mortgage Information Standards Management Organization's (MISMO's) e-Eligibility Exchange, powered by SnapDocs, automatically accepts title companies in the ALTA Registry to its national digital closing platform for lenders. Your way into the Exchange is through the ALTA Registry. Once in the ALTA Registry—including your RON Ready status—your company is automatically uploaded to the Exchange, putting your digital closing capabilities on display to lenders looking for a digital-capable title partner.

Listings in the ALTA Registry are free and ALTA membership is not required. If you are unsure about your status in the ALTA Registry, visit ***altaidregistry.org***.

Current MISMO Projects That May Impact the Title Industry

The ALTA-MISMO Liaison Work Group is an ALTA engagement group that works within MISMO to ensure our membership is appropriately represented and provides expert advice and input on title industry data.

Title and Closing Community of Practice (CoP)

Paul Martin: This CoP manages the work of MISMO that impacts the title industry and oversees or liaises with other Development Work Groups (DWG) and their Work Request (WR)s that may impact title and closing.

Title Docs to Data Development Work Group (DWG)

Shannon Bunting, Core Logic

This Project (a *3-phase* effort) seeks to map data on title documents (that are currently exchanged between parties as PDFs) to the MISMO Reference Model, which is a standard vocabulary and data model for describing all information about a mortgage, real estate transaction, and related services. It is used as the basis for reusable, standardized business-to-business information exchange.

- **Summary:** This DWG is executing the Title Docs to Data Project initiated by the CoP. This is a 3-phase effort: *Phase 1* Preclosing docs *Phase 2* Closing docs and *Phase 3* Post Closing docs
- **Status:** Phase 1: Pending resubmission to Information Management Committee (IM) by end of June. *Phase 2*: *Phase 1* WR will be expanded to include this phase pending. *Phase 3*: Pending completion of *Phase 2* expansion and work
- **Next Steps:** *Phase 1*: Once submitted, starts the MISMO approval process (reviews and then public comment) target is v3.6 RM release. *Phase 2* WR go to Residential Governance Standards Committee (RGSC)

Standardized Closing Instructions (CI)

Ruth Dillingham, Esq. NTP Dillingham Law LLC

This project has created a standardized set of closing instructions.

- **Summary:** This is a multi-year effort to create a set of closing instruction templates for use by lenders
- **Status:** Mapping in final stages. User guides being updated. Two large lenders are currently integrating the new CIs into their lending platforms
- **Next Steps:** Communications to drive adoption development necessary. ALTA marketing has an ongoing communication plan for reaching out to ALTA membership to raise awareness across the industry to help drive lender adoption

Fee Collaboration

Ruth Dillingham Esq. NTP Dillingham Law LLC

This initiative has created a standardized list of fee names to be used on closing documents.

- **Summary:** The objective is to minimize duplication of confusing names used for fees by the mortgage industry
- **Status:** Fee sheets have been submitted to Information Management Committee (IM)
- **Next Steps:** IM approval

ALTA Registry Data Mapping and API

Steve Acker, CMSP Escrow Tab

This project maps all ALTA Registry data to the RM.

- **Summary:** The project focuses on mapping all ALTA Registry data to the MISMO Schema and use it as a test case for the new MISMO API tool kit.
- **Status:** Mapping completed.
- **Next Steps:** ALTA Registry data will appear in the next RM release (v3.6) in 2022.

e-Eligibility Exchange (eEE)

Paul Martin, ALTA Registry Director

This initiative seeks to study and resolve common issues in communications and data exchanged between lenders and settlement agent.

- **Summary:** eEE was launched by MBA/MISMO April 2022
- **Status:** eEE 2.0 will examine enhancements to improve user experience
- **Next Steps:** ALTA staff will meet with ALTA UW members at ALTA ONE to raise awareness of eEE

Smart Doc®

Paul Martin, ALTA Registry Director

This initiative seeks to create a technical framework for managing documents in an electronic format.

- **Summary:** SMART: Securable, Manageable, Archivable, Retrievable, Transferable
- **More info:** mismo.org - SMART Doc® Version 3 | MISMO
- **Status:** Released for a 90-day public comment period on June 30. The comment period ends Sept. 30. Join the ALTA-MISMO Liaison Work Group:

Join the ALTA-MISMO Liaison Work Group: alta.org/about/leadership-committees

Uniform Law Commission Appoints New Study Committee on Model Marketable Title Act

The Executive Committee of the Uniform Law Commission (ULC) recently authorized the appointment of a new Study Committee on Model Marketable Title Act.

The Model Marketable Title Act, which was derived from Article 3 of the Uniform Simplification of Land Transfers Act, was promulgated in 1990 and enacted in one state before being withdrawn as obsolete in 2015. However, about 20 states have marketable title statutes, some of which include provisions from the 1990 Model Act. The Model Act extinguishes interests in land that are not found in the root of the title, dating back 30 years from the time that interests must be determined.

This committee will study the need for and feasibility of updating the Model Marketable Title Act.

The ULC provides states with non-partisan, drafted legislation to bring clarity and stability to critical areas of state statutory law.

D.C. Passes RON Bill

The Washington, D.C., joined the ranks of jurisdictions passing legislation that authorizes the permanent use of remote online notarization (RON).

The bill, which was supported by the D.C. Land Title Association (DCLTA), adopts the Uniform Law Commission's Revised Uniform Law on Notarial Acts. The act goes into effect immediately once signed by the mayor (or in the event of a veto by the mayor, action by the council to override the veto), following a 30-day period of congressional review and publication in the District of Columbia Register.

"DCLTA is thrilled that D.C. has passed Remote Online Notarization legislation," said Amy Klein, president of DCLTA and agency counsel for FNF Family of Companies. "Having the ability to complete notarization online not only improves accessibility for the substantial subset of the D.C. population whose work requires frequent travel out of the jurisdiction or overseas, but also improves accessibility for D.C. residents who have challenges accessing a notary in-person and reduces the need for powers of attorney, which can be a source of fraud in our industry. The legislation's identity proofing and audio-visual record keeping requirements make online notarization one of the most secure forms of notarization."

According to the statute, a notary in Washington, D.C., may perform RON if the notary satisfies at least one of the following:

- Has personal knowledge of the remotely located individual
- Has satisfactory evidence of the identity of the remotely located individual by oath or affirmation from a credible witness appearing before the notary public
- Has obtained satisfactory evidence of the identity of the remotely located individual by using at least two different types of identity proofing

Notaries must notify the mayor that they will be performing RON and also identify the technology that will be used. The bill says the mayor may promulgate rules, but in doing so, consideration must be given to rules in other states.

D.C. joins 43 states that have authorized permanent RON laws.

SoftPro Releases New E-sign and RON Solution

SoftPro has released a new product that has both e-sign and remote online notarization (RON) functionality. SoftPro Sign can be used exclusively for e-signing or for e-signing paired with RON. Available within the SoftPro 360 business exchange portal, SoftPro Sign supports the increased demand for a digital closing experience.

With SoftPro Sign, all parties involved in a real estate transaction can securely sign and/or notarize documents online. The product provides collaboration with the settlement agent, lender, real estate agent, investor and consumer. Whether the need is for simple, secure e-signing of documents or full RON support, SoftPro Sign has settlement agents' needs covered allowing them to keep their own RON services in-house. With the option to do e-sign only, RON only, or both within SoftPro Sign, settlement agents no longer have to choose between vendors who offer only one or the other.

"We are thrilled to offer a product as timely as SoftPro Sign for secure e-sign and RON capabilities," said Joyce Weiland, president of SoftPro. "Our customers can meet the demands of their clients and business partners for closing anywhere and anytime with this new offering."

AmTrust, First Nationwide Settle No-poach Allegations in New York

AmTrust Title Insurance Co. and First Nationwide Title Agency LLC agreed to pay $1.25 million to settle allegations they entered into no-poach agreements with competitors in New York, according to the state's attorney general (OAG).

The title companies, which cooperated with the attorney general's office, didn't admit or deny the findings. AmTrust issues title insurance policies either through First Nationwide or through independent title insurance agencies.

"AmTrust enters into this assurance for the purpose of resolving the OAG investigation only and this assurance does not create any rights for any third party," the agreement stated.

No-poach agreements are agreements among two or more companies not to solicit, recruit or hire each other's employees; these agreements can be written or verbal.

In addition to the fine, AmTrust and First Nationwide agreed to terminate any existing no-poach agreements and refrain from engaging in these arrangements.

The investigation concluded that AmTrust entered into no-poach agreements with other title insurance companies. These agreements effectively stifled competition for employees between AmTrust and their competitors, potentially impacting New York workers, according to the attorney general. The investigation did not identify any pro-competitive justifications for these agreements.

According to the Assurance of Discontinuance, for 10 years AmTrust and First Nationwide must:

- Notify the OAG if it learns of any violation or potential violation known to any officer, director, human resources manager or senior manager who supervises employee recruiting, solicitation or hiring efforts.
- Notify the OAG if it learns of any efforts by competitors to entire into or enforce a no-poach agreement.
- Provide the OAG with a certification affirming its compliance with the requirements set forth in the order.

The companies also must provide a compliance program to meet the obligations of the order.

Virginia Couple Created Bogus Title Companies to Fuel Scheme

A husband-and-wife real estate team in Virginia were sentenced recently on federal wire fraud charges related to their scheme to create fake residential sales contracts in order to obtain advance sales commissions to which they were not entitled.

Jessee Allen DeLoach, 40, and Natasha Ashley Miller DeLoach, 38, both pled guilty in February 2022 to one count of wire fraud. They each were sentenced to 15 months in federal prison. In addition to their prison time, the DeLoaches agreed to pay $146,273 in restitution.

According to court documents, the DeLoaches owned a real estate agency called Koltown Properties Inc., which operated in Southwest Virginia. Between March 2016 and November 2019, the defendants created at least 19 phony residential sales contracts and submitted them to multiple advance commission companies throughout the country to fraudulently obtain money.

Advance commission companies provide a financial service to real estate agents by assisting them with cash flow. Specifically, real estate agents may sell portions of their pending commissions on legitimate residential sales contracts in exchange for access to cash before the closing date.

As part of the scheme, the U.S. Attorney's Office of the Western District said the DeLoaches created false sales contracts for properties they knew were not under contract or they listed buyers and sellers who did not exist. Additionally, the DeLoaches altered valid residential sales contracts to reflect that no other real estate agent was involved in order to double their claimed sales commissions.

To further their schemes, the DeLoaches created fake title companies, including one named Excel Title Co., to

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validate the fraudulent contracts to the advance commission companies so they would in turn authorize commission payments to the DeLoaches.

The couple obtained over $300,000 in advance sales commissions over the life of their schemes.

Realogy Title Group Rebranded as Anywhere Integrated Services

Anywhere Real Estate Inc.—formerly known as Realogy Holdings Corp.—announced new naming conventions for its business units as part of its recent corporate rebrand.

As part of the rebranding, Realogy Title Group, the company's title, mortgage and insurance business, will be rebranded as Anywhere Integrated Services.

Realogy Franchise Group will be rebranded as Anywhere Brands. Realogy Brokerage Group—which includes Coldwell Banker, Corcoran and?Sotheby's International Realty—will be rebranded as Anywhere Advisors.

In June 2022, the company officially completed its corporate rebrand from Realogy to Anywhere.

Old Republic, ClosingLock Working Together to Fight Wire Fraud

Old Republic Title Insurance Group and ClosingLock are working together to help combat wire fraud for Old Republic Title's agents.

ClosingLock is a vetted vendor of Old Republic and offers preferred pricing to the underwriter's agents. ClosingLock provides a secure platform for title companies, law firms and other financial services entities to protect themselves and their clients from wire fraud. ClosingLock has protected over $100 billion in real estate funds to date.

"Old Republic Title is one of the largest and most respected brands in the title insurance industry," says Andy White, CEO and co-founder of ClosingLock. "We are excited to be working with them to help combat wire fraud in the real estate industry."

Endpoint Offers Solutions to Support Scalable Digital Closing Platform

Endpoint launched new proprietary solutions tailored for proptech companies and investors looking for a scalable digital closing platform to support their growth across the nation.

"At Endpoint, we've built our company around the singular mission of making the real estate closing experience as seamless as possible," said Scott Martino, CEO of Endpoint. "The combination of our proprietary technology built specifically for the purchase transaction, centralized team of closing experts and expanded nationwide reach makes Endpoint the right partner for proptech companies and investors. Endpoint offers a fully digital experience, as well as the confidence, expertise and deep resources that comes from our association with First American, a premier provider of title, settlement and risk solutions."

To support large-scale clients looking for an enterprise-wide solution for their title and settlement needs, Endpoint now offers a suite of APIs that opens orders, tracks transaction status, exchanges documents, and provides custom reporting features and notifications. Endpoint is licensed in 36 states.

ATTOM Sells RealtyTrac to Nations Info

ATTOM, which curates land and property data, recently sold its RealtyTrac and Homefacts websites to Nations Info. As part of this transaction, which was effective July 15, Nations Info has also signed a multi-year agreement to become an ATTOM data licensing customer.

"RealtyTrac will always have an important place in ATTOM's history—our company actually started out as RealtyTrac back in the mid-1990s—and was integral to fueling our company's growth over the years," said Rob Barber, ATTOM's CEO. "But as the company shifted its focus to data licensing, and our customer base moved from individual consumers and real estate agents to large enterprises, websites like RealtyTrac and Homefacts were no longer closely aligned with our future vision for ATTOM's growth."

ULC Appoints Study Committee on Model Marketable Title Act

The Executive Committee of the Uniform Law Commission (ULC) recently authorized the appointment of a new Study Committee on Model Marketable Title Act.

The Model Marketable Title Act, which was derived from Article 3 of the Uniform Simplification of Land Transfers Act, was promulgated in 1990 and enacted in one state before being withdrawn as obsolete in 2015. However, about 20 states have marketable title statutes, some of which include provisions from the Model Act. The Model Act extinguishes interests in land that are not found in the root of the title, dated back 30 years from the time that interests must be determined.

This committee will study the need for and feasibility of updating the Model

Marketable Title Act

The ULC provides states with states with non-partisan, drafted legislation that to bring clarity and stability to critical areas of state statutory law.

DepositLink Secures $3 Million in Funding to Fuel Growth

Digital payment platform DepositLink closed on a $3 million Series Seed 2 funding round from angel investors. Funds will be allocated across platform development, sales, marketing and customer success to accelerate market penetration and expand deployments within existing accounts.

DepositLink helps eliminate inefficiencies and liabilities real estate, title companies, and escrow holders endure when managing paper checks and bank wires. The mobile responsive platform offers bank-level security, a $500,000 per transfer limit and workflows to collect earnest money, commissions and rental payments.

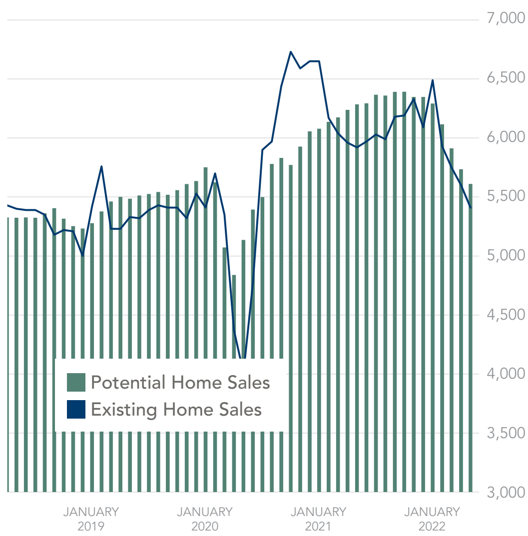
"Over the past 24 months, we have experienced explosive growth," said Darrell West, co-founder and CFO of DepositLink. "We are onboarding over 35 new clients monthly, and our pipeline is growing. By the end of 2022, our customers will have securely transferred over $1 billion using DepositLink."

Recent Integrations

- **SoftPro** released a new integration with **Punctual Abstract** for nationwide title abstracting services. The new integration allows all SoftPro 360 business exchange platform users to order title abstracts from Punctual Abstract.
- **AccuTitle**'s title production platform LandTech is now integrated with **Notarize**. The integration connects Landtech users with Notarize's network of live, commissioned notaries, available via video from any device.

Housing Market Potential

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



5.41 SAAR
Existing Home Sales

5.61 SAAR
Potential Home Sales

-3.6%
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

May 2022

$374,814
House-Buying Power

-20.4%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

1 New Jersey **$550,713**

3 Massachusetts **$548,445**

2 Maryland **$545,849**

4 Hawaii **$522,421**

5 California **$507,699**

1 San Jose, CA **$808,621**

2 San Francisco, CA **$756,526**

3 Washington, DC **$702,382**

4 Boston, MA **$621,713**

5 San Diego, CA **$548,335**

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

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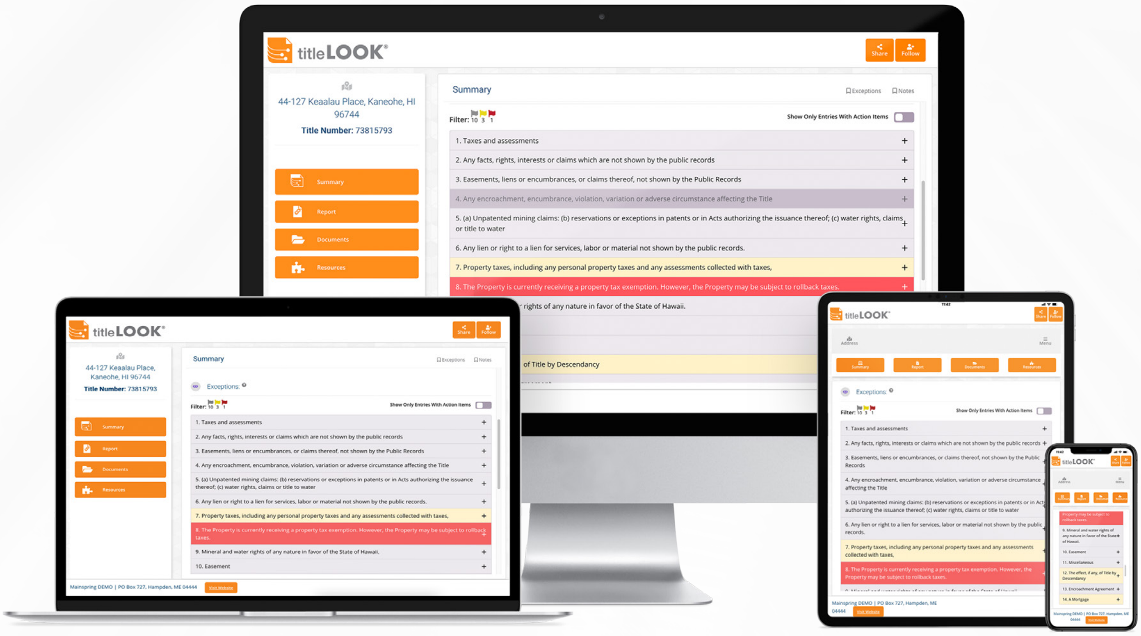

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Movers & Shakers

PropLogix Hires VP of Marketplace Initiatives

PropLogix recently hired Terri Hanson as vice president of marketplace initiatives. In this role, she will help PropLogix build on its tech-enabled services. Hanson will utilize her 25 years of title industry expertise, specifically in technology and customer advocacy, to help the title support solution company refine key technology initiatives that help title professionals with due diligence and title production. Previously, Hanson spent 11 years with Adeptive Software's ResWare team. She also spent more than 14 years with Stewart Title.

Doma Names Agency Manager for Central and Southern Virginia

Alan Shumate

Doma Title Insurance Inc. has tapped Alan Shumate as agency manager for Central and Southern Virginia. In this role, Shumate supports Doma's existing independent title agent and attorney customers and will add to the company's growing network across key areas of Virginia. He has served as account manager for ReQuire LLC, regional agency representative for a title insurance underwriter and vice president of sales and marketing for RynohLive. He also served as vice president of fiduciary banking at Capital Bank NA. Prior to joining Doma in 2022, he served as vice president of business development for SLK Global Solutions.

Stewart Names President of Cloudvirga

Stewart Information Services Corp. named Maria Moskver as the new president of Cloudvirga. In her new role, Moskver will lead Cloudvirga's strategic growth in building digital mortgage automation in the point-of-sale (POS) space and be responsible for technology investments, new products, brand awareness and enhancing the Stewart customer experience with end-to-end mortgage services and solutions.

Title Alliance Appoints General Manager for Arizona, New Mexico, Nevada

Title Alliance recently appointed Jan Kailey-Boyle as general manager for Arizona, New Mexico and Nevada. In this role, Kailey-Boyle oversees all joint ventures in the states and ensures consistency of the TA Way Processes and Procedures and has ultimate accountability for profit and loss within the states. Kailey-Boyle joined the Title Alliance team in late February 2022. She has more than 30 years of industry experience. Beginning her career in the industry, she managed a regional closing branch where her corporate closing support department team provided technical and operational support to the escrow operations of a 52- branch title and escrow company.

Darryl Turner Corp. Adds Vice President of Client Results

Leadership coaching organization The Darryl Turner Corp. (DTC) recently added Kristin Sidman to its corporate leadership team. As vice president of client results, Sidman will be responsible for the assurance of all client deliverables nationwide. She also will provide additional leadership to the DTC business coaches across the country assisting in quality assurance measures and consistent measurable results. Sidman began her career in the title insurance industry in sales in 2010.

Doma Appoints Chief Financial Officer

Doma Holdings Inc. recently appointed Mike Smith as chief financial officer (CFO). He previously served as the company's chief accounting officer and acting chief financial officer. With more than 30 years of industry experience, Smith served as chief accounting officer and director of treasury at Banc of California Inc. prior to joining Doma. He has held several other finance leadership roles throughout his career including chief accounting officer at loanDepot and CapitalSource Inc.

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Meet Our Team!

Marcus Hunt

Patrick Smith

Wayne Stanley

Hit the Ground Running

DAN WOLD
ALTA president

YOU READ AND HEAR A LOT ABOUT DIVISION AND CONFLICT IN WASHINGTON, D.C. THAT'S WHAT THE PUBLIC SEES THROUGH THE MEDIA. However, there have been several recent legislative outcomes of note.

First, the SECURE Notarization Act passed the House of Representatives in July by a vote of 336-90. The bill has 128 bipartisan cosponsors in the House and 12 in the Senate. ALTA has managed a large coalition of industry partners who are proponents of this legislation and have helped mobilize support on Capitol Hill.

Second, the House and Senate passed a budget reconciliation package in August that includes various energy, tax and healthcare provisions. The "Inflation Reduction Act of 2022" provides around $300 billion for climate and clean energy programs, aims to reduce prescription drug prices, includes a 15% minimum tax on large corporations, and adds a new 1% excise tax on stock buybacks. Additionally, prior to leaving for the August recess, both chambers of Congress passed the bipartisan Chips and Science Act, H.R. 4346, to boost U.S. competitiveness with China. This legislation allocates billions of dollars toward domestic semiconductor manufacturing and scientific research.

But as these deals fade in the rear-view mirror, in less than two months the midterm elections will be upon us. Historically, midterm results have gone against the party of the sitting president. Redistricting will have an impact during this election as Ohio, New York, Illinois and California lost seats.

Currently, the House leans Democrat at 220-211, with four vacancies. Based on voter registration numbers, analysts have indicated that there are now 187 Democrat-leaning House seats, 208 Republican-leaning House seats and 40 highly competitive seats.

Though Republicans appear to have an advantage in winning back the House majority, you never know what might happen. Will the Supreme Court's decision to overturn Roe v. Wade make a difference in the competitive districts? Will there be an "October Surprise" that swings voters one way?

The Senate also will be interesting. The fight for control of the Senate has always been more competitive than in the House. There are several high-profile Senate races in Arizona, Georgia, Pennsylvania, Nevada, North Carolina, Wisconsin and New Hampshire. Regardless, the Senate could remain split at 50-50, with Democrats still in control with Vice President Kamala Harris continuing to break tie votes.

It's also important to note that there will be a huge number of new members of Congress in January. There are 27 Republicans and 36 Democrats retiring from the House. There also will be at least seven new Senators. That's why ALTA has worked hard to grow relationships in Congress. Between TIPAC, the Title Action Network and our Congressional Liaisons program, we have had the opportunity to meet with more members of Congress than we have in the past.

After the 2022 elections, it will be crucial for us to hit the ground running to meet all the new Representatives and Senators to make sure they understand our industry. This is a clear reason why engagement during the good times—and the not so good—is so important.

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