

TITLE NEWS

APRIL 2023

AMERICAN LAND TITLE ASSOCIATION

THE THREAT *of* MISSION CREEP

Reported Fannie Mae Pilot Moves Beyond Charter and Into Title Insurance Business



TrustLink™

Keeps Your Best Practice on Course

Daily 3-way Reconciliation | Unclaimed Property Service | 1099 and W-9 Service

Let our team of experts with over 40 years of experience provide the best practice trust accounting processes you're looking for. Safe, secure, and reliable.



TrustLink™

The Premier Trust Accounting Service

800.767.7833 | trustlink.sales@firstam.com | www.trustlinkservices.com



iN This Issue

VOLUME 102 | NUMBER 4 | APRIL 2023

COVER STORY

- 10** **The Threat of Mission Creep**
Reported Fannie Mae Pilot Moves Beyond Charter and Into Title Business

FEATURES

- 16** **FDIC Acts to Protect All Depositors of Silicon Valley Bank, Signature Bank**
Turmoil Could Continue to Drive Down Mortgage Rates
- 18** **Most ALTA Members Not Covered by CFPB Proposal for Consumer Contracts**
- 20** **The Docket: Insured Lender Has to Clean Up Its Own Mess**
- 21** **Title Company's Crime Policy Covers Fraudulent Wire Transfer**
- 22** **Utah Passes First Bill Banning Predatory Residential Property Service Agreements**
Massachusetts Court Orders MV Realty to Stop Recording 40-year Liens
- 23** **ALTA Urges FinCEN to Give Title Entities Access to Beneficial Ownership Information System**

DEPARTMENTS

- 5** Publisher's Desk
- 6** ALTA News
- 24** Industry Update
- 29** Movers & Shakers
- 3x** Closing Comment



DON'T MISS THIS MONTH'S
DIGITAL ISSUE OF

TITLENews

The digital edition of **TITLENews** includes a webinar recording that discusses the different types of payment methods that are being used for real estate transactions, and provided tips on what steps to take to plan for leveraging new payment types in the future. The webinar discusses where digital funds are being used, the different options, best practices and good funds.

Go to alta.org
to get your copy of
Digital TitleNews Today.



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

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

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

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

©2023 American Land Title Association

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

TITLENews

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

PUBLISHER + EDITOR IN CHIEF
Jeremy Yohe

DIRECTOR OF DIGITAL AND PRINT MEDIA
Shawn Sullivan

ASSOCIATION OFFICERS

PRESIDENT
Jack Rattikin III
Rattikin Title Co.
Fort Worth, Texas

BOARD REPRESENTATIVES,
TITLE INSURANCE UNDERWRITERS
SECTION

Joe Grealish
FNF Family of Companies
Houston, Texas

PRESIDENT-ELECT
Don Kennedy
First American Title Insurance Co.
Santa Ana, Calif.

David Townsend MTP, NTP
Agents National Title Insurance Co.
Columbia, Mo.

TREASURER
Tara Smith
Stewart Title Guaranty Co.
Houston, Texas

BOARD REPRESENTATIVES, ABSTRACTERS
AND TITLE AGENTS SECTION

Lisa Steele
Mother Lode Holding Co.
Roseville, Calif.

CHAIR, FINANCE COMMITTEE
Quinn H. Stufflebeam
Title Financial Corp.
Blackfoot, Idaho

Craig Haskins
Knight Barry Title Inc.
Milwaukee, Wis.

CHAIR, TITLE INSURANCE UNDERWRITERS
SECTION
Don Kennedy
First American Title Insurance Co.
Santa Ana, Calif.

IMMEDIATE PAST PRESIDENT
Daniel M. Wold
Old Republic National Title
Insurance Co.
Minneapolis, Minn.

CHAIR, ABSTRACTERS AND TITLE
INSURANCE AGENTS SECTION
Richard H. Welshons
DCA Title
Hastings, Minn.

ASSOCIATION EXECUTIVE STAFF

CHIEF EXECUTIVE OFFICER
Diane Tomb

VICE PRESIDENT
OF GOVERNMENT AFFAIRS
Elizabeth Blosser

CHIEF OPERATING OFFICER
Cornelia Horner CMP

VICE PRESIDENT
OF GOVERNMENT AFFAIRS
Emily Tryon

SENIOR VICE PRESIDENT
OF PUBLIC AFFAIRS
Chris Morton

VICE PRESIDENT OF COMMUNICATIONS
Jeremy Yohe

CHIEF INFORMATION OFFICER
Kelly Romeo CAE

GENERAL COUNSEL
Steve Gottheim

We Need Your Voice

ADVOCACY IS AN IMPORTANT LEVER FOR A PRODUCTIVE GOVERNMENT.

Without it, governments would struggle to sort out the many competing interests of their citizens. Fortunately, advocacy provides important expertise to government legislators, acts as an educational tool and allows individual interests to make their voice heard.

Legislators on Capitol Hill are overwhelmed with thousands of issues ranging from national security to taxes and health care. Because of this, it's hard to capture the attention of members of Congress.

But we have a great story to tell, and this is why we need your voice to help explain the importance of title insurance and how it provides the best protection for property rights. As this edition's cover article explains, Fannie Mae and Freddie Mac have opened the door to the use of unregulated title insurance alternatives. The latest proposal is a reported pilot program by Fannie Mae that would grant a waiver from any title insurance requirements for certain loans it purchases.

This is troubling and introduces significant risk to lenders, taxpayers, consumers and the economy. ALTA remains engaged with federal policymakers to highlight the serious concerns with these moves by Fannie Mae and Freddie Mac, as well as working with policymakers and regulators who share ALTA's perspective.

What can you do? ALTA member engagement remains important in this process. Attending our upcoming [ALTA Advocacy Summit](#) in May is the perfect opportunity to meet your member of Congress and explain that shortcuts to well-established processes do not end well—as the 2008 financial crisis demonstrated. Members of Congress need to know about your impact and involvement in your community. They need to understand the difference you and your company make every day.

Until the Advocacy Summit, one thing you can do now to help is to renew your membership or join the [Title Action Network](#) and respond to upcoming alerts from ALTA. This is a free opportunity to connect with members of Congress and inform them that new products or initiatives should not weaken property rights or increase risk to consumers and lenders.

The title insurance industry supports innovation and competition and is eager to find better ways to make housing—and closing costs for home purchases—more affordable. We need your voice to help explain this.



JEREMY YOHE

ALTA vice president of communications

| House Passes ALTA-supported SECURE Act

The U.S. House of Representatives passed the ALTA-supported SECURE Notarization Act of 2023 (SECURE) on Feb. 27 by a voice vote.

The bipartisan legislation was introduced earlier this month by U.S. Reps. Kelly Armstrong (R-N.D.) and Madeleine Dean (D-Pa.).

SECURE would enable use of remote online notarization (RON) technology by notaries public in interstate commerce and allow signers located outside of the U.S.—such as active-duty military personnel—as well as the elderly and homebuyers with disabilities to securely notarize documents.

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

“We are pleased to see momentum



on this critically important bill that will modernize the United States’ notarization system once and for all,” said Diane Tomb, ALTA’s chief executive officer. “Too many Americans are left behind by our current system, which can delay the execution of important documents—such as closing documents for the purchase of a home—simply because someone is unable to visit a notary in person. We are grateful for the leadership of Representatives Dean and Armstrong in getting this bill through the House.”

SECURE was first introduced in 2020 as the COVID-19 pandemic increased the need for social distancing and remote options for executing important life documents. It includes requirements for two-way audiovisual communication, multifactor authentication and tamper-evident technology—critically important security standards that protect consumers.

“Remote Online Notarization offers consumers a convenient way to safely and securely complete documents,” Rep. Armstrong said. “I’m excited to see our legislation receive an overwhelming and bipartisan House vote, and I am hopeful the Senate will agree and pass it to be signed into law.”

ALTA will now concentrate efforts in the Senate. The House previously passed SECURE two times. Currently, 43 states have enacted laws allowing permanent access to remote online notarization.

| ALTA Announces Several Companies Renewed as Elite Providers



ALTA announced that several companies have renewed as ALTA Elite Providers for 2023.

ALTA’s [Elite Provider Program](#) features distinguished service providers committed to furnishing extensive benefits to the title insurance and settlement services industry. Elite Providers promote the

highest industry standards and provide effective solutions for ALTA members’ critical needs.

“As an ALTA Elite Provider, these companies have shown their dedication to the title and settlement services industry,” said Diane Tomb, ALTA’s chief executive officer. “It is more important than ever for ALTA to supply its members with innovative

service providers that are actively engaged in creating state-of-the-art, customized solutions—and for those solutions to help protect industry professionals as well as consumers. The Elite Provider Program calls for our premiere providers to complete a comprehensive application process, which includes furnishing ALTA with member recommendations as well as financial statements. This extensive practice proves Elite Providers can add value for our members and make their businesses more profitable.”

Here’s a look at the companies:

- **SoftPro:** A provider of comprehensive closing and title and escrow software, SoftPro offers cutting-edge technology and support services to help make its customers’ businesses more efficient and productive. SoftPro’s award-winning software is flexible, secure and fully customizable; produces residential and commercial closings; and

Our Data Promise:

We understand that your data is your intellectual property and one of your most valuable assets.

You own it. Now and forever.

We'll never sell or repurpose it...*that's* our promise to you.

Giving up the rights to your data isn't a cost of doing business with RamQuest. Instead, you can have all the benefits of modern, innovative software *and* the confidence that RamQuest understands your data is yours, and yours alone.

Learn more:
RamQuest.com/Data-Promise



ALTA Announces Several Companies Renewed as Elite Providers, cont.

provides automation capabilities, hosted and on-premise installations as well as integrations for e-closings and remote online notarizations. An ALTA Best Practices Pillar II, III, IV and V company, SoftPro offers ALTA members 20% off any new license fees for current ALTA members.

- **CertifID:** CertifID protects title agents and their customers from wire fraud with an identity verification SaaS platform, insurance and proven recovery services. CertifID safeguards billions of dollars every month and provides further peace of mind with up to \$1 million in direct insurance coverage on every wire it protects. An ALTA Best Practices Pillar II company, CertifID offers ALTA members 10% off their first-year annual licensing fee.
 - **RamQuest:** RamQuest's integrated technology was designed specifically for title and settlement companies and includes solutions for title and settlement production, escrow accounting, document imaging and management, transaction management and an extensive network of service providers and partners. RamQuest can accommodate in-house software on an internal network or provide a hosted environment. For new customers, RamQuest offers ALTA members a complimentary bundle of up to five RamQuest User Group memberships, good for two years, ensuring the ability to building a network with other RamQuest users, providing insight into future solutions and securing a discount to the annual user group conference.
 - **Skyline Lien Search:** Skyline Lien Search reveals issues with real estate and tangible taxes, code enforcement and building violations, municipal utilities, permits and more. The company's TaxTrack system provides accurate information about how much, when and how to pay real estate property taxes. Skyline also offers homeowners' association (HOA) estoppels and HOA verification. The company now has a resolution department; trained agents reach out to municipalities and entities to obtain the detailed actions that must be taken to fix problems such as permits, code violations or other citations, allowing ALTA members to close transactions smoothly and quickly. Skyline Lien Search will waive its service fee for the first five orders of ALTA members who utilize the company for the first time, valued at \$85 per order.
 - **HDEP International:** HDEP International provides high-quality title production services, order entry, commitment preparation, O&E reports, abstracts, foreclosure reports, final polices and more. In addition to title production work, the company builds electronic title plants, maintains existing daily plants, completes legal descriptions and provides other services. Because HDEP International is platform agnostic, work is completed in the customers' current systems. The company allows its customers to convert fixed costs to variable costs and notes that its customers can save as much as 50 percent of internal costs when using their services. The company's facilities are ISO 27001 security certified, and the company is ALTA Best Practice Pillar 3 compliant. HDEP International offers complimentary project evaluations and project setup services to ALT
- [Click here](#) for more information about the Elite Provider program or to apply.

ALTA 2023 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 2023, TIPAC raised \$210,125 from 179 people. In addition, \$149,000 from 18 companies has been pledged to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

CALENDAR

2023 ALTA CONFERENCES

ALTA ADVOCACY SUMMIT

May 8-10
Washington, D.C.

ALTA ONE

October 10-13
Colorado Springs, Co.

STATE CONVENTIONS

OKLAHOMA

April 12-14
Tulsa, Okla.

LOUISIANA

April 16-18
Gulf Shores, Ala.

WISCONSIN

April 18-19
Madison, Wis.

SOUTHEAST

April 24
Birmingham, Ala.



UNMATCHED **EXPERTISE**, EXCEPTIONAL **SERVICE**



HELPING OUR AGENTS SUCCEED!

To learn more, visit oldrepublictitle.com/title-agents



OLD REPUBLIC INSURANCE GROUP

03/2023 | © 2023 Old Republic Title

AgencyDriven™

THE THREAT *of* MISSION CREEP



Reported Fannie Mae Pilot Moves Beyond Charter and Into Title Insurance Business

By Jeremy Yohe

FANNIE MAE is reportedly considering a pilot program that grants certain mortgage lenders a waiver on title insurance requirements for loans sold to Fannie Mae. This would be in place of traditional title insurance.

ALTA and several members of Congress have raised concerns about Fannie Mae moving beyond its charter and the additional risk put on lenders, consumers and the economy. This “mission creep” occurs when the government sponsored entities (GSEs) enter areas outside their core business of guaranteeing mortgages on the secondary market.

“Fannie Mae is threatening to extend beyond its charter and mission and move directly into the title insurance business,” said Diane Tomb, ALTA’s chief executive officer. “They were not established for this purpose, and it should raise significant alarm bells. Fannie Mae is not licensed, regulated or reserved for such purposes. Oversight of this business is the purview of state insurance regulators. The Federal Housing Finance Agency (FHFA) should instruct Fannie Mae to halt this activity.”

This proposed expansion of activities beyond the authorities expressly outlined in the Federal National Mortgage Association Charter Act is deeply troubling.

Several members of the Senate Banking Committee have already taken issue with Fannie Mae moving beyond its charter into primary market activities. Last year, the lawmakers warned FHFA Director Sandra Thompson against repeating past mistakes learned from the 2008 financial crisis by allowing the GSEs to extend themselves and take on more risk.

The senators objected to initiatives outlined in the equitable housing finance plans released by the companies.

“The plans are a return to GSE mission creep,” the senators wrote to Thompson in July. “The GSEs’ charters limit them to supporting the secondary market. These plans, however, contemplate that the GSEs would push into the title insurance and appraisal markets, and even the lending market. Primary market participants should be concerned about the GSEs seeking to return to their pre-crisis endeavors at evolving into full-service mortgage companies.”

In its Equitable Housing Finance Plan, Fannie Mae said it would consider “pilot options to reduce title insurance costs to borrowers” as part of that effort.

Other members of Congress also objected to Fannie Mae’s announcement in April 2022 that it would accept attorney opinion letters (AOLs) in lieu of traditional title insurance to lower closing costs. U.S. Rep. Bryan Steil asked the FHFA for more details about the decision to accept AOLs.



Bryan Steil



Brad Sherman

“Do you believe that encouraging lower- and moderate-income homebuyers to purchase a less protective insurance product is conducive to your goal of sustainable homeownership?” Steil wrote to Thompson in a Jan. 31 letter.

In a separate letter, Reps. Brad Sherman and Blaine Luetkemeyer also warned Director Thompson that these initiatives risk exposing 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, increase[d] taxpayer risk which FHFA must consider as the GSEs’ regulator and conservator,” the lawmakers wrote.

A move by Fannie Mae into title insurance also raises risk to consumers. Both the GSEs were put into conservatorship in response to the financial crisis that severely damaged each enterprise’s financial condition and left both unable to fulfill their missions without government intervention.

“We’ve seen this movie before, and it doesn’t end well for the housing finance system, consumers or the taxpayers,” Tomb said. “Taxpayers spent nearly \$200 billion to bail out the GSEs for their role in the 2008 housing crash.”

During the financial crisis, 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 pay 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 added. “Strong underwriting protects lenders and consumers alike—and title insurance provides a key part of this due diligence.”

It also is concerning that this pilot proposal is under consideration before the effective date of a new rule requiring Fannie Mae and Freddie Mac to seek approval from FHFA prior to implementing new products or services, and for these initiatives to be subject to an open, transparent process with opportunity for a robust public comment period. The rule, which was only finalized at the end of December, was scheduled to go into effect Feb. 27. The FHFA postponed the rule until April 28.

Other Mission Creep Endeavors

This isn’t the first time that the GSEs have attempted to extend beyond their mission.

The GSEs also have dipped their toes in the

“We’ve seen this movie before, and it doesn’t end well for the housing finance system, consumers or the taxpayers. Taxpayers spent nearly \$200 billion to bail out the GSEs for their role in the 2008 housing crash.”



appraisal market through new valuation options. Fannie Mae and Freddie Mac’s equitable housing finance plans further expand non-traditional property appraisals, which sometimes rely on property tax information, data collected by third parties or algorithms to assess a property’s value. Both GSEs argue that these approaches advance equity.

In 2018, Fannie Mae and Freddie Mac rolled out pilot programs relating to mortgage insurance. Keefe, Bruyette & Woods wrote that these pilots appeared to be somewhat similar in nature to Fannie’s potential pilot program for title insurance. The investment banking firm said these programs faced significant political pushback and ultimately were not instituted permanently. That decision was made under prior FHFA Director Mark Calabria. These programs never gained much traction and accounted for only 2-3% of industry new insurance written during their peak, according to Keefe, Bruyette & Woods.

What You Can Do

ALTA is engaged with federal policymakers to highlight serious concerns with these moves by the GSEs, as well as working with policymakers and regulators who share the association’s perspective. ALTA member engagement remains important in this process, including by participating in the upcoming [ALTA Advocacy Summit](#) in May. Please inform ALTA of any relationships you have with your member of Congress. Also, make sure to renew your membership or join the [Title Action Network](#), and respond to alerts from ALTA.

Risky Ventures

The pilot program comes on the heels of Fannie Mae's April 2022 announcement that it would accept attorney opinion letters (AOLs) in lieu of title insurance for certain loans. As ALTA has reported, these initiatives stem from Fannie Mae's equitable housing plan, which seeks to "advance greater equity in America's housing finance system, its practices, and its outcomes." Through this plan, Fannie Mae has targeted a reduction in title insurance and closing costs.

It is important to consider how adoption of title policy alternatives could expose lenders to greater risk. ALTA has said lending would become much riskier if AOLs were widely adopted. Warehouse lenders may decide to withdraw their resources from the industry, constricting industry liquidity—not unlike what was experienced during the financial crisis in 2008. Then, there could be a domino effect, resulting in lower prices of existing assets and higher prices on newly originated loans—costs that consumers would ultimately have to shoulder.

In March, financial regulators closed Silicon Valley Bank. It's the largest U.S. bank failure since the financial crisis. To quell concerns about the banking system, the FDIC stepped in to guarantee billions in uninsured deposits were protected. To help protect banks, taxpayers and the economy, it's important to ensure certain underwriting standards are maintained as we search for solutions for affordable and sustainable housing.

Donnell Williams, president of the Black Real Estate Professionals Alliance, highlights this concern in an article titled, "Let's Not Let History Repeat Itself With Sloppy Affordable Housing Policy." The former president of the National Association of Real Estate Brokers (NAREB) and the owner of Destiny Realty in Morristown, N.J., Williams says Fannie Mae's decision to accept attorney opinion letters (AOLs) in lieu of a title insurance policy "in limited circumstances" would be catastrophic. Taking shortcuts to well-established and regulated processes opens the door to the same traps that led us to the 2008 financial crisis.

Williams points out that while title insurance is a highly regulated product—subject to state and federal

regulatory oversight—title insurance alternatives are unregulated with no clear oversight. There is a reason that under state insurance laws, only licensed title insurers are permitted to underwrite specific coverages provided by title insurance. "We cannot ignore these alternative products' lack of regulatory oversight just because we think it might save some consumers money in the short term," Williams said.

State regulators have also inquired about these products. Because of this, at the request of the National Association of Insurance Commissioners (NAIC), we participated in leading a discussion before the NAIC's Title Insurance Task Force about some of the different AOLs in the market. As a well-regulated

industry, ALTA posed many questions they should consider, such as risk, coverage and cost. ALTA also shared the dangers of Fannie Mae's reported pilot program that would provide a waiver from any title insurance requirements for certain loans the GSE purchases. As ALTA has stated, Fannie Mae's proposed expansion of activities beyond the authorities expressly outlined in the Federal National Mortgage Association Charter Act is deeply troubling.

In addition, the proposal suggests that Fannie Mae would handle any claims that arise from the servicer, taking on the risk that title insurance companies would normally bear and are reserved to handle. ALTA is greatly

concerned about Fannie Mae handling claims and becoming a de facto title insurance company without being licensed, regulated or actuarially reserved for what is a primary market business under the purview of state oversight.

"As we learned from 2008, our dependable and trustworthy real estate system can quickly become fragile once we start creating shortcuts to well-established processes," Williams said. "Any shortcut—especially those impacting low- and moderate-income individuals and people of color—should be thoroughly examined and scrutinized." ■



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



Donnell Williams

"We cannot ignore these alternative products' lack of regulatory oversight just because we think it might save some consumers money in the short term."

Do Business Easier

With products and services in the palm of your hand



Introducing the **Agent Advantage Storefront**, your one-stop shop for our full portfolio of products and services. So you can quickly identify the best tools to drive growth, while spending more time on the core of your business – your customers.

- ✓ Broaden your capacity with title search, property data, and refinance automation tools
- ✓ Access industry-leading products, services and advisors to close your transactions efficiently
- ✓ Explore outsourcing options that help you do more with less
- ✓ Manage your underwriting services with platforms built to make doing business easier
- ✓ Grow your business with tools and services to help brand, promote, and market your agency
- ✓ Get the latest information on regulatory changes and industry trends

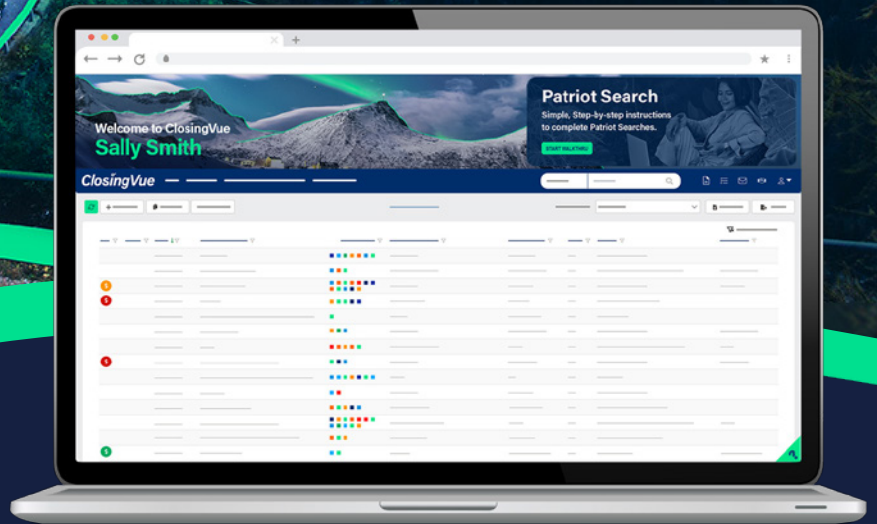
To learn more, visit
firstam.com/agentadvantage



First American Title™

www.firstam.com

What's New? ClosingVue



Introducing ClosingVue by E-Closing

ClosingVue is the **NEW** secure, cloud-based title and settlement software that equips you with tools and services that make the closing process easier.

ClosingVue streamlines your workflow making production work easier to navigate while our precision tools reduce time spent searching through pages of irrelevant data so you can focus on closing deals.

From data entry to closing and funding, ClosingVue supports your business with tools and services that help make work smarter, so you don't have to work quite as hard.

Start Your Journey with ClosingVue

To see ClosingVue in action, we invite you to attend one of our free webinars highlighting the benefits of our software.

To register for the webinar, visit E-Closing.com/SeeClosingVue or scan the QR code with your smart device.



For more information visit E-Closing.com or contact support at support@E-Closing.com.

FDIC Acts to Protect All Depositors of Silicon Valley Bank, Signature Bank

Turmoil Could Continue to Drive Down Mortgage Rates



THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) TOOK ACTION to protect the U.S. economy and all customers of [Silicon Valley Bank](#) and [Signature Bank](#), which were both closed by state regulators in March.

Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation on March 10, while the New York State Department of Financial Services closed Signature Bank on March 12.

The FDIC was appointed receiver of both institutions. To protect depositors, the FDIC transferred all the deposits and substantially all of the assets of the banks to newly created, full-service FDIC-operated bridge banks. A bridge bank is a chartered national bank that operates under a board appointed by the FDIC. It assumes the deposits and certain other liabilities and purchases certain assets of a failed bank. The bridge bank structure is designed to “bridge” the gap between the failure of a bank and the time when the FDIC can stabilize the institution and implement an orderly resolution.

The transfer of all the deposits was completed under the [systemic risk exception](#) approved March 12.

In a joint statement, the Treasury, Federal Reserve and FDIC said, “The U.S. banking system remains resilient and on a solid foundation, in large part due to reforms that were made after the [2008] financial crisis that ensured better safeguards for the banking industry. Those reforms combined with today’s actions demonstrate our commitment to take the necessary steps to ensure that depositors’ savings remain safe.”

Silicon Valley Bank had 17 branches in California and Massachusetts. As of Dec. 31, the bank had approximately \$209.0 billion in total assets and about \$175.4 billion in total deposits. Silicon Valley Bank was the first FDIC-insured institution to fail in over two years. It was also the largest bank to fail since 2008. The last FDIC-insured institution to close was Kansas-based Almena State Bank on Oct. 23, 2020.

Signature Bank, which had total assets of \$110.4 billion and total deposits of \$88.6 billion as of Dec 31, had 40 branches in New York, California, Connecticut, North Carolina and Nevada. The bank’s \$35.7

billion in real estate loans accounted for about a third of its assets at the end of 2022, according to data from the Federal Deposit Insurance Corp. The bank grew its real estate loan book more than fourfold over the past decade, FDIC data show. No other bank has issued more commercial real estate mortgages against New York City buildings since Jan. 1, 2020, according to an analysis by property news and data company PincusCo.

The New York Times reported the bank’s demise was fueled by its heavy exposure in cryptocurrency, which stood at \$16.52 billion. Signature made a big investment in crypto assets in late 2018 with the launch of its digital-payments platform called Signet.

Additionally, Silvergate Capital, a cryptocurrency-focused bank, also announced in March it would cease operations and liquidate its assets after a bank run forced the California lender to sell a chunk of its debt securities. The bank’s decline tracked the unraveling of the broader crypto industry, which took a turn for the worse following the collapse of FTX last year. FTX and other companies controlled by the crypto exchange’s founder, Sam Bankman-Fried, accounted for about \$1 billion of the bank’s deposits.

Silvergate was mostly a commercial real estate lender in 2013 with a handful of branches in the San Diego area. When it opened up to crypto companies the next year, its deposits grew dramatically, with nearly all of them coming from the digital-currency world. The firm sold off most of its traditional banking business to concentrate on crypto companies and institutional investors, providing banking services to exchanges such as FTX, Coinbase Global Inc. and Kraken.

Impact on Real Estate

Lawrence Yun, chief economist of the National Association of Realtors, said the Federal Reserve can’t be as aggressive in raising its short-term interest rates because of the bank failures. This means mortgage

rates should decline.

Yun said that when there is a panic in the financial market, investors often shift money toward safer assets, which tends to be U.S. Treasury notes and bonds. Mortgage rates lately have tended to follow the movement of Treasury yields, which are falling.

“So, a panic in a sense leads to an automatic stimulus to the economy from lower interest rates,” Yun said. “The housing sector nearly always responds to falling mortgage rates, especially when there are job additions to the economy”

Meanwhile, the bank failures may be a sign of trouble ahead for the tech industry.

“Some businesses reliant on funding from Silicon Valley Bank may lack capital to continue their business or have to cut back,” Yun said.

Zillow Chief Economist Skylar Olsen agreed that the heightened economic risk is likely to bring a short-term boost to the housing market by way of lower mortgage rates. Initial panic has eased, but market watchers worry that SVB’s missteps are more widespread, and investors are likely to pursue safer assets. Olsen said the Fed might now rethink strong rate increases that appeared imminent just weeks ago.

“Lower rates would help homebuyers who are stretched thin when it comes to affordability, but if SVB’s troubles are indicative of wider issues, a coming recession could be deeper and longer-lasting than expected,” Olsen said. “That raises the odds that income or job loss could start affecting housing markets where the economic stress is concentrated.

“A widespread tech downturn might be felt in housing markets like the San Francisco Bay Area and Seattle, where tech employment and stock prices have an outsized effect. With fewer home buyers in these markets able to afford the elevated prices that have been supported over the years by high incomes and stock growth, it’s likely these markets would chill and prices would come down,” he added.

Most ALTA Members Not Covered by CFPB Proposal for Consumer Contracts

THE CONSUMER FINANCIAL PROTECTION BUREAU (CFPB) on Jan. 11 announced a [proposed rule](#) that would create a registry of certain contract terms and conditions. This proposal would require certain nonbanks to annually submit information when their standard contracts impose limitations on consumer rights, including waivers of legal claims, choice of venue clauses, limitations on class actions, arbitration agreements and other legal waivers.

Fortunately, ALTA's analysis is that this proposal will not likely require title companies to file anything with the CFPB.

Under the proposal, companies that must submit contracts are "supervised registrants," which are a subset of "supervised nonbanks" as defined in the proposed definitions. It is unlikely that an ALTA member will qualify as a supervised registrant or nonbank as the proposal is drafted.

A starting point for this analysis is the definitions. The definition of a supervised nonbank has four parts to examine. Critical parts of the definition are highlighted below.

(g) Supervised nonbank means a nonbank covered person that is subject to supervision and examination by the Bureau pursuant to 12 U.S.C. 5514(a), except to the extent that such person engages in conduct or functions that are excluded from the supervisory authority of the Bureau pursuant to 12 U.S.C. 5517 or 12 U.S.C. 5519. Subject to the foregoing statutory exclusions, this term includes any nonbank covered person that:

(1) Offers or provides a residential mortgage-related product or service as described in 12 U.S.C. 5514(a)(1)(A); (2) Offers or provides any private educational consumer loan as described in 12 U.S.C. 5514(a)(1)(D); (3) Offers or provides any consumer payday loan as described in 12 U.S.C. 5514(a)(1)(E); (4) Is a larger participant in any market as defined by rule in part 1090 pursuant to 12 U.S.C. 5514(a)(1)(B); or (5) Is subject to an order issued by the Bureau pursuant to 12 U.S.C. 5514(a)(1)(C).

Analysis of Definition

The definition of a **covered person** is foundational to any question about whether the CFPB can supervise a business. ALTA's analysis starts with whether a provider of a service is a **covered person** under 12 U.S. Code § 5481(6). This definition applies to any person that offers or provides a "consumer financial product or service." While definitions in the Consumer Financial Protection Act (CFPA) can get circular, in essence, a **consumer financial**



THE DOCKET

Insured Lender Has to Clean Up Its Own Mess

CITATION: *First National Bank of Izard County v. Old Republic National Title Insurance Company*, 2022 Ark. App. 440, 655 S.W. 3d 108 (Ct. App. Ark.)

FACTS: Hardy agreed to purchase the Bartmesses' membership interest in an LLC that held title to real property. The agreement was documented by an LLC Membership Interest Purchase Agreement, which contained a reversionary interest upon default. Before funding the acquisition loan, the bank officer received most communications between Hardy and the Bartmesses, and a copy of the Agreement and a memorandum thereof (which did not mention the reversionary interest). A bank employee notarized the closing documents and sent them for recording with a note setting forth the order of recording. Unfortunately, the court clerk did not follow that direction and recorded the memorandum before bank's mortgage.

After the borrower defaulted on the loan, the bank filed a foreclosure action. Old Republic denied coverage for the Bartmess priority claim under Exclusion 3(a), asserting that Bartmess' lien was created, suffered, assumed or agreed to by the bank. After the bank acknowledged Bartmess' priority and settled the litigation, it sued Old Republic.

HOLDING: The court granted Old Republic's motion for summary judgment, finding that "the word 'suffered' is synonymous with 'permit' and implies a power in the insured to prohibit the act giving rise to the defect." The court concluded that "the Bank had within it the power to prohibit the Memorandum from having priority over its mortgages" and held that "willful intent on the part of the Bank was not required for the paragraph 3(a) exclusion to apply."

IMPORTANCE TO THE TITLE INDUSTRY: Insured lenders often are involved in the recording process. When they do so, they should be responsible for the mess they create—in this case, the Bartmess that the insured lender permitted when it failed to make sure that its mortgage was recorded before a competing transaction document that was within its knowledge and control.

RON DAMASHEK, a partner at the law firm *Dickinson Wright PLLC* in Chicago, can be reached at rdamashek@dickinsonwright.com.

Title Company's Crime Policy Covers Fraudulent Wire Transfer



THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT on Feb. 1 [upheld a lower court ruling](#) finding that a title company was wrongly denied coverage under its crime protection policy for a wire fraud involving a loan payoff.

In the case, an escrow agent for Texas-based Valero Title Inc. was emailing with the bank to obtain payoff information. At some point in the email thread, a criminal intervened and sent altered wire instructions for the payoff. The title company then utilized those altered instructions to draft its own instruction to the bank to wire transfer funds.

After discovering the mistake, the title company made a claim with RLI Insurance Co. under its crime protection policy. The policy included a funds transfer fraud endorsement that stated in relevant part:

We will pay for loss of funds resulting directly from a fraudulent instruction directing [sic] financial institution to transfer, pay or deliver funds from your transfer account.

In making the coverage determination, the lower and appellate court looked at the definition of “fraudulent instruction,” which was defined as, “A written instruction ... issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent.”

Using standard statutory construction principles, the court looked at the first part of the definition, “A written instruction ... issued by you, which was forged or altered by someone other than you without your knowledge or consent ...”

The insurer argued that since the title company drafted its wire instruction to the bank, including the fraudulent routing number, the instructions were issued by the title company with their consent. However, the Fifth Circuit and lower court didn't agree. They stated the only reading of the definition that doesn't leave the second portion of the definition surplusage is one where the “written instruction is forged or altered by someone other than the insured without the insured's knowledge or consent prior to being issued by the insured.” Using this definition, the courts found an altered payoff used as the basis of wire instruction by the insured was covered since the forgery was done by the criminal prior to issuance of the instructions to the bank.

While this case is not slated for publication and can't be used for precedential purposes, it can prove instructive for title companies looking to make claims under a crime policy for payoff fraud.

Mathew Hansel, a partner with Hanszen Laporte LLP in Houston, said in a statement, “Wire fraud has particularly plagued the title industry, and Valero purchased insurance to protect against that risk. Here, RLI attempted to hide behind a strained interpretation of its policy language to avoid the coverage owed to Valero Title. We appreciate that the 5th Circuit, like the District Court, has held RLI accountable for its obligations to our client. This is a good win for the little guy.”



Utah Passes First Bill Banning Predatory Residential Property Service Agreements Massachusetts Court Orders MV Realty to Stop Recording 40-year Liens

Utah became the first state that passed legislation that protects homeowners from the predatory practice of filing unfair real estate fee agreements in property records, known as Non-Title Record Agreements for Personal Service (NTRAPS).

[H.B. 211](#) follows a model bill, which ALTA helped draft with input from national stakeholders. The model bill created a blueprint for states wishing to provide a remedy for existing NTRAPS while also discouraging future unfair and deceptive practices. ALTA and the Utah Land Title Association applauded the state legislature for passing the bill.

“Today, the Utah legislature has affirmed that it is committed to protecting homeowners and their largest financial investment,” said ALTA CEO Diane Tomb. “NTRAPS is a deceitful, predatory practice, and homeowners in Utah can now breathe a sigh of relief that real estate brokerage firms can no longer continue these schemes, which impact homeowners’ future ability to sell or refinance property.”

NTRAPS have been recorded in property records since 2018. The practice preys upon homeowners, offering small cash gifts in exchange for decades-long contracts for the exclusive rights to sell the property.

Submitting NTRAPS for inclusion in property records characterized as liens, covenants, encumbrances or security interests in exchange for money creates impediments and increases the cost and complexity of transferring or financing real estate in the future.

“The Utah Land Title Association applauds the state legislature’s efforts to end these harmful practices,” said Cort Ashton, the Utah Land Title Association’s legislative chair. “This bill came into fruition thanks to the collaborative efforts of many of our industry partners, including the Utah Association of Realtors, and we are pleased that the state legislature has recognized that this abusive and anti-consumer activity has no place in Utah.”

The law will:

- Make NTRAPS unenforceable by law.

- Restrict and prohibit the recording of NTRAPS in property records.
- Create penalties if NTRAPS are recorded in property records.
- Provide for the removal of NTRAPS from property records and recovery of damages.

H.B. 211 awaits the signature of Utah Gov. Spencer Cox. It will go into effect April 1 after it’s signed.

Similar bills have also been introduced in California, Colorado, Florida, Georgia, Iowa, Idaho, North Dakota, Tennessee and Washington. It’s expected that bills addressing NTRAPS will be introduced in five more states this year.

Other Actions Against MV Realty

- **The Suffolk Superior Court in Massachusetts** issued a preliminary injunction prohibiting MV Realty from recording any new right-to-list agreements during the pendency of the litigation and requires the brokerage to release existing agreements. The office of Massachusetts’ Attorney General Andrea Joy Campbell sued MV Realty in December 2022, alleging that MV Realty misleads homeowners through its so-called Homeowner Benefit Program.
- **Ohio Attorney General Dave Yost** is seeking preliminary and permanent injunctions against MV Realty of Ohio, the company’s founder and its principal broker to stop them from negotiating real estate contracts that violate Ohio law and from practicing real estate without proper licensing. Yost’s office filed the request in Franklin County Common Pleas Court on behalf of its client, the Ohio Department of Commerce’s Division of Real Estate and Professional Licensing. “Deliberately tricking people to make money off their homeownership is a shameful business model,” Yost said. “If it’s truly a good deal, all the details will be clearly explained in writing. Ohio doesn’t need to tolerate the defendants’ deceitful practices.”
- **Pennsylvania** and **Florida** also have filed lawsuits against MV Realty.

ALTA Urges FinCEN to Give Title Entities Access to Beneficial Ownership Information System



IN FEBRUARY, ALTA SUBMITTED A [LETTER IN SUPPORT](#) of the development of the Beneficial Ownership Information (BOI) system being created by the Financial Crimes Enforcement Network (FinCEN).

BOI is a critical tool for combating money laundering through real estate transactions. The [Geographic Targeting Orders](#) (GTOs) that many title companies must comply with have shown that BOI is the critical piece of information that has not historically been available from commercial or government data.

“When fully implemented, the BOI system will provide law enforcement with its most valuable source of data about the use of shell companies to launder funds via real estate,” ALTA said.

Currently, FinCEN has proposed to limit access to the BOI system to entities subject to the Customer Due Diligence rule.

ALTA recommended FinCEN broaden the scope of the rule to include facilitating compliance for financial institutions subject to a special measure, GTO or other rule that requires the collection, reporting or review of BOI.

“This should include a title insurance company or its licensed agents that have to comply with any extensions of the real estate GTOs or any other real estate transaction reporting regime,” ALTA said.

In September 2022, FinCEN issued a [final rule](#) requiring certain entities to file reports that identify two categories of individuals: the beneficial owners of the entity, and individuals who have filed an application with specified governmental authorities to create the entity or register it to do business. The regulations describe who must file a report, what information must be provided and when a report is due. These requirements are intended to help prevent and combat money laundering, terrorist financing, corruption, tax fraud, and other illicit activity, while minimizing the burden on entities doing business in the United States. The rules go into effect Jan. 1, 2024.



For reportable transactions under the GTOs, title insurers are required to send FinCEN four pieces of information: (1) basic transaction information (closing date, property address and purchase price); (2) the name of the purchasing entity; (3) the identity of the individual who is primarily representing the purchasing entity and (4) beneficial ownership information about the purchasing entity. These requirements only apply when a title insurance policy is issued in transactions in certain metros.

The first three pieces of information are relatively easy for title companies to provide. This is necessary information collected in the ordinary course of a real estate transaction. The beneficial ownership data is the most costly and difficult piece to collect because it is not necessary to close the deal and implicates other privacy concerns for the purchaser.

“The success of the GTOs is directly related to the reporting of accurate beneficial ownership data,” ALTA wrote in its letter. “Given this reliance on beneficial ownership reporting for measuring the value of any real estate reporting regime, ALTA believes that if FinCEN is going to extend the GTOs or replace them with a permanent transaction reporting regime as suggested by FinCEN in an advanced notice of proposed rulemaking (RIN: 1506-AB54), then access to the BOI system when it is up and running is critical to the success of any real estate related AML rules. It would be counterintuitive to design a real estate reporting regime requiring title companies to report BOI without giving them access to that data. Further, it would be even more counterintuitive to require companies to report BOI data like title companies do under the GTO when that data is directly accessible by FinCEN and other law enforcement.”

FedNow Payment Solution to Launch in July

The Federal Reserve announced that the FedNow Service will start operating in July.

The Federal Reserve began the formal certification of participants for launch of the service the first week of April. Early adopters will complete a customer testing and certification program, informed by feedback from the FedNow Pilot Program, to prepare for sending live transactions through the system.

Certification encompasses a testing curriculum with defined expectations for operational readiness and network experience. In June, the Federal Reserve and certified participants will conduct production validation activities to confirm readiness for the July launch.

"We couldn't be more excited about the forthcoming FedNow launch, which will enable every participating financial institution, the smallest to the largest and from all corners of the country, to offer a modern instant payment solution," said Ken Montgomery, first vice president of the Federal Reserve Bank of Boston and

Digital TitleNews Extra

Send Me the Money: Digital Funds Best Practices

State Good Funds Laws

- Good Funds laws vary state-by-state.
- Under most state laws, Good Funds are **irrevocable** and **immediately dispersible** on receipt.
- Good Funds laws are designed to protect consumers and ensure a real estate transaction can be completed.
- Under federal consumer financial protection laws, consumers have the ability to reverse funds for up to 90 days, and consumers cannot waive their right to reverse a transaction, even for a real estate purchase.
 - Widespread use of reversals could cause instability of liquidity for title companies, underwriters, and banks.
- Good Funds laws are applicable when money transferred into escrow (e.g., earnest money deposit, closing funds).

FedNow program executive. "With the launch drawing near, we urge financial institutions and their industry partners to move full steam ahead with preparations to join the FedNow Service."

Many early adopters have declared their intent to begin using the service in July, including a diverse mix of financial institutions of all sizes, the largest processors and the U.S. Treasury.

In addition to preparing early adopters for the July

launch, the Federal Reserve continues to engage a range of financial institutions and service providers to complete the testing and certification program and implement the service throughout 2023 and beyond. Montgomery noted that availability of the service is just the beginning, and growing the network of participating financial institutions will be key to increasing the availability of instant payments for consumers and businesses

across the country.

The FedNow Service will launch with a set of core clearing and settlement functionality and value-added features. More features and enhancements will be added in future releases to continue supporting safety, resilience and innovation in the industry as the FedNow network expands in the coming years.

Supreme Court to Hear CFPB Constitutionality Case

The U.S. Supreme Court on Feb. 27 agreed to take up a case that challenges

the funding structure of the Consumer Financial Protection Bureau (CFPB).

In October last year, a panel of judges on the U.S. Court of Appeals for the Fifth Circuit on Oct. 19 ruled in [Community Financial Services Association](#)

[of America v. CFPB](#) that the bureau's funding structure was unconstitutional. The panel found the CFPB's funding structure violated the Constitution's doctrine of separation of powers, which sets the authority of the three branches



Find the Vendors
That Can Add More
Spice to Your
Operation

ALTA.ORG/MARKETPLACE

of government. Congress has the sole power of the federal purse, and the bureau's funding structure undercuts that authority, the court said.

Under the Dodd-Frank Act, the CFPB is authorized to request funding from the Federal Reserve of up to 12% of the Fed's total operating expenses. In fiscal year 2021, the CFPB's budget of \$598 million supported 1,557 full-time employees. The bureau expects those figures to rise by 22% and 9%, respectively, in fiscal year 2023. If the decision holds through appeal, the bureau would be forced into the Congressional appropriations process.

In 2020, the U.S. Supreme Court [ruled](#) the bureau's single director structure was unconstitutional and that the director could be removed by the U.S. president "at will." For several years, ALTA has endorsed a multi-member commission as the most effective form of governance for the bureau.

FTC Issues Orders to Social Media and Video Streaming Platforms

With fraud on social media surging, the Federal Trade Commission (FTC) has issued orders to eight social media and video streaming platforms seeking information on how these companies scrutinize and restrict paid commercial advertising that is deceptive or exposes consumers to fraudulent health-care products, financial scams, counterfeit and fake goods, or other fraud.

The amount of money consumers have reported losing to fraud that originated on social media platforms has skyrocketed since 2017. In 2022 alone, consumers reported losing more than \$1.2 billion to fraud that started on social media, more than any other contact method, according to FTC data.

The orders, which the companies are required to comply with by law, were sent to: Meta Platforms, Inc., Instagram LLC, YouTube LLC, TikTok Inc., Snap Inc., Twitter Inc., Pinterest Inc. and Twitch Interactive Inc.

Eagle Title Acquires American Land Title

Maryland-based Eagle Title expanded its reach in the Baltimore region with the acquisition of American Land Title Corp. (ALTC).

In 2022, Eagle Title began searching for additional locations outside Anne Arundel County. Simultaneously, American Land Title sought a partner to support the continued growth by providing additional services, including title attorneys, advanced technology, and commercial and builder services divisions. The two companies aligned in values and commitment to exceptional experiences, making a seamless alignment.

"After an exhaustive search for a partner, it was clear that Eagle Title was the right match for our ALTC team. I am happy to align with another Maryland-based, family-owned and operated boutique title company," said Betsy Jiraneck, former ALTC founder and president. She will now serve as manager of the Eagle Title branch in Towson, Md.

Both parties acknowledge the cultural fit—citing the similar work ethic, commitment to clean insurance practices and a focus on community service.

"With more than 20 years of exceptional work, led by owner Betsy Jiraneck, a partnership with ALTC was a natural fit for our culture," said Jay Walsh, CEO of Eagle Title. "We recognized the great foundation Betsy and her team created, and we are excited to add them to our footprint and family. We

believe that aligning with like-minded professionals will be the path to excelling in our present market conditions—how we will continue to thrive in the future."

Stewart Purchases AccountChek

Informative Research (IR), a subsidiary of Stewart Information Services Corp., acquired the AccountChek platform previously offered by FormFree. AccountChek is a digital verification of asset, income and employment service that drives insight into a consumer's financial profile and is available to customers through multiple channels.

"At Stewart, we are continually investing in our capabilities to better serve customers," said Fred Eppinger, Stewart CEO. "We view improving consumer financial equity, including homeownership, as a key part of the work that we do, across all our business lines. IR's vision through the combined platform is to simplify the lending process and improve closing ratios."

The combined IR and AccountChek platform creates a single solution to digitally verify consumer financial data, including credit, income, employment and assets. The solution will allow customers to streamline their loan underwriting process, efficiently qualify borrowers, improve closing ratios and expand access to mortgage credit.

Landsea Homes Launches Title Company

Homebuilder Landsea Homes Corp. announced the opening of its title company, Landsea Title.

"The launch of Landsea Title has long

been in the works to complement our existing financial operations and offer our homebuyers valuable title services,” said Mike Forsum, president and chief operating officer of Landsea Homes. “Having our own title company allows us to ensure the highest level of service and maximize efficiencies throughout the homebuying experience by controlling the quality and timing of the title and closing process.”

Landsea Title will conduct core title services, and issue title commitments and title policies in the company’s Arizona, Florida and Texas markets as an agent for First American Title Co.

“Working with First American Title offers Landsea Homes consistency in processes and procedures, methods to track and improve customer satisfaction, industry-leading technologies, and expertise in licensure and compliance across all markets,” Forsum said.

Single-family Market Share Shifts From Large Population Centers

While nationwide single-family housing starts have slowed in the past year, the largest drop on a percentage basis is occurring in the most-dense counties, where housing costs are highest. Meanwhile, multifamily growth was robust throughout much of the nation at the end of 2022, with the notable exception in high-density markets, according to the latest findings from the National Association of Home Builders (NAHB) Home Building Geography Index (HBGI) for the fourth quarter of 2022.

“While the largest single-family market continues to be core counties of large and small metropolitan areas, the urban core market share has fallen compared to pre-COVID levels,” said NAHB Chairman

Alicia Huey, a custom homebuilder and developer from Birmingham, Ala. “During the fourth quarter of 2019, urban core markets of small and large metro areas represented 47.2% of the single-family market. This share declined to 44.5% in the fourth quarter of 2022, representing a persistent shift in buyer preferences to live outside of densely populated areas.”

The largest growth in single-family market share came in rural markets (micro counties and non-metro micro counties), rising from 9.4% in the fourth quarter of 2019 to a share of 11.8% in the fourth quarter of 2022.

“Due to aggressive federal reserve monetary policy and high mortgage rates, all submarkets in the HBGI posted lower single-family growth rates in the fourth quarter of 2022 than a year earlier,” said NAHB Chief Economist Robert Dietz. “Rural areas were the only market with a positive single-family home building growth rate in the final quarter of 2022.”

The fourth quarter HBGI shows the following market shares in single-family home building:

- 16.0% in large metro core counties
- 24.7% in large metro suburban counties
- 9.5% in large metro outlying counties
- 28.5% in small metro core counties
- 9.5% in small metro outlying areas
- 7.4% in micro counties
- 4.4% in non-metro/micro counties

Anywhere Integrated Services Rebrands Insurance Agency

Anywhere Integrated Services—formerly Realogy Title Group—announced the rebranding of its subsidiary, Realogy Insurance Agency, to Anywhere Insurance Agency.

The new brand aligns the agency with

its parent, Anywhere Real Estate Inc.

“As part of the Anywhere family of companies, we have a deep understanding of the homebuying process,” said Jen Battista, president of Anywhere Insurance. “Our new brand reflects that expertise, and our commitment and ability to meet customers wherever they are—in person, by phone or through online channels that streamline and simplify access to our products.”

Anywhere Insurance represents regional and national insurance underwriters, enabling a one-stop shopping experience for homeowner’s insurance and other personal lines of coverage consumers need.

Doma Title Partners With First Class Signing

Doma Title Insurance Inc. has added First Class Signing Service to its vendor partnership program.

The addition of First Class Signing Service to the AgentMarketplace provides Doma agents access to a national provider of legal document preparation, and in-person, mobile notary and remote online notary (RON) services.

“First Class Signing Service offers our title agent and attorney customers a range of signing solutions that automate time-intensive tasks, increasing team productivity and driving lower costs,” said Amy Tankersley, assistant vice president, director of education and industry relations for Doma. “Ordering is simple, efficient and secure, with full visibility and transparency into each stage of the transaction.”

Title and settlement professionals can place orders on First Class Signing Service’s platform or within their title production software. First Class Signing

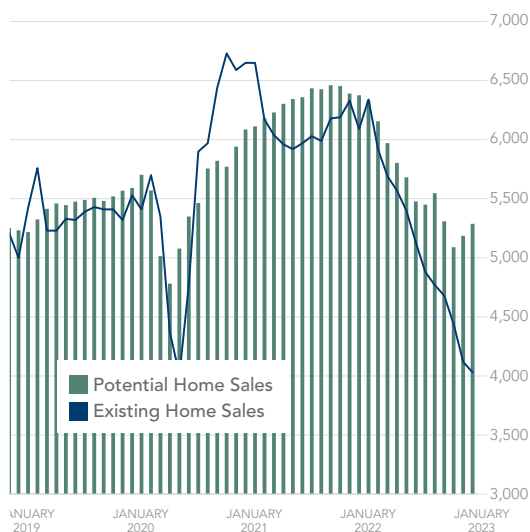
Service coordinates the signing process, from scheduling the notary to confirming orders with clients and reviewing signed documents to ensure proper execution. The company offers in-person, hybrid or remote online notary signing services from a MISMO-approved, cloud-based RON solution. Signing agents are pre-screened, tested, approved, monitored and rated based on their performance, and performance scores are updated after every signing based on turn times and quality.

Recent Integrations

- **RamQuest** integrated its **Closing Market** digital network with **Action Title Research**, which creates and delivers data that integrates directly into title production workflows. Through this capability, RamQuest customers will experience expedited workflows and gain the potential to reach larger audiences in fewer steps.
- **First American Data & Analytics** has integrated its **FraudGuard** solution with **ICE Mortgage Technology's Encompass** platform. The Encompass Partner Connect API platform enables lenders to access products and services from data and analytics providers. With the integration, lenders can leverage automation to systematically trigger the ordering of FraudGuard reports and analysis based on a lender's customizable business rules.
- **Black Knight Inc.** plans to integrate **Wolters Kluwer Compliance Solutions'** e-note and e-vault capabilities with its digital closing solution. Black Knight, which already offers innovative e-sign, e-closing and remote online notarization (RON) solutions, will integrate Wolters Kluwer's solutions with Expedite Close as the final pieces to connect all the tools lenders need to perform a digital closing and complete a digital mortgage.

Housing Market Potential

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



4.03 SAAR
Existing Home Sales

5.29 SAAR
Potential Home Sales

-23.8%
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

December 2022

\$346,805
House-Buying Power

-28.6%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

- | | |
|--|--|
| 1 New Jersey
\$504,086 | 1 San Jose, CA
\$712,126 |
| 3 Massachusetts
\$498,333 | 2 San Francisco, CA
\$665,718 |
| 2 Hawaii
\$477,096 | 3 Washington, DC
\$607,800 |
| 4 Maryland
\$468,874 | 4 Boston, MA
\$555,853 |
| 5 California
\$456,038 | 5 Seattle, WA
\$504,385 |

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

Old Republic Promotes Monroe to President and CEO



Carolyn Monroe

Old Republic Title recently promoted Carolyn Monroe to president and chief executive officer of Old Republic National Title Holding Co. (ORNTHC). She assumed the CEO role following Mark Billbrey's retirement on Jan. 31.

Monroe's career in the title insurance industry spans 40 years, the last 14 of which have been with Old Republic Title. She joined the company in 2009 as vice president and Southwest direct operations manager. During her tenure, she has earned numerous promotions, built operations from the ground up, and overseen remarkable growth in both agency and direct operations.

In 2015, Monroe became president of the company's Western title division until she was appointed president of ORNTHC in 2018. Today, she leads operations in all 50 states and the District of Columbia with approximately 4,700 employees.

"We are thrilled to have Carolyn step into the CEO role," the company said in a statement. "She has a deep commitment to maintaining Old Republic Title's core values while working tirelessly to advance the company's technology capabilities and position the business for the future."

Attorneys Title Guaranty Fund Names COO



Brent Scheer

Attorneys Title Guaranty Fund Inc. (ATG) recently named Brent Scheer as executive vice president and chief operating officer. In this role, he will oversee strategic direction and growth. Prior to joining ATG, Scheer spent 17 years in the title insurance industry serving as the CFO and COO at Agent's National Title Insurance Co., and as CFO for Shaddock National Holdings and First National Title Insurance Co. Most recently, he served as CFO for PropLogix.

Scheer is a licensed CPA and has been active in the title industry speaking on various topics at ALTA events and state land title association conferences. He served as the chair of ALTA's Accounting Committee from 2010 to 2016 and is currently a board member of the Title Reinsurance Corp.

"I am very excited to join the ATG team," Scheer said. "I am honored for the opportunity and look forward to helping ATG navigate the months and years ahead."

Employee Exit Interviews

The purpose of an exit interview is to understand the experience an employee had while working for your organization. The feedback you get can help you repeat good experiences and avoid bad ones in the future. Analyzing responses to exit interviews can create positive changes in your organization. For employees, exit interviews are one of the last deep conversational interactions they have with your company. It should be their chance to give a review of their experience.

First, it's best to meet face-to-face. Employees will appreciate the gesture, and it will generally result in more productive conversations.

Another option is to give employees a written exit survey first, and then follow up with an in-person meeting. Some employees may prefer the chance to gather their thoughts in advance. But, keep in mind, the responses may be a little less candid in this case.

Schedule the interview at the very end of an employee's time with your company—ideally during the last day of employment.

While you never want the conversation to appear scripted, there are key questions you will want to touch on when you conduct exit interviews. You should ask some of the same questions in every exit interview. This way you can compare answers and look for common responses.

Exit interviews should help you identify opportunities for improvement within the company. Share key points from the meeting with an employee's supervisor or to the next level up when the feedback is relevant.

Look for patterns in feedback from outgoing employees to identify possible organizational issues. If you do notice a trend, convey it to the leadership team and suggest some actions that can be taken to avoid losing additional employees.

Resources

- [Exit Interview Question Bank](#)
- [Employee Exit Checklist](#)

SHARE YOUR NEWS



Does your company have a new hire or promotion you'd like us to consider? Email us the announcement along with a photo to communications@alta.org.

Finding the Right Path

WE CONTINUE TO HAVE CONVERSATIONS WITH THE Federal Housing Finance



JACK RATTIKIN III
ALTA president

Agency (FHFA), Fannie Mae, Freddie Mac, state regulators, lenders and policymakers to find new and better ways to expand housing affordability that do not weaken protection of property rights.

Last month, ALTA member Michael O’Neal of First American and Steve Gottheim, ALTA’s general counsel, provided a non-partisan issue briefing to nearly three dozen staffers of members of the House Financial Services Committee. It was a fantastic turnout despite a week full of hearings, opening day for the Washington Nationals and Congress set to go on recess.

The presentation provided background on the title industry, its regulatory structure, and the benefits of title insurance. The presenters also discussed Fannie Mae’s and Freddie Mac’s Equitable Housing Finance Plans, which aim to foster housing finance markets that provide equitable access to affordable and sustainable housing.

Michael and Steve highlighted efforts by the GSEs to allow the use of certain attorney opinion letters and touched also on Fannie Mae’s consideration of a pilot program that would waive title insurance on certain transactions.

As you’ll read in this edition’s cover article, members of Congress and others share our grave concerns about both the use of unregulated, alternative title products and this reported pilot increasing risks to lenders and consumers.

Michael and Steve also provided examples of what the industry is doing to support housing affordability.

We look forward to more conversations with members of Congress and their staff to keep them informed that any effort to lower housing costs should be responsibly examined for potential risks to consumers, lenders and the broader marketplace. Some initiatives, including the reported pilot, could wind up hurting potential homebuyers more than helping them. It’s important that we find the right path.

ALTA CEO Diane Tomb highlighted this risk in an article published last month by HousingWire. As we witnessed with the recent bank failures, financial institutions that move beyond their mission and scope can introduce significant risk to consumers and taxpayers.

The recent bank failures are a stark reminder that now is not the time to introduce additional hazards into the market. The pilot program would impose significant new risks on Fannie Mae, its partner lenders and consumers. Low- and moderate-income homeowners could face unforeseen financial costs, which will harm the very people the pilot program is supposed to help.

We do not believe that pilot programs such as this, which seek to expand beyond Fannie Mae’s authority and mission, should move forward. Any pilot activities should also be subject to an open, transparent process with the opportunity for a robust public comment period. We must continue to work together to find the right path.

AMERICAN
LAND TITLE
ASSOCIATION



Title Insurance Law Publications

www.alta.org/publications

The American Land Title Association (ALTA) offers several legal publications, which are some of the favorite research materials for land title professionals and counsel around the United States. The publications feature practical analysis valuable to claims administrators, coverage counsel, underwriters, agency managers, title examiners, regulators, escrow officers and more.

Title and Escrow Claims Guide

Need advice on how to handle claims on land title insurance policies, closing protection letters and closing mistakes? Available in print and electronic versions, the two volume book is the ultimate resource and the preferred research tool for land title claims professionals and retained counsel. It is updated every year and new features include access to the content on our website and search capabilities that allow the review of summary results and links to specific content. The Claims Guide, authored by well recognized industry expert J. Bushnell Nielsen, Esq., includes form letters regularly used by claims professionals. It is also a great resource for title companies to use when training new employees in claims, underwriting and title examination.

Price per copy:

Digital Single-user: ALTA members: \$275 | Nonmembers: \$395

Printed Book: ALTA members: \$279 | Nonmembers: \$399

The Title Insurance Law Journal

This monthly e-journal is the source of information about current law affecting the title insurance industry around the United States. Enabled for online access, a subscription now provides you access to both current and historic content, and also provides you with searching capabilities across the various journal issues. The digital journal reports on important court decisions and developments regarding title insurance coverage, class actions and regulatory enforcement, closing protection letters, escrow and settlement duties, agent/underwriter disputes, conveyancing law and RESPA compliance and violations. Author J. Bushnell Nielsen, Esq. offers insightful analysis. Should you want a sample of the journal prior to purchase, please, contact publications@alta.org.

Single-user Annual Subscription:

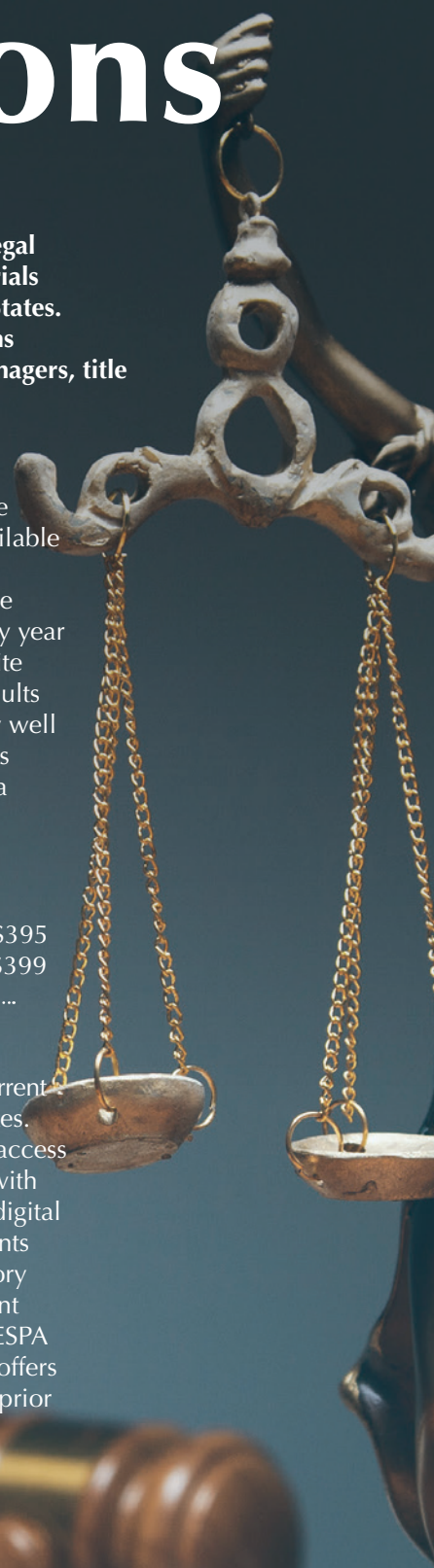
ALTA members: \$250 | Nonmembers: \$370

Subscribe Today

Visit www.alta.org/publications to subscribe to any of ALTA's publications

Grab Your Discount

Multiuser licenses are available for group subscriptions at discounted rates. Contact publications@alta.org for a group subscription or if you have any questions.





ALTA ADVOCACY SUMMIT™

May 8 – 10, 2023
Washington DC

Welcome Back to Capitol Hill!

Capitol Hill is once again open to visitors! With that in mind, we are looking forward to providing you with more access to members of Congress and their staffs. You can expect to meet some of our nation's leaders face-to-face, an incredible opportunity that most Americans never get to experience.

The way things look and operate in Congress are changing. This is your best chance to talk to legislators about issues that affect the title industry—and your business—the most. With a challenging economy and the current regulatory environment, your participation is critical.

[MEETINGS.ALTA.ORG/ADVOCACY](https://meetings.alta.org/advocacy)