TITLE News

JANUARY 2023

AMERICAN LAND TITLE ASSOCIATION

DOWNTURN SILVER LINING?

Title Experts Say Market Contraction Will Spur More Innovation to Drive Efficiency

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AMERICAN LAND TITLE ASSOCIATION

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TiTLENews

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

PUBLISHER + EDITOR IN CHIEF
Jeremy Yohe

DIRECTOR OF DIGITAL AND PRINT MEDIA
Shawn Sullivan

Time Could Be Right To Transform Your Operation

JEREMY YOHE
ALTA vice president of communications

FOUR YEARS AGO, WELLS FARGO WAS THE LARGEST LENDER WHEN IT HAD NEARLY $202 BILLION IN VOLUME. In January, the lender announced strategic plans for "a more focused home lending business," including an exit from corresponding lending and a reduction to its servicing portfolio. In 2022, Wells originated $28.3 billion in the correspondent channel.

This is a significant shift as Wells turns its attention to serving bank customers as well as individuals and families in minority communities. While expected, it nonetheless shakes up the lending landscape.

On top of this news, Wells Fargo's economics team reported total mortgage industry employment was down 9,500 jobs from November to December. The current tally of 377,600 total mortgage employment is down 11.7% from the recent 10-plus year high. Wells Fargo's economics team believes the mortgage industry will need to see additional sizable reductions to bring the supply/demand back in balance.

The market is definitely changing. Not only are your customers changing, so are their expectations. In this edition of TitleNews, we provide a forecast of the real estate and mortgage markets for the year. The article provides some great advice from several experts on how title professionals should approach the down market and position themselves for success when volume spikes again.

We've also got some great live events planned. In advance of the 2023 ALTA SPRINGBOARD in St. Louis, we're developing content to help with business growth and customer retention during a competitive and uncertain market, and how to build an operation for the future. During the conference, we also have many sessions scheduled to help attendees advance their professional careers.

If you can't join us March 20–22 at SPRINGBOARD, keep an eye out for upcoming webinars aimed to help title professionals develop new sales and marketing strategies. In February, our expert speaker will provide simple and actionable tasks that will help a title agency survive and thrive in any market. In April, we will provide a presentation on how to develop an effective marketing strategy. Later this year, we will provide a webinar on how title professionals can use Canva, a free online graphic design tool that can be used to create social media posts, presentations, posters, videos, logos and more.

In January, we offered a webinar on why it's important to build a culture of ownership with your employees and drive results even as the market contracts and it becomes more competitive for purchase orders. You can view recordings of past webinars or register for upcoming presentations at alta.org/webinars.

Change is natural. Now is the time to assess your operation, talk to your customers to learn how you can help them and then make the necessary changes.

ALTA News

AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

ALTA Reports 20.6% Decrease in Q3 Title Industry Premium Volume

The title insurance industry generated $5.4 billion in title insurance premiums during the third quarter of 2022, according to ALTA's latest Market Share Analysis. This is down 20.6% compared to the same period during 2021.

During the third quarter of 2021, total operating income for the industry was down 19.6% and operating expenses were down 18.8%, but loss and loss adjustment expenses were up 30.0%. Net income was $342.9 million during the latest quarter compared to $616.3 million during Q3 2021. Results, however, are the fourth highest third quarter in the last 13 years.

Through the first nine months of 2022, title insurance premium volume is down 7.7% ($17.6 billion) compared to the first nine months of 2021 ($19.0 billion). The title industry has paid $438.7 million in claims during the first nine months of 2022. This is up from $352.5 million in claims paid during the same period a year ago.

Top 10 Underwriters by Q3 Market Share

1. First American Title Insurance Co., 22.6%
2. Old Republic National Title Insurance Co., 16.3%
3. Fidelity National Title Insurance Co., 13.7%
4. Chicago Title Insurance Co., 12.9%
5. Stewart Title Guaranty Co., 8.7%
6. Westcor Land Title Insurance Co., 3.4%
7. Commonwealth Land Title Insurance Co., 3.4%
8. Title Resources Guaranty Co., 2.9%
9. WFG National Title Insurance Co., 2.5%
10. First American Title Guaranty Co., 1.8%

Top States During Third Quarter

- Texas, $863.7 million (-8.5%)
- Florida, $689.9 million (-5.5%)
- California, $423.6 million (-46.3%)
- New York, $339.6 million (-8.0%)
- Pennsylvania, $220.1 million (-25.5%)

Click here for more market share data.

ALTA Responds to CFPB Request for Information Regarding Refis, Forbearances

ALTA recently submitted a letter in response to a request for information (RFI) issued by the Consumer Financial Protection Bureau (CFPB) on mortgage refinances and forbearances. The RFI focused on two issues:

- Ways to facilitate mortgage refinances for consumers who would benefit from refinancing, especially consumers with smaller loan balances
- Ways to reduce risks for consumers who experience disruptions in their financial situation that could interfere with their ability to remain current on their mortgage payments.

In the letter, ALTA highlighted how the title insurance industry is crucial to the safety and soundness of the mortgage market. Specifically, ALTA highlighted the critical role title professionals play in assisting consumers during a mortgage refinance, as well as how innovation over the past decade has made the process of refinancing easier and faster than ever.

To further push down cost and increase transaction speeds, the title insurance industry has invested in data acquisition and automated decision engines. This investment in technology has already brought down costs, with the national average cost of title insurance coverage decreasing by 6% over the last 10 years. This contrasts with home prices, which have increased 67% in the same time frame.

In 2021, the industry invested over $200 million into this type of technology. This is on top of more than $175 million invested in 2020. While new technology comes with high upfront costs, the expectation is that by leveraging decision engines, title companies will be able to speed up underwriting and reduce the number of manual processes needed to get to closing. Since staff costs account for the majority of title premium dollars, this should further help reduce costs over time.

"Enhancing the consumer experience drives many of these investments and changes," ALTA's letter said. "Between the COVID-19 pandemic and the new-era of advancements in automation, title industry professionals have spearheaded efforts to serve their consumers and continue to reduce risks while providing the same comprehensive protection. The industry has been proactive in creating products specifically for refinance transactions such as short form policies."

ALTA Responds to CFPB Request for Information Regarding Refis, Forbearances, cont.

In addition, the letter informed the bureau of increased risk alternative title insurance products pose to lenders and consumers. These products provide less coverage than title insurance, and undermine the property rights of homebuyers, particularly low- and moderate-income homebuyers.

"For example, one core protection of title insurance is that it protects against fraud or forgery related to the property rights purchased by the buyer," ALTA stated. "This is one of the largest sources of claims paid in the industry and is not covered by certain alternative products. This is just one of several gaps in protection that exist between title insurance and emerging alternatives. Consumer protection drives the title insurance industry's work. However, alternative products do not provide the same safeguards in a refinance and expose homebuyers to additional risks."

FBI Releases 2022 Congressional Report on BEC, Real Estate Wire Fraud

The FBI released a report that summaries its efforts to combat business email compromise (BEC) scams and real estate wire fraud by working with partners to identify perpetrators and dismantle their organizations.

The Joint Explanatory Statement accompanying the Consolidated Appropriations Act of 2022 included language directing the Department of Justice to "explore ways to increase collaboration and coordination with industry and other private sector partners, and the FBI is directed to release, within 30 days of the date of enactment of this Act, a public report on the threats from business email compromise (BEC) and related scams."

The report was also spurred by ALTA's efforts the past two years to get language included in various House and Senate appropriations reports directing respective agencies to report on efforts to combat and raise awareness of BEC and wire fraud, and collaborate with industry partners to address threats. ALTA is reviewing the report recommendations as part of ongoing advocacy efforts.

The FBI has identified vulnerabilities which, if addressed, would bolster the ability of U.S. law enforcement to effectively address a wide range of threats, including BEC and money mules.

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: 106
- Title Agents: 56
- New Associate Members: 1
- New Attorney Members: 37
- State With the Most, New Members: Florida with 18
- Total Members: 6,519

ALTA 2022 TIPAC Donors

The Title Industry Political Action Committee (TIPAC) is ALTA's voluntary, nonpartisan political action committee (PAC). TIPAC raises money to help elect and re-elect candidates to Congress who understand and support the issues affecting the title industry. In 2022, TIPAC raised $518,060 from 825 people. In addition, $151,000 from 20 companies was pledged to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

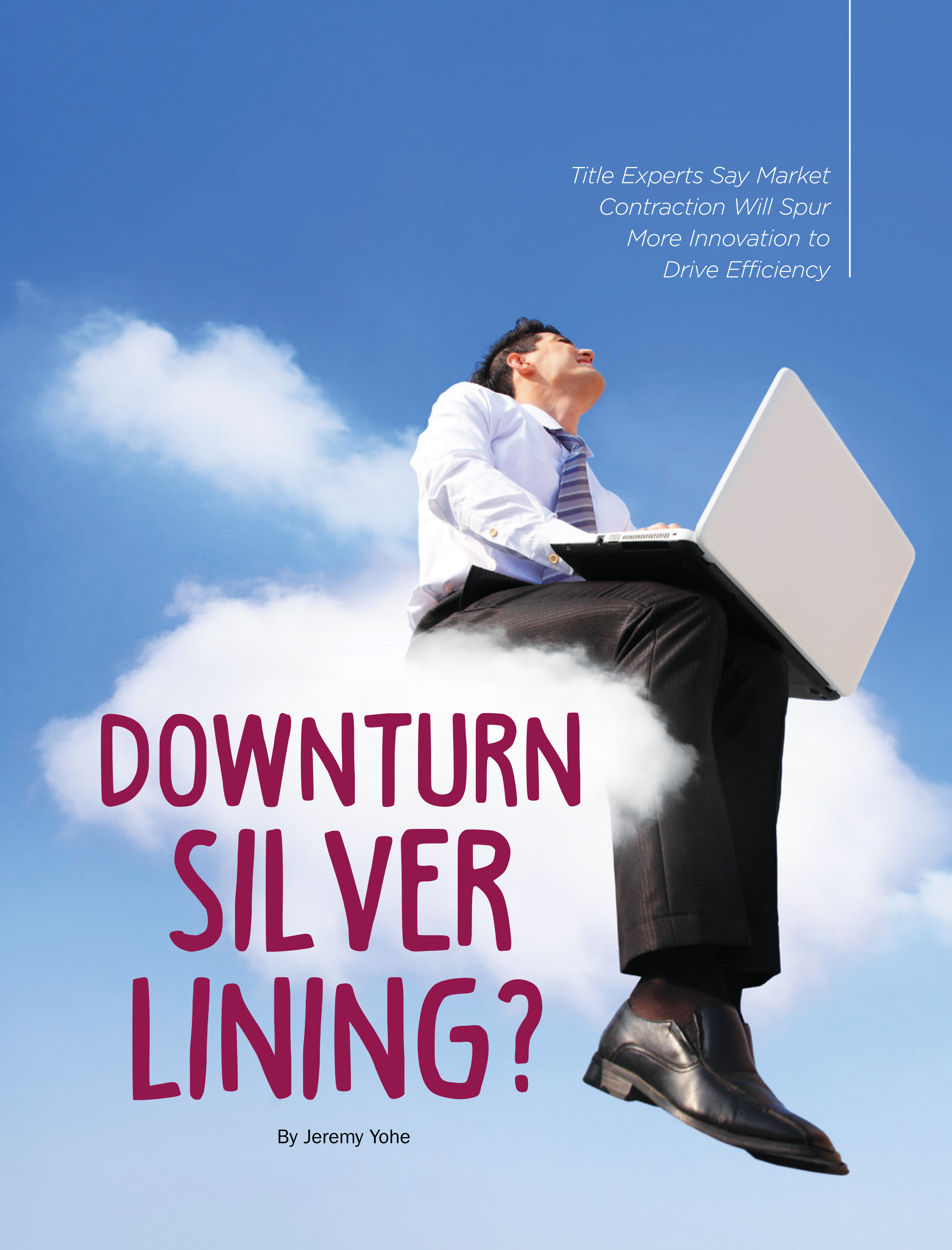
CALENDAR

2023 ALTA CONFERENCES

LARGE AGENTS CONFERENCE
Jan. 22-24
Scottsdale, Ariz.

COMMERCIAL NETWORK
Feb. 15-17
San Diego, Calif.

ALTA ADVOCACY SUMMIT
May 8-10
Washington, D.C.



Title Experts Say Market Contraction Will Spur More Innovation to Drive Efficiency

DOWNTURN SILVER LINING?

By Jeremy Yohe

Organizations that prepare ahead of time are better positioned to navigate a downturn than their competition. They will also be poised for faster growth coming out of the downturn as market conditions improve. The title insurance industry has entered the second year of what's expected to be a continued decrease in origination volume. As an industry, this isn't the first downturn. It won't be the worst. But it will be a real challenge.

"The good news is that I'm already seeing title business owners innovating the way they do business and adapt," said Aaron Davis, founder and CEO of Florida Agency Network. "More often than not, the title industry sees its biggest advances and innovations in the face of major change. I'd bet that, as the market stabilizes later in the year, we'll start to see title firms starting to do things a little more efficiently or effectively, to their competitive advantage."

Some of this will include the increased adoption of digital closings and remote online notarization, improved use of centralized or shared resources and better awareness and investment in maintaining technology and improved cybersecurity.

"I think you'll see increased collaboration and even a re-examination of long-standard practices and models," Davis said. "We will all be better off if we continue to ask the question, 'Is there a better way to do this?'"

As title professionals assess what's under the hood of their operations, another key question for the next year is what will happen with the economy and mortgage rates. Even though the economy appeared to catch its breath in the second half of 2022, Doug Duncan, Fannie Mae's chief economist, still expects a mild recession this year.

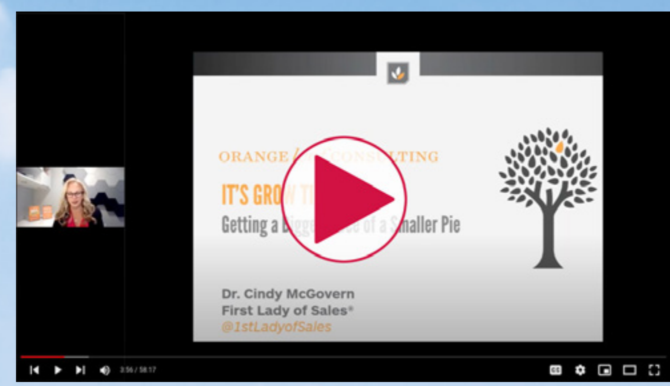
Forecast Snapshot

Summary (annualized)	2021	2022	2023
30-year PMMS (%)	3.0	5.4	6.4
Total home sales (M)	6.9	5.8	5.1
House price growth (%)	17.8	6.7	-0.2
Total originations ($B)	$4,838	$2,595	$1,942

"While uncertainty still exists, a growing set of signs, including an inverted yield curve, weakness in the Conference Board's Leading Economic Index and a slowdown of manufacturing activity, support our ongoing contention that the economy is likely to contract next year," he said.

Duncan expects the housing market to continue to slow as home purchases will remain unaffordable for many due to the rapid rise in rates over the last year. Add to that the fact that house prices, though certainly slowing and in some places declining, remain elevated compared to pre-pandemic levels.

"Of course, refinancing is still not practical for the vast majority of current mortgage holders, which we expect will also continue to constrain mortgage origination activity," he added.



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Mortgage Finance

The Mortgage Bankers Association (MBA) is expecting total mortgage origination volume to decline to $2.05 trillion in 2023 from the $2.26 trillion expected in 2022.

Purchase originations are forecast to decrease 3% to $1.53 trillion next year, while refinance volume is anticipated to decline by 24% to $513 billion. According to Mike Fratantoni, the MBA's chief economist and senior vice president for research and industry technology, the likelihood of a recession, coupled with the Federal Reserve's continued actions to tame inflation and ongoing affordability challenges will slow homebuyer demand and purchase origination volume in 2023.

"Next year will be particularly challenging for the U.S. and global economies. The sharp increase in interest rates this year—a consequence of the Federal Reserve's efforts to slow inflation—will lead to an equally sharp slowdown in the economy, matching the downturn that is happening right now in the housing market," Fratantoni said. "MBA's forecast calls for a recession in the first half of next year, driven by tighter financial conditions, reduced business investment, and slower global growth. As a result, the unemployment rate will increase from its current rate of 3.5% to 5.5% by the end of the year. Inflation will gradually decline towards the Fed's 2% target by the middle of 2024."

Fratantoni believes that as the economy slows, longer-term rates, including mortgage rates, will begin to fall from current peak levels. However, there will continue to be significant volatility in rates in the near-term due to quantitative tightening by the Fed and other central banks, and as markets grapple with significant geopolitical, economic and monetary policy uncertainties.

After more than doubling in 2022, the MBA's baseline forecast is for mortgage rates to end 2023 at around 5.4%.

MBA estimates that a 25% to 30% decrease in mortgage industry employment from peak to trough will need to occur, given the decrease in production volume from the record levels in 2020 and 2021.

Housing

Lawrence Yun, National Association of Realtors (NAR) chief economist and senior vice president of research, forecasts that 4.78 million existing homes will be sold, prices will remain stable, and Atlanta will be the top real estate market to watch in 2023 and beyond. Yun predicts home sales will decline by 6.8% compared to 2022 (5.13 million) and the median home price will reach $385,800—an increase of just 0.3% from last year ($384,500).

"Half of the country may experience small price gains, while the other half may see slight price declines," Yun said. "However, markets in California may be the exception, with San Francisco, for example, likely to register price drops of 10–15%."

Yun expects rent prices to rise 5% in 2023, following a 7% increase in 2022. He predicts foreclosure rates will remain at historically low levels in 2023, comprising less than 1% of all mortgages.

Yun forecasts U.S. GDP will grow by 1.3% this year, roughly half the typical historical pace of 2.5%. After eclipsing 7% in late 2022, he expects the 30-year fixed mortgage rate to settle at 5.7% as the Fed slows the pace of rate hikes to control inflation. Yun noted this is lower than the pre-pandemic historical rate of 8%.

Top Markets to Watch

NAR identified 10 real estate markets that it expects to outperform other metro areas in 2023. In order, the markets are as follows:

- Atlanta-Sandy Springs-Marietta, Ga.
- Raleigh, N.C.
- Dallas-Fort Worth-Arlington, Texas
- Fayetteville-Springdale-Rogers, Ark.-Mo.
- Greenville-Anderson-Mauldin, S.C.
- Charleston-North Charleston, S.C.
- Huntsville, Ala.
- Jacksonville, Fla.
- San Antonio-New Braunfels, Texas
- Knoxville, Tenn.

"The demand for housing continues to outpace supply," Yun said. "The economic conditions in place in the top 10 U.S. markets, all of which are located in the South, provide the support for home prices to climb by at least 5% in 2023."

NAR selected the top 10 real estate markets to watch in 2023 based on how they compared to the national average on the following economic indicators:

1. better housing affordability
2. greater numbers of renters who can afford to buy a median-priced home
3. stronger job growth
4. faster growth of information industry jobs
5. higher shares of the information industry in the respective local GDPs
6. migration gains
7. shares of workers teleworking
8. faster population growth
9. faster growth of active housing inventory
10. smaller housing shortages

How to Approach the Market

The next year will be unique for title agents in that they will be facing a purchase market that requires more operational effort, but most firms will be running lean, presenting a major challenge to service levels, according to Hoyt Mann, co-founder and president of alanna.ai.

"I believe the trend toward automating all elements of the title industry—client service, data collection and processing, overall production and closing—will continue in 2023 as a matter of necessity, and that businesses that fail to build on their efficiencies will fall behind in the competitive purchase market," Mann said.

Mark Heslop, senior director of product at Qualia, believes title professionals should invest in automating repeatable processes for

themselves, their partners and customers. By doing this, they'll be able to improve efficiency, reduce costs and consistently deliver a differentiated end-to-end customer experience.

"Automation in real estate transactions can be challenging, though, since so many tasks are dependent on working with customers that are often on their own siloed systems and follow their own processes," he said. "Additionally, the data, documents, and information for the transaction ultimately get fragmented across a variety of systems. In order to move a transaction forward a tremendous amount of manual effort is currently required to keep everyone in sync. These silos don't create issues just for title professionals. They prevent everyone in the transaction from being able to operate efficiently and they drive up costs since everyone needs to spend much of their limited resources reconciling how to work with one another."

Mark Holley, executive sales director for Records Online and a 25-year title industry veteran, said title agents will need to maintain relationships with lenders that sent business in 2022, build relationships with foreclosure attorneys and develop a FISBO sales strategy to keep orders coming from current customers and capture new business.

He agrees with other industry experts that now is the time to invest in technology solutions, assess title production software and evaluate outsource providers for policy production, searching, survey review and tax certification.

"When order counts drop you need to increase the number of customers who can use your services," Holley said. "If you have one or more people responsible for business development, you should implement customer relationship management (CRM) software to track customer contacts. It's the old adage, 'You can't manage what you don't measure.' It's important to set specific expectations for customer contact for your sales team and order counts will rise."

Heslop said title companies should position themselves as partners to their customers, and be equally as invested in developing a streamlined end-to-end closing experience for consumers. He said they can do this by helping their customers deliver a differentiated experience to the buyer or seller, focused on transparency, accuracy and efficiency.

Coordinating what needs to get done for the closing across numerous transaction participants is one of the biggest challenges closing teams and their clients face today. If this process is not managed in a systematic and streamlined way, it's very easy to introduce mistakes or let closing timelines slip, which can cause unnecessary confusion for all parties involved and ultimately creates a stressful, disconnected experience for the consumer.

"By streamlining the delivery of accurate and well-structured information about the closing process to their customers and enabling them to share it with all parties involved in the transaction, title professionals will strengthen their customers' ability to avoid closing issues, while also helping stand out from the competition," Heslop said. "Title professionals should think about establishing systems that provide structured information on their transactions' status in real-time because their customers and their clients frequently need information quickly."

Jason Doshi, CEO and co-founder of paymints.io, said that while we can't ignore the elephant in the room that is reduced transaction volume, he believes the market will rebound after the first few months of the year. Most of the title business owners he's talked to understand that they'll need to continue their push toward digital processes, "not as a luxury but as a mission critical component of competing in a marketplace that no longer tolerates inefficiencies," Doshi said.

"As one example, ALTA itself has made leveraging modern payment systems, including digital funds and transfers, a strategic priority for 2023, and we believe most title business owners will continue moving in that direction this year," he added.

Mary Anne Harris, president of Positively Balanced, said a pivot in the market environment can be challenging, but believes it affords business owners and title agents an opportunity to re-examine their operations. She believes 2023 will be a watershed moment for title businesses seeking to improve the way they do business so that they will have the competitive advantage when the next volume spike arrives.

"That's not just the primary production processes, but with things long considered ancillary, Harris said. "For example, agents will find ways to streamline and make more effective their compliance programs, which should never be ignored—especially as the states and federal agencies gear up for a more aggressive enforcement stance on several issues. In many cases, they'll likely realize that there are a number of outsourced solutions focused on efficiency and effectiveness, so you'll also see an increased use of third-party providers for important functions like escrow reconciliation, marketing and the like."

Heslop also believes title professionals should be evaluating how well their core title production system positions them to streamline the end-to-end transaction experience for their customers and the various transaction types they support.

"By doing so, they won't need to choose between improving internal operations or implementing solutions that help their customers," he said. "They'll do both."

There are a wide range of technology offerings currently on the market, with a proliferation of options that has expanded rapidly over the last few years. However, most technology options on the market are point solutions designed to solve for a single specific need, pain, or situation, according to Heslop.

For instance, in the last few years new digital signing tools have exploded in popularity. He said that while point solutions like these do a tremendous amount to facilitate the signing experience directly, they are still dependent on structured bi-directional data sharing with each party's core system of record and the adoption of a common shared workflow across transaction participants to be of any value.

"A core operating system that simplifies data and workflow integration with these tools and eliminates adoption burdens by customers is the next big thing," Heslop said. "Title professionals who invest in a purpose-built core infrastructure that connects their internal operations with solutions that their customers need will be the ones that are successful in 2023 and beyond." ■

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

2023 MARKET FORECAST HIGHLIGHTS

Here's a look at some projections from the Mortgage Bankers Association:

$2.05 TRILLION

In 2023, total mortgage originations are forecasted to come in around $2.05 trillion—down roughly 9.3% from 2022. In 2023, MBA is forecasting purchase originations to decrease 3% to $1.53 trillion, and refinance originations to slow further, decreasing 24% to $513 billion.

1,412,000

Housing starts are expected to decrease in 2023 to 1,412,000 from 1,562,000 last year before steadily rising to 1,541,000 in 2024.

4,513,000

Existing home sales are expected to continue decreasing according to the MBA forecast, with sales falling nationally to 4,513,000 in 2023 from 5,161,000 in 2022. Existing home sales (which include condos and co-ops) are expected to rise to 5,174,000 in 2024 and 5,585,000 in 2025.

616,000

New home sales are also expected to fall to 616,000 in 2023 from 644,000 in 2022. New home sales are predicted to reach 744,000 in 2024 and 806,000 in 2025.

5.2%

The MBA's baseline forecast is for mortgage rates to decrease, with the 30-year, fixed-rate mortgage expected to end 2022 at 6.6% before decreasing to 5.2% in 2023.

5.5%

The MBA's forecast calls for a recession in the first half of this year, driven by tighter financial conditions, reduced business investment and slower global growth. As a result, the unemployment rate will increase from its current rate of 3.5% to 5.5% by the end of the year.

Industry Remains Service Based

Human Expertise Essential in Competitive Purchase Market

By Mary Anne Harris

There's no question that the title industry is undergoing a significant transformation. The pandemic, in combination with a stark change of market conditions, has title agents of all sizes reconsidering "the way we've always done things." One important element of this widespread change is technology and automation. Title businesses are automating as many elements of their workflow as possible, and building tech stacks not only as a means for increased productivity, but to push back upon margin compression as well. Scalability is no longer just a differentiator in the new market cycle. It's a basic requirement.

However, at its very core, the title insurance and closing/escrow industry remains service based. And while our industry has been far too dependent for far too long on manual processes in the workflow—especially menial or repetitive tasks requiring data entry and key stroking—there are several fundamental undertakings that will always require human effort, expertise and leadership.

Enforcement and Regulation

Although the subject has taken a back seat to the market conditions of the last year, we know that enforcement and regulation are always driving forces in the way title and settlement firms do business. It has not just been saber-rattling and public warnings coming from inside the Beltway as well as the state capitals. We've seen more aggressive enforcement from the Consumer Financial Protection Bureau (CFPB) and multiple departments of insurance as well. There is no indication that this trend will abate, no matter how high mortgage interest rates go or how steep the decline in origination.

Title businesses operate under the constant possibility of inquiries and audits from not only federal or state regulators, but in some cases, their own title underwriters and even E&O or cybersecurity insurers. That won't be changing soon, either. Therefore, it's in the best interest of any title business, large or small, to build or make available resources that can objectively provide audit prep services and even trial audits. And while many businesses are only seeking to cut their expenses at this time, it's really true that a potential fine or rate increase on insurance policies could very easily and significantly exceed the cost of in-house resources or third-party providers providing the review and preparation it can take to stay compliant.

Relationship Building at the Core

Another area in which expertise and decision-making won't be replaced by technology any time soon is relationship building. We often tell others that ours is a relationship-based industry, and that's been proven to be the case again and again. While digital tools can, again, expedite the manual elements that come with the task (marketing messages, meeting scheduling, communications), it still takes a qualified person or people to read, build and nurture relationships with clients, prospects and partners. If anything, the good news is that increased automation, instead of simply replacing jobs, can empower owners and decision-makers to redeploy their personnel into this vital, but necessarily human, process. It's especially important in a highly competitive purchase market, too.

Overlook Escrow Reconciliation at Your Own Peril

Another responsibility which cannot be fully automated and yet cannot be overlooked by title agencies is a consistent and professional approach to escrow reconciliation. Expert attention to things like earnest money review or state escheatment requirements are the lifeblood of a compliant title or escrow business. And yet, far too often, the task is delegated on a part-time basis or, even worse, assigned to an employee with little to no expertise in the process under the presumption that escrow reconciliation software will make up for the lack of expertise. There are great escrow reconciliation tools available out there. Professional bookkeepers and service providers use them too. But simply giving access to the technology to an untrained or poorly trained employee is akin to asking an intern to prepare the corporate taxes using TurboTax.

Human Resources Leadership Vital

Even though one of the major topics of the day is layoffs and cutbacks, employee management and human resources are in fact more important than ever for title agents and owners, for several reasons. It is a major challenge to maintain morale within a firm that has reduced its payroll, and the risk of losing further

The title industry is truly one built upon service. The rapid and widespread automation of workflows is welcomed, and will undoubtedly benefit the space and its participants in a number of ways. However, technology is not nearly advanced enough to replace or even mimic human leadership and expertise.

talent, fearful of being in the next possible round of layoffs, can be very real, not to mention a potential decline in productivity. Conversely, businesses that are seeking to grow, whether now or when the market changes, have a very real opportunity to bring aboard blue-chip talent during times like these. Again, while digital platforms and tools can assist leadership in making such very sensitive decisions, they cannot substitute for experience, instinct and intuition.

Similarly, at a time when many in the industry are finding themselves in new positions with new employers, the basic hiring process cannot be ignored, nor fully automated. But it is up to decision-makers, not technology, to put comprehensive procedures in place for these kinds of processes. For example, a title agent that fails to install something as simple as a background check process for new and existing employees could eventually suffer a major loss that could have been avoided. These are also the kinds of planned out processes than can save, or cost, a business a substantial amount on E&O insurance policies.

The title industry is truly one built upon service. The rapid and widespread automation of workflows is welcomed, and will undoubtedly benefit the space and its participants in a number of ways. However, technology is not nearly advanced enough to replace or even mimic human leadership and expertise. Even in the current market, there will be businesses that grow based upon human decisions that include limited risk taking or even instinct. Similarly, powerful bonds leading to future business can be forged by well-networked leaders who take the time and effort to nurture relationships through the downturn. Technology can be a key ingredient in those processes. But it's the human touch that makes success possible.

MARY ANNE HARRIS *has served the legal and title industries for over 30 years. She founded Positively Balanced in 2000 to help law firms and title companies with escrow reconciliation services, including transaction monitoring, fraud detection and audit readiness. Her email is maryanne@positivelybalanced.com.*

1099-S Reporting Requirements for Real Estate Transactions

Any professional responsible for closing a real estate transaction must file Form 1099-S with the Internal Revenue Service. In the Open Forum of ALTA Connection, a question was posed asking for advice on how to handle an elderly seller who refuses to provide her Social Security number. Click here for IRS instructions for Form 1099-S.

One suggestion was to report the 1099 with a notation that the seller refused to provide their SSN. Others proposed that the closer inform the seller that the SSN is needed to release funds.

A title professional in Louisiana said his firm consults a tax attorney for advice on the amount to withhold at closing. When submitting funds to the IRS, he would note the seller refused to comply with the W-9 request.

In one scenario in Pennsylvania, the title agent sent the seller an Affidavit of Refusal to Provide the SSN and a W-9 form with Refusal to Provide over the SSN blocks. The agent asked the seller to have it signed, notarized and returned before closing. Interestingly, the seller changed her mind and provided the SSN after all. In Pennsylvania, a SSN is required in order to run a domestic relations search.

An attorney in Florida suggested explaining to the seller that a SSN is needed to confirm they are not a foreign person trying to avoid the 15% withholding under the Foreign Investment in Real Property Tax Act (FIRPTA).

Generally, transactions must be reported that consist in whole or in part of the sale or exchange for money, indebtedness, property or services of any present or future ownership interest in any of the following:

1. Improved or unimproved land, including air space.
2. Inherently permanent structures, including any residential, commercial or industrial building.
3. A condominium unit and its appurtenant fixtures and common elements, including land.
4. Stock in a cooperative housing corporation.
5. Any non-contingent interest in standing timber.

The following is a list of transactions that are exempt from being reported:

- If the seller certifies that the sale price is for $250,000 or less and the property is for their principal residence.
- If the seller is a corporation or a government unit.
- Any transaction that is not a sale or exchange including a bequest, a gift and a financing or refinancing that is not related to the acquisition of real estate.
- A transfer in full or partial satisfaction of a debt secured by the property. This includes a foreclosure, a transfer in lieu of foreclosure or an abandonment.
- If the total money, services and property received are less than $600.

Solidifi: More Borrowers Reviewing Documents Online Prior to Closing

Borrowers are becoming more comfortable reviewing documents digitally prior to closing, according to the Solidifi 2022 Consumer Mortgage Experience Survey.

The survey showed that 59% of borrowers want to review documents digitally prior to closing. This is up from 50% in 2021.

Solidifi polled over 1,000 residential borrowers 18 years of age or older in the United States who have refinanced or purchased a home within the last two years to assess experiences with the closing and appraisal process.

"This year's survey results reaffirmed that borrowers continue to value in-person interactions for both appraisals and closings," said Solidifi President Loren Cooke. "People have a better experience when they interact with the appraiser and closing agent. While digital is increasingly becoming part of the closing experience, the process itself is becoming more—not less—personal."

Borrowers understand the value of title insurance.

82% say that title insurance is important to them as a homebuyer.
Most borrowers recognize that title insurance is important because it proves property ownership and protects against problems.

According to the survey, borrowers continue to want in-person closings for better communication and increased trust. In fact, 81% said that face-to-face is the ideal way to close versus 19% who prefer remote online notarization.

It should be noted, however, that of the 81% who prefer in-person interaction, 60% want a paper process, 25% prefer a hybrid process of both paper and electronic documents and 15% prefer in-person with fully electronic documents.

"Consumers want more closing options and flexibility, and as an industry we still have work to do to educate consumers on the options available to them," Cooke said. "But regardless of how the closing is conducted, the experience has to be flawless."

The survey also showed trust in e-signatures continues to increase, rising from 74% in 2019 to 89% in 2022.

Good communication is associated with higher satisfaction with the title company, and poor communication is the top reason for dissatisfaction, the survey showed. Having a closing agent who communicates well and is prepared has become even more important. Survey results showed that 75% of borrowers want a closing agent who clearly communicates the process and what borrowers need to do at each step. This is up from 59% in 2021.

81% of borrowers prefer an in-person closing.

19% prefer remote online notarization.

Borrowers continue to prefer in-person interactions – making it easier to build rapport and get information. This is consistent across generational categories and transaction types, including home equity loans and HELOC closings.

Borrowers also continue to indicate that they prefer digital at the front end of the process but were not ready to move to an online closing.

The pandemic briefly accelerated interest in online closings; however, this year's survey indicated that online closings were only 8% of closings, down from 11% in 2021.

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Florida Attorney General Files Complaint Against MV Realty

ALTA Has Developed Model Bill Prohibiting These Agreements

Florida Attorney General Ashley Moody has filed a complaint against MV Realty for engaging "in a complex and deceptive scheme that attempts to skirt existing Florida law with the goal of swindling consumers out of their home equity."

Through its Homeowner Benefit Program, the brokerage offers to pay up-front money to homeowners whether or not they have plans to sell their home. In exchange for between $300 and $5,000, homeowners sign an agreement stating if they decide to sell, MV Realty has the exclusive right to list their home on commission, generally 6% per the agreement. MV Realty operates in 33 states and has more than 500 licensed agents.

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

"For many Floridians, their home is their most important asset and the cornerstone of their financial stability," Moody said. "For a company to prey on unsuspecting homeowners in a way that locks them into a 40-year obligation designed to siphon away equity from the property is disgraceful. Today, I filed legal action to end this deceitful practice and protect Florida homeowners from further harm."

The contract allows MV Realty to place a lien on the owners' homes. The attorney general's lawsuit states that the liens are illegal under Florida law. Moody said the liens often make it difficult or sometimes impossible for the homeowner to refinance or otherwise tap into home equity. Additionally, the company uses abusive and deceptive telemarketing practices, including calling millions of people on the National Do Not Call Registry and leaving millions of unwanted, pre-recorded voicemails, according to Moody.

The attorney general is asking the judge to prohibit MV Realty from enforcing any of its current Homeowner Benefit contracts and prevent the company from engaging in deceptive business practices going forward. It also requests that MV Realty be ordered to return the money it wrongfully took from homeowners and pay civil penalties.

Florida's attorney general reportedly has received 16 complaints about the brokerage since 2020, according to the *Tampa Bay Times*.

Additionally, several other state regulators recently confirmed their offices are examining MV Realty. Nazneen Ahmed, press secretary for North Carolina's Department of Justice and Attorney General's office, confirmed his office is investigating the company. According to *Inman*, the North Carolina Real Estate Commission (NCREC) is also conducting an inquiry. Janet Thoren, the commission's legal counsel, told *Inman* the NCREC has received six or seven consumer complaints. In an email to *Inman*, Thoren said several other state attorneys general are looking at the program. *CBS News* reported the Massachusetts' attorney general is reviewing complaints as well.

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

A subgroup of ALTA's State Legislative/Regulatory Action Committee developed a model bill prohibiting unfair service agreements.

FTC, California AG Order Company to Stop Deceitful Marketing of PACE Program

THE FEDERAL TRADE COMMISSION (FTC) AND THE CALIFORNIA ATTORNEY GENERAL ROB BONTA recently took action against home improvement financing provider Ygrene Energy Fund Inc. for deceiving consumers about the potential financial impact of its financing, and for unfairly recording liens on consumers' homes without their consent.

The FTC and California alleged that Ygrene and its contractors falsely told consumers that the financing for its Property Assessed Clean Energy (PACE) program wouldn't interfere with the sale or refinancing of their homes, in many instances relying on high-pressure sales tactics or outright forgery to sign consumers up.

PACE loans are a controversial type of financing that allows homeowners to pay for energy-efficient retrofitting through their property tax assessments. These loans often take lien priority over the first mortgage lien. ALTA has said that when buying a home, Americans need to know if they are going to be responsible for someone else's debts. ALTA has supported proposed federal legislation that would modify consumer protection requirements for PACE loans.

"Ygrene and its sales force deceived consumers about home improvement financing and then stuck consumers with liens that made it difficult to sell their homes," said Samuel Levine, director of the FTC's Bureau of Consumer Protection. "Our proposed order would require Ygrene to clean up its business practices, monitor its sales force, and help defrauded consumers remove their liens."

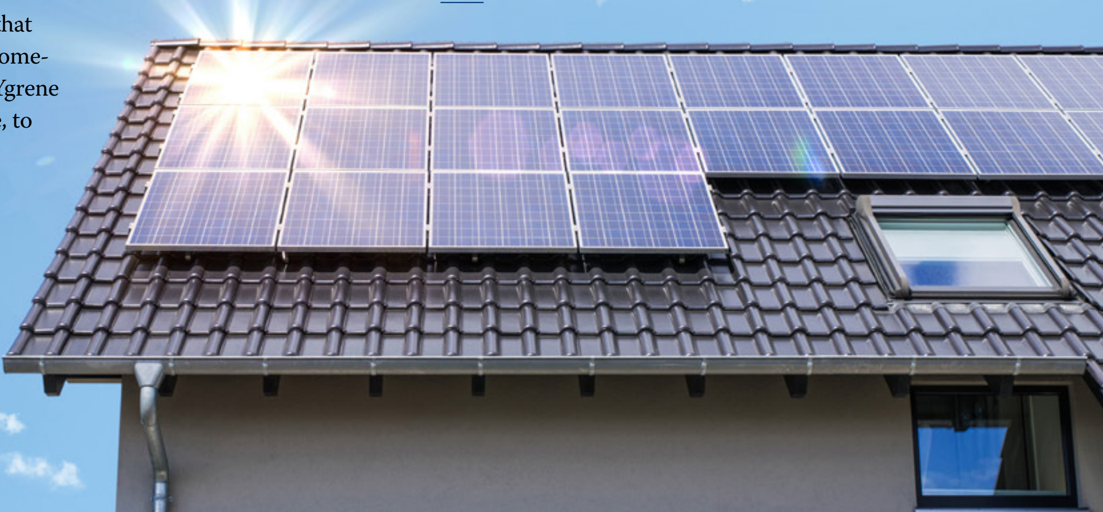
A proposed court order would require Ygrene to stop its deceptive practices and meaningfully oversee the contractors who have served as its salesforce. As part of the settlement, Ygrene will be required to dedicate $3 million to provide relief to certain consumers whose homes are subject to the company's liens.

California-based Ygrene has provided PACE financing, a form of secured home-improvement financing, for clean-energy home improvements in parts of California, Missouri, and Florida. Since 2015, Ygrene has trained home-improvement contractors to market the company's PACE financing to homeowners as a way to pay for energy upgrades (e.g., solar panels or updated insulation) to consumers' homes. These sales often happen door to door, with contractors approaching consumers in their homes, selling both the energy upgrade and the supposed benefits of Ygrene's PACE financing.

The FTC and California allege that Ygrene recruited and authorized home-improvement contractors, whom Ygrene did not adequately train or oversee, to sell its financing, leading to many consumers being deceived during the sales process and being unfairly subjected to liens on their homes without their express, informed consent. Specifically, according to the FTC and California, Ygrene and its contractors harmed consumers by:

- **Deceiving consumers about PACE's impact on home sales:** The complaint alleges that Ygrene or its contractors provided false or misleading information that the lien placed on their home as a result of PACE financing could simply be transferred with a property when it was sold. In fact, many mortgage lenders will not provide financing to buy a property unless the PACE lien is paid off in full.
- **Deceiving consumers about PACE's impact on refinancing:** In many cases, the complaint alleges, Ygrene or its contractors told consumers that the PACE liens would not interfere with their ability to refinance their homes. As with home sales, many lenders will not approve new financing until the PACE lien has been removed.
- **Trapping consumers with PACE liens without clear consent:** In many cases, Ygrene relies on an electronic signing system for its financing agreements with consumers. In some of these cases, the complaint alleges, Ygrene's contractor sales practices have prevented consumers from meaningfully reviewing or consenting to key disclosures concerning PACE liens. Contractors have rushed consumers through the electronic signing of the financing agreement, which appears in small print and is often presented to the consumer on a mobile phone or handheld tablet device—in many cases owned by the contractor—with a small screen that makes it more difficult to navigate and understand the agreement. In other cases, the contractor has forged the consumer's signature by e-signing the contract without the consumer's authorization. The complaint notes that even in some instances after Ygrene received an electronic signature and called the consumer to explain the terms of the agreement, the company failed to ensure that it was speaking to the consumer or that the consumer had given clear consent to the lien.

A copy of the settlement, which is subject to court approval, is available here.



GOOD DEEDS: ALTA Member Continues Acts of Kindness

AMERICAN LAND TITLE ASSOCIATION
GOOD DEEDS FOUNDATION

IN 2021, ALTA MEMBER AARON DAVIS WAS DUBBED THE "CHAINSAW MAN" for his efforts to come to the aid of those impacted by winter storms that created a power crisis in Harper, Texas, leaving more than 4.5 million homes and businesses without power. (The ALTA Good Deeds Foundation provided a $5,000 emergency grant to the Harper Volunteer Fire Department last year).

Davis, CEO of Florida Agency Network, took a leave of absence from his company and volunteered in Harper to cut downed tree limbs and clear brush. He also helped purchase chainsaws and other items to help the community.

A year later, after a chance interaction with an old friend from his hometown, Davis heard about people helping fellow Floridians following the aftermath of Hurricane Ian. Davis soon was leading the Florida Baptist Disaster Relief unit, which had boots on the ground in Port Charlotte, Fla.

Davis talked with his brother, Aaron, and the two decided to help with the cleanup and purchased 30 chainsaws.

Stationed at Murdock Baptist Church, the Florida Baptist Disaster Relief unit prepared more than 70,000 meals for those in need within a week of the storm's impact. Hundreds of volunteers helped provide food, shelter, water and labor—running chainsaws, cleaning up debris, tarping roofs and much more.

"Just seeing all the stories come in and I'm like, 'Oh my gosh, we're used to hurricanes, this is way worse than a hurricane,'" Aaron told local news station 10 Tampa Bay. "This is a hurricane followed by seven days of freezing. You're not going to necessarily drown or get hit by a flying object, but you're going to freeze to death."

Because of their efforts, the Davis brothers were featured in People magazine and were given a spotlight on an episode of The Kelly Clarkson Show.

Submit Application for Good Deeds Grant

If you support a non-profit organization that could use some financial help in 2023, apply for a grant from the ALTA Good Deeds Foundation. The grant application process closes Jan. 31, and applicants will be notified of all decisions in March.

As a land title insurance professional, you can apply for a grant on behalf of recognized 501(c)(3) organizations that you support either financially or through volunteer efforts. The number and amount of grants awarded each year will vary. You do not need to be an ALTA member to apply.

In October, the foundation awarded $140,000 to 26 charities, including a $10,000 emergency grant to the Collier Comes Together Hurricane Recovery Fund created by the Collier Community Foundation in Naples, Fla., following the devastation of Hurricane Ian. If you applied for a grant in prior cycles but your organization wasn't awarded a grant, you can apply again now. Make sure to highlight your involvement with the non-profit organization in your application.

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

Preference will be given to housing-related charities and those that jump in to help during times of national crisis. For more information, see the FAQs.

Click here to apply.

Industry Update

Ransomware Incidents Skyrocket in 2021, FinCEN Reports

Ransomware continues to pose a significant threat to U.S. critical infrastructure sectors, businesses and the public, according to a report released by the Financial Crimes Enforcement Network (FinCEN).

The report provides analysis of ransomware-related Bank Secrecy Act (BSA) filings for 2021, focusing on trends during the second half of the year. It addresses the extent to which a substantial number of ransomware attacks appear to be connected to Russian nationals.

According to the analysis, FinCEN received 1,489 ransomware-related filings totaling nearly $1.2 billion in 2021. This represents a 188% increase compared to the total of $416 million in 2020. FinCEN said this potentially reflects an increase in ransomware incidents or improved reporting and detection.

FinCEN Acting Director Himamauli Das said the analysis is a reminder that ransomware—including attacks perpetrated by Russian-linked cybercriminals—remains a serious threat to national and economic security. He said this highlights the importance of BSA filings, which allow FinCEN to uncover trends and patterns in support of government efforts to prevent and combat ransomware attacks.

"Financial institutions play a critical role in helping to protect the United States from ransomware-related threats simply by fulfilling their BSA compliance obligations," Das added.

Specific to the title industry, a recent ALTA survey showed that cyberattacks targeting title and settlement companies remained the same or increased over the past year.

CertifID, Stewart Report Significant Reduction in Wire Fraud Risk

CertifID Inc. and Stewart Information Services Corp. reported a significant reduction in wire fraud risk for the title company, consumers and lenders as a result of their partnership. This is in the face of the 64% year-on-year rise in overall cybercrime losses most recently available from the FBI Internet Crime Complaint Center (IC3).

In 2020, the companies entered into a partnership agreement to enable Stewart direct offices and independent agencies in Stewart's Trusted Provider network the ability to securely collect and send wire instructions to customers. Since then, the partnership has continued to grow successfully in scale and scope.

Many of Stewart's direct operations and independent agency partners have moved to CertifID software as their primary solution for wire fraud protection. CertifID is now available through Stewart's direct operations across 35 states.

"Wire fraud is one of the largest and underpriced risks to our industry, and that's why Stewart has been making significant investments into the right technologies, including companies like CertifID," said Fred Eppinger, CEO of Stewart. "The partnership has provided winning solutions for consumers through both our direct operations and our agency services, who take advantage of the CertifID protections."

CertifID launched PayoffProtect last year to address a key pain point for its core customers. Mortgage payoffs comprised 45% of all wire fraud incidents reported to the CertifID fraud recovery services team, the single largest use case over the past two years.

"The recent addition of PayoffProtect to our CertifID software agreement reduces this major source of risk for our operations," said Bob Taylor, vice president of escrow accounting at Stewart. "Since we began using CertifID two years ago, I have seen a substantial drop in the number of wire fraud attempts reported."

CertifID also provides fraud recovery services to any consumer or business who becomes a victim of wire fraud. The team provides a single point of contact for customers to help them navigate across multiple parties, including banks and law enforcement who need to work together during the fraud recovery process. Trained by the U.S. Secret Service, the CertifID team recovered over $50M in funds from cybercriminals over the past two years.

"By necessity title agencies must become cybersecurity companies now," said Tom Cronkright, a large title agency owner and co-founder of CertifID. "The core mission of a title agency has always been to protect the home buyer and seller. Now that protection includes zealously safeguarding their funds given the exponential rise of cybercrime syndicates targeting our industry. Fundamentally the core economics of our business have shifted due to the risk caused by wire fraud."

Fidelity Acquires Four Title Agencies

Fidelity National Financial Inc. announced the acquisition of St. Louis Title, Security Title Insurance Agency and Accurate Disbursing of St. Louis, Mo., and Benchmark Title of Southern Illinois.

"We couldn't be more excited to bring these premier title and escrow teams in the St. Louis market into the FNF Family of Companies," said Mike Cusack, executive vice president and regional manager of FNF. "Their commitment to the St. Louis and Southern Illinois real estate community is evidenced by their success, growth and dedication to customer service. Together, we will continue this commitment and provide each of these teams with all of the resources we have to service each and every customer."

St. Louis Title, Security Title, Accurate Disbursing and Benchmark Title were founded in 2005 and have grown to become one of the market leaders in the St. Louis metropolitan area. John Schaefer, the current manager, will continue to lead all operations.

"We are very excited to join the FNF family," Schaefer said. "Our combined resources will allow us to continue to provide the service our customers expect, and to lead our employees and customers into the future."

Survey: 68% Increase in Outsourcing HOA Research Since 2020

The number of companies that began outsourcing their HOA research for their closings since the pandemic has increased 68%, according to a recent survey from PropLogix.

The survey is based on responses from more than 400 title professionals across the country.

"The data shows as the market really began to pick up post-pandemic, closing professionals began to turn to third-party outsourcing to help keep up," said Lindsey Gordon, PropLogix director of communications. "We saw a jump in several title production areas like municipal lien searches, HOA research and even title clearing."

The report also covers the five biggest challenges facing title professionals in 2022. The top answer, according to the survey, is "juggling too many different tasks." The report also took a look at how these closing agents are handling their workload by diving into which title production tasks title professionals outsource versus keeping in-house.

AccuTitle to Build RON Platform

AccuTitle announced plans to build a fully integrated remote online notarization (RON) and e-signing platform for its suite of title and escrow software offerings.

The new features and enhancements will consist of automated document prep and templating, long-term storage of document and videos, security verification feature such as facial recognition and external APIs to work with small to enterprise clients to customize their offering to their clients.

End users will have the ability to use their in-house notaries or draw from a pool of expert notaries nationwide.

"Closings, amongst other industries, still need human intervention to aid their process," said Alice Bell, AccuTitle's chief strategy officer. "We want to save our end users time with great automation tools that empower them with skills and capabilities they already use."

AccuTitle title management platforms include TitleFusion, Landtech, Closers' Choice and TrackerPro.

Fidelity to Acquire TitlePoint from Black Knight for $225M

Fidelity National Financial Inc. has agreed to acquire TitlePoint from Black Knight Inc. for $225 million in cash.

The deal was expected to close in December 2022, subject to customary closing conditions.

TitlePoint enables searches for detailed property information, images of documents and maps from hundreds of counties across the United States. The company is a leader in the science of real estate property research technology. TitlePoint been part of Black Knight's data and analytics segment since 2014.

"The acquisition of TitlePoint is just one more way FNF is investing in, expanding and integrating property data, images and search technology into FNF's existing assets," said Mike Nolan, CEO of FNF. "Combined with other FNF digital technologies, this acquisition improves productivity and automation and streamlines the manufacturing of title plant information across."

FHFA Increases 2023 Conforming Loan Limit by 12%

The Federal Housing Finance Agency (FHFA) announced the conforming loan limit values (CLLs) for mortgages to be acquired by Fannie Mae and Freddie Mac in 2023. In most of the United States, the 2023 CLL value for one-unit properties will be $726,200, an increase of $79,000 from $647,200 in 2022.

The Housing and Economic Recovery Act (HERA) requires that the baseline CLL for the government-sponsored enterprises (GSEs) be adjusted each year to reflect the change in the average U.S. home price. The FHFA published its third-quarter 2022 FHFA House Price Index report, which includes statistics for the increase in the average U.S. home value over the last four quarters. According to the index, house prices increased 12.21% between the third quarters of 2021 and 2022. Therefore, the baseline CLL in 2023 will increase by the same percentage.

High-cost Areas

For areas in which 115% of the local median home value exceeds the baseline conforming loan limit, the applicable loan limit will be higher than the baseline loan limit. HERA establishes the high-cost area limit in those areas as a multiple of the area median home value, while setting the ceiling at 150% of the baseline limit. Median home values generally increased in high-cost areas in 2022, which increased their CLL. The new ceiling loan limit for one-unit properties will be $1,089,300, which is 150% of $726,200.

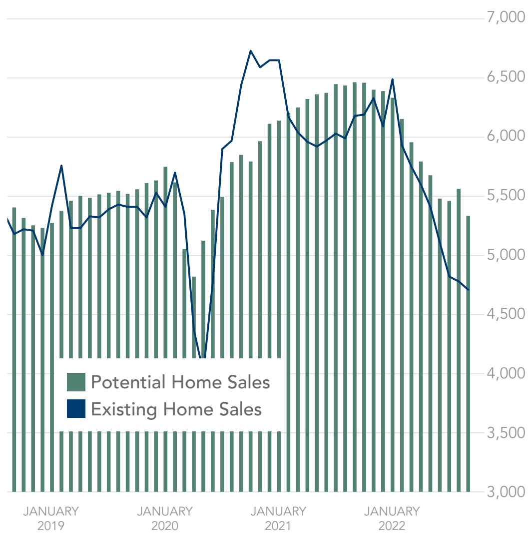
CloseSimple Receives Investment to Improve Closing Process

CloseSimple closed a multi-million dollar investment from growth equity firm Plymouth Growth. The capital enables CloseSimple to add staff, accelerate product development and broaden its outreach to title companies seeking to provide a cohesive digital closing experience.

"From the beginning we've been tackling this big need for more transparency and visibility in the real estate process, and it's been incredible to hear how CloseSimple is helping our clients do just that," said Paul Stine, CEO and co-founder of CloseSimple. "Right now, companies in our industry are doubling down on tech, and with the backing of Plymouth Growth, we have the opportunity to continue meeting the needs of our clients."

Housing Market Potential

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



4.71 SAAR
Existing Home Sales

5.33 SAAR
Potential Home Sales

-11.7%
Market Performance Gap

*Potential home sales measures what a healthy market level of home sales should be based on the economic, demographic and housing market environments.

National Consumer House-Buying Power

How much home one can afford to buy given the average income and the prevailing mortgage rate

September 2022

$351,322
House-Buying Power

-29.3%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

States		Markets	
1	New Jersey **$505,641**	1	San Jose, CA **$736,392**
3	Massachusetts **$500,690**	2	San Francisco, CA **$677,532**
2	Maryland **$485,564**	3	Washington, DC **$621,383**
4	Hawaii **$479,553**	4	Boston, MA **$564,666**
5	California **$465,895**	5	Seattle, WA **$503,811**

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

Movers & Shakers

Orange Coast Title Family of Companies Names President

Mike Marconi

Orange Coast Title Co. Family of Companies recently appointed Mike Marconi as president. He previously served as chief operating officer for Orange Coast Title, Orange Coast Title Company of Southern California, Orange Coast Title Company of Northern California, Equity Title of Washington, EZDoc, Laureltree Investments, Laureltree Promotions and JLM Corp since 2018. Marconi was appointed president of several Orange Coast Title Family of Companies in 2017. He began his career with Orange Coast Title Company with a consulting position to be part of an acquisition team for what would become the purchase of Record Title in 1980. This turned into a full-time position and marked the beginning of the company's aggressive expansion. Marconi has experience providing products and services primarily to hard money lenders. His knowledge helped with the expansion of the company's nationwide lender services division.

Stewart Names SVP for Direct Operations in West Region

Anne McCauley

Stewart Title recently hired Anne McCauley as the new group senior vice president for the company's West region. In this role, she is responsible for overseeing direct operations in California and Arizona. Prior to joining Stewart, McCauley spent the past 16 years at First American Title where she held the role of SVP, director of strategic growth and expansion. She has held numerous leadership roles across that company, including state manager, SVP of operations. McCauley also co-founded Endpoint Closing, the company's first digital title and escrow division, serving as its COO.

Title Resources Group Welcomes Two New Executives

Title Resources Group (TRG) announced the addition of Peter Prygelski as chief financial officer and Lisa Clarke-Wilson as chief of staff. Prygelski brings more than 20 years of financial leadership experience, with focuses on risk management, auditing, accounting and finance. Prior to joining TRG, he held many leadership positions including CFO and treasurer at Federated National Holding Co., a publicly traded insurance company. He will be a strong partner in developing and executing the company's strategic financial vision. Clarke-Wilson joins TRG with a decade of experience in various leadership positions, including a management role at Bain & Company, a management consulting firm, where she oversaw several large projects ranging from financial services to people management and improvement initiatives. She will support TRG's growth initiatives and will play a key role in executing the company's strategic vision.

CATIC Hires New Illinois State Counsel

CATIC announced that Katherine Vyas has joined its Illinois team in the role of vice president and state counsel. Before joining CATIC, Vyas served as Northwest area underwriting counsel at a national underwriter, where she worked on underwriting complex municipal transactions, multi-site projects, both commercial and residential deals, and led the condominium deconversion team. Prior to becoming an underwriter, she was in private practice, focusing on residential and commercial real estate, litigation and general practice.

FNTI Names Western Region Manager

First National Title Insurance Company (FNTI) recently promoted Devin Storms to Western region manager. She joined FNTI in June 2020 as an agency manager. She has increasingly taken on more responsibilities over her time with the company. Storms started working in the title industry in 2003 on the agency side focusing on client care and commercial sales. She then transitioned into the underwriter side of business development. In her new role, she will oversee growth for FNTI's Western region, which includes Colorado, Idaho, Montana, Nevada, Utah and Wyoming.

New Year, New Expectations

JACK RATTIKIN III
ALTA president

I AM PROUD TO SERVE AS PRESIDENT OF THE OUTSTANDING AMERICAN LAND TITLE ASSOCIATION. Our members are smart businesspeople, who make difficult decisions every day in a challenging real estate market.

What a difference a year makes. For the past several months, most businesses have been adjusting to the significant downturn in the mortgage and housing markets.

As of December 2022, the nationwide median for days on market was 70 days, up from 49 days a year ago. The share of homes with price decreases jumped from 26% the year prior to 41% this year, according to Altos Research. A month ago, mortgage rates hovered around 6.3% compared to 3.28% a year ago. It's a tough housing market, and experts don't think it will improve much in the first half of 2023.

Taylor Marr, deputy chief economist at Redfin, believes high mortgage rates are likely to make the 2023 housing market the slowest since 2011.

"We expect home sales to sink to their lowest level in more than a decade in 2023 as high mortgage rates keep housing costs up and prevent people from moving," Marr said in a report outlining Redfin's 2023 predictions. However, high homeowner equity and a resilient job market will stave off a wave of foreclosures, he wrote. Added onto this, Fannie Mae expects a "modest recession" in 2023.

Now is the time to analyze our operations and understand the essential work that directly impacts the bottom line. Now is the time to assess technology options and evaluate where we can become more efficient. On the flip side, while technology can help drive results, we're still a people-based industry. Hard decisions must be made about staffing.

As we work through this downturn, ALTA will be your go-to-source to help optimize your business in a changing market. ALTA is focused on promoting resources to help members run their businesses successfully, providing education and training to help members plan for a changing economic environment, and developing and delivering programming to help members attract talent, foster employee engagement and promote retention.

It's a new year with new business expectations. You can always expect ALTA to be there for its members.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Years of expertise in the Title and Settlement industry

50,000+
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4 - 6
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50
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Robust and centralized consumer portal that is easy to use and enables you to exchange information and collaborate with all parties on the transaction

Open Integration Framework

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

Robust Vendor Management

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

Why AtClose?

AtClose is a fully secured cloud-powered title production solution that simplifies comprehensive title workflows. This next-gen platform leverages predictive data and end-to-end automation to help settlement agents, lenders, and vendors prioritize tasks, shorten title clearing and closing cycles, and enhance collaboration with a laser-focused approach.

Learn how AtClose has helped companies in the Title & Settlement industry overcome the challenges of title document preparation, vendor relationship management, and more.

www.AtClose.com
111 Technology Drive Pittsburgh, PA 15275
sales@atclose.com