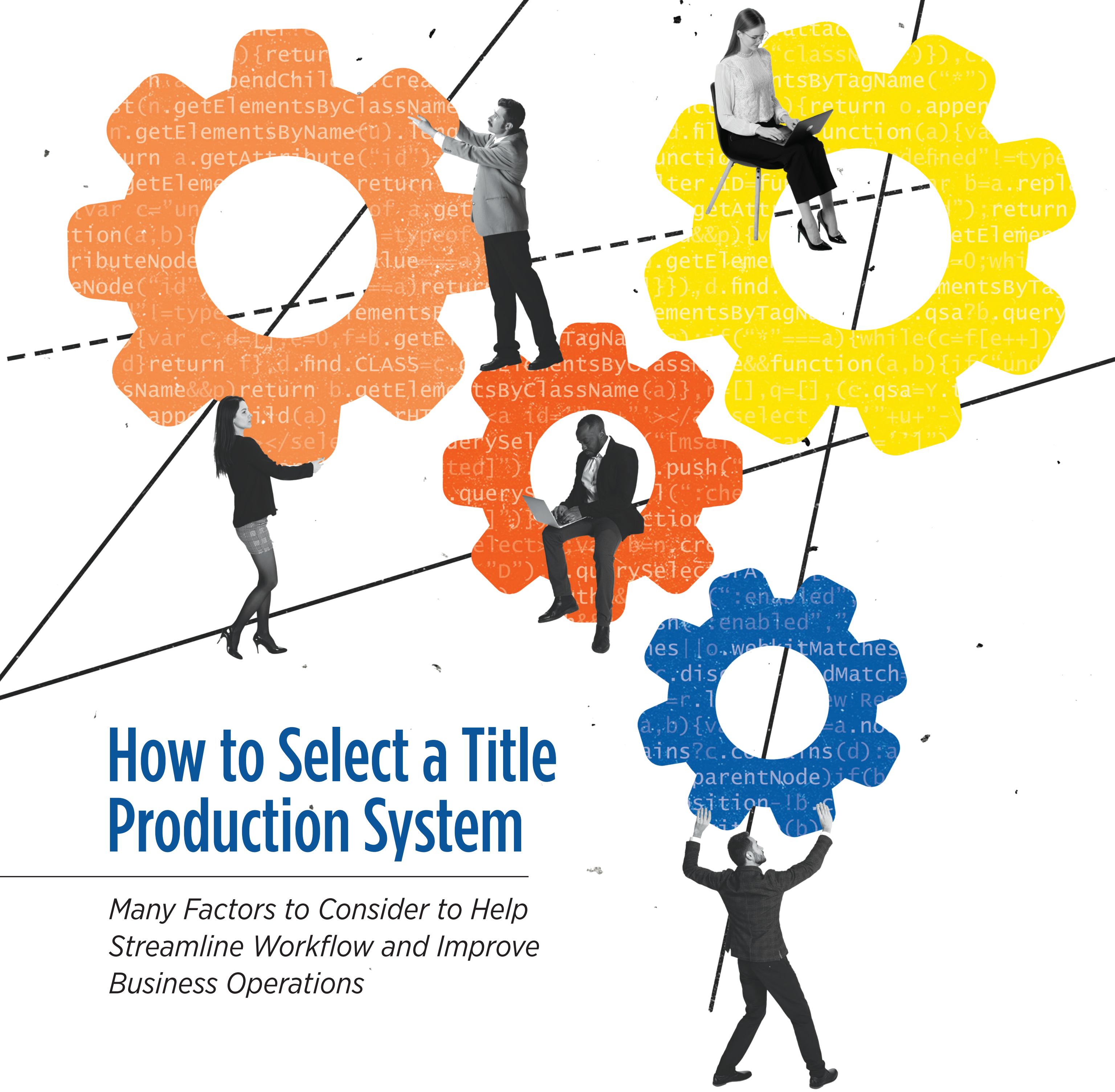
TITLE News

MAY 2023

AMERICAN LAND TITLE ASSOCIATION



How to Select a Title Production System

Many Factors to Consider to Help Streamline Workflow and Improve Business Operations

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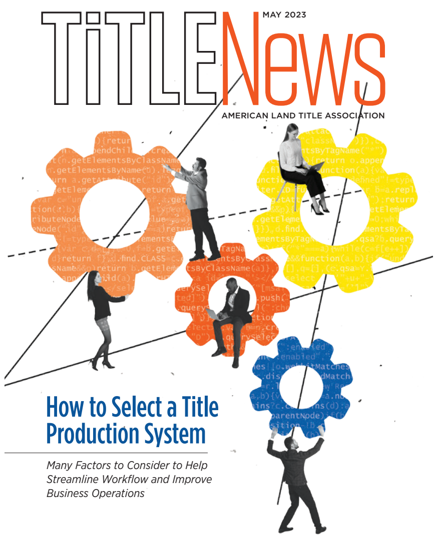

iN This Issue

VOLUME 102 | NUMBER 5 | MAY 2023

COVER STORY

FEATURES

DEPARTMENTS

DON'T MISS THIS MONTH'S DIGITAL ISSUE OF

TiTLENews

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

AMERICAN LAND TITLE ASSOCIATION

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TiTLENews

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

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Select a Software That Suits Your Needs

JEREMY YOHE
ALTA vice president of communications

SELECTING A NEW TITLE PRODUCTION SYSTEM CAN BE A DAUNTING—if not scary—task. It's definitely a relevant topic as it was recently debated on the Open Forum of the ALTA Connection community page. Marie Hunter of Pioneer Title, a larger title company that operates in four states, posed the question, "What title/escrow production (system) do you use?" Hunter's post spurred more than 50 comments.

What became clear is that there's not a simple answer since every business has unique requirements and circumstances, customer needs and markets served. No one system will fit every person or company.

The cover article of this edition of *TitleNews* digs into specifics of what title professionals should consider when selecting a title production system. The article examines ease of use and training, improving workflow, integration with other technology, security and compliance, cost, and reviews and references.

Title professionals can begin their search for a new software vendor on ALTA's Marketplace. Here, you can compare several vendors as well as discounts offered to ALTA members.

One expert suggested starting by listing software vendors down the y-axis in a spreadsheet and agency requirements across the x-axis. Additionally, the specialist recommended breaking the groupings into essential, conditional and nice-to-have features. This allows you to track the best and most appropriate options for your company.

As you develop a strategy, important steps to follow include knowing your objectives, prioritizing needs, creating a software vendor list, evaluating your choices, making a decision and negotiating.

Within prioritizing needs, it's vital to ask yourself these questions:

1. *What do you need the software to do?*
2. *How easy is the software to use?*
3. *What's your budget?*
4. *What reports do you need the solution to develop?*
5. *How scalable should the software be: One office, multiple sites, single state or multiple states?*
6. *Do you want a cloud-based system or on-site system?*
7. *What do your customers need?*
8. *Do your vendors have any requirements they need met?*

As with any significant purchase, there are many things to consider. Proper research is essential. What you want to avoid is implementing software that hinders production or is difficult for your staff to learn and use.

ALTA News

AMERICAN LAND TITLE ASSOCIATION

HAPPENINGS, NEWS, UPDATES & EVENTS

ALTA-supported RON Bill Reintroduced in Senate

U.S. Senators Kevin Cramer (R-N.D.) and Mark Warner (D-Va.) reintroduced the Securing and Enabling Commerce Using Remote and Electronic (SECURE) Notarization Act.

The bipartisan bill, SB1212, would enable use of 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.

"We applaud the longstanding leadership of Senators Cramer and Warner in recognizing the clear benefits of extending RON access to all Americans and introducing this bipartisan legislation, which offers a safe and secure path to remotely close real estate and mortgage transactions, among others. By passing the SECURE Notarization Act, we can take a much-needed step into the future by modernizing the notarization process with a secure system that has proven to meet consumer needs and expectations," said Diane Tomb, CEO of ALTA. "The U.S. House of Representatives passed this needed legislation overwhelmingly in February and we urge the Senate to do the same."

The SECURE Notarization Act allows businesses and consumers the ability to execute critical documents using two-way audiovisual communication. Current requirements for a signer to physically be in the presence of a notary are often impractical and sometimes impossible, such as for those serving overseas in the military or the elderly who can't get to a physical closing.

The SECURE Notarization Act would:

- Permit immediate nationwide use RON
- Create national minimum standards for its use
- Provide certainty for the interstate recognition of RON

Sens. Cramer and Warner led this legislation previously. The SECURE Act also would require the use of fraud prevention mechanisms like tamper-evident technologies and multi factor authentication. The U.S. House of Representatives passed SECURE on Feb. 27 by a voice vote. Currently, 43 states have enacted laws allowing permanent access to remote online notarization.

"In a digital world, we sign documents online and seamlessly send them around the country with the push of a few buttons. Yet, the notarization process remains stubbornly antiquated," Sen. Cramer said. "Our bill will safely and securely bring notaries across the nation into the 21st century."

Sen. Warner added, "When the COVID-19 pandemic ground our in-person economy to a halt, many states re-evaluated outdated processes in order to continue offering services remotely. Remote online notarizations proved to be a safe and convenient way for individuals to complete essential services such as executing wills, completing financial documents, and buying or selling a home online while maintaining minimum safety and security standards. This legislation would continue to modernize our notary system by permitting nationwide use of Remote Online Notarization to complete important documents."

Other national stakeholders endorsing the bill include the Mortgage Bankers Association (MBA), National Association of Realtors (NAR) and American Council of Life Insurers (ACLI).

ALTA Good Deeds Foundation Awards $144K in Grants

The ALTA Good Deeds Foundation awarded another round of grants totaling $144,000.

"When the foundation board members notify our recipients of their grant status, we often are met with tears," said foundation board Chair Mary O'Donnell, president and CEO of Westcor Land Title Insurance Co. and past president of ALTA. "Foundation grants can make an enormous difference for these small, charitable organizations. Many community nonprofits are operating on a shoestring, and a lot of times a Foundation grant is funding an entire annual budget. It is so inspiring to see local communities develop and grow because of the Foundation's work."

Twenty-three $6,000 grants were awarded to charities championed by ALTA members, including Arvad Ministries, Haughton, La.; Axis Lending Academy, Athens, Ga.; Battlin' Betties Brigade, American Fork, Utah; Brothers Redevelopment Inc., Denver; Central Florida Bambino Buddy Ball, Altamonte Springs, Fla.; Central Park Medical Unit Inc., New York; Child Abuse Prevention Association, Port Royal, S.C.; Coffee County Food Bank, Douglas, Ga.; Extreme Community Makeover, Denver;

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ALTA Good Deeds Foundation Awards $144K in Grants, cont.

Friendship House, Wilmington, Del.; Hitchcock Center for Women, Cleveland; Home Builders Care of Fargo-Moorhead Foundation, Fargo, N.D.; Kootenai Valley Partners Habitat for Humanity, Libby, Mont.; Ladies in Need Can Survive Inc., Memphis, Tenn.; Mapping Prejudice, Minneapolis; Marian Homes Inc., Fairfax Station, Va.; Next Step, Ravenna, Ohio; Oklahoma Interviewing Services, Oklahoma City, Okla.; Rainbow Village, Duluth, Ga.; REALTORS for Kids Inc., Spearfish, S.D.; Rebuilding Together New Orleans, New Orleans; Revive Us Ministries Inc., Bel Air, Md.; and West County Community Hope Center, Leadwood, Mo.

The foundation also awarded a $6,000 grant to The Housing Partnership in St. Louis. to give back to the ALTA SPRINGBOARD host city.

"In less than three years since the ALTA Good Deeds Foundation was started, we have provided $712,000 in grants to 121 community nonprofits in 38 states—plus the District of Columbia—across the country," said ALTA CEO Diane Tomb. "Because of the overwhelming support of ALTA members, the Foundation is able to grow its meaningful work with affordable housing-related organizations and make an impact in so many communities."

The ALTA Good Deeds Foundation was launched in 2020 to bolster the charitable efforts of ALTA members. Land title insurance professionals can apply for grants on behalf of recognized 501(c)(3) organizations that they assist financially or through volunteer efforts; preference is given to housing-related charities. The inaugural round of grants was announced in March 2021.

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These guides are updated frequently to ensure alignment with changes in state laws, regulations and practices. Edited by experienced and knowledgeable in-state industry regulatory counsel, each TIRS State Compliance Guide ensures that you stay on top of ever-evolving state licensing laws and operating requirements, customs and practices.

What's New?

- All guides have been updated since 2020. The most recent updates were made to the following guides: Colorado, Montana, Oklahoma, Vermont and South Carolina.
- All single-state guides are now more affordable. The member price has been discounted $225, and the non-member price decreased to only $350.
- A redlined version now is included for most states to make it easy to spot changes made in the most recent state legislative session.

Whether you're a new or experienced title agent, underwriter, large agent or real estate law firm, check out this sample to see the extensive information that is available to assist you.

Available for purchase by state, geographic region or as a complete set featuring all 50 states plus the District of Columbia, subscriptions are open to both ALTA members and non-members. An ALTA membership provides you with discounts on these and other ALTA publications.

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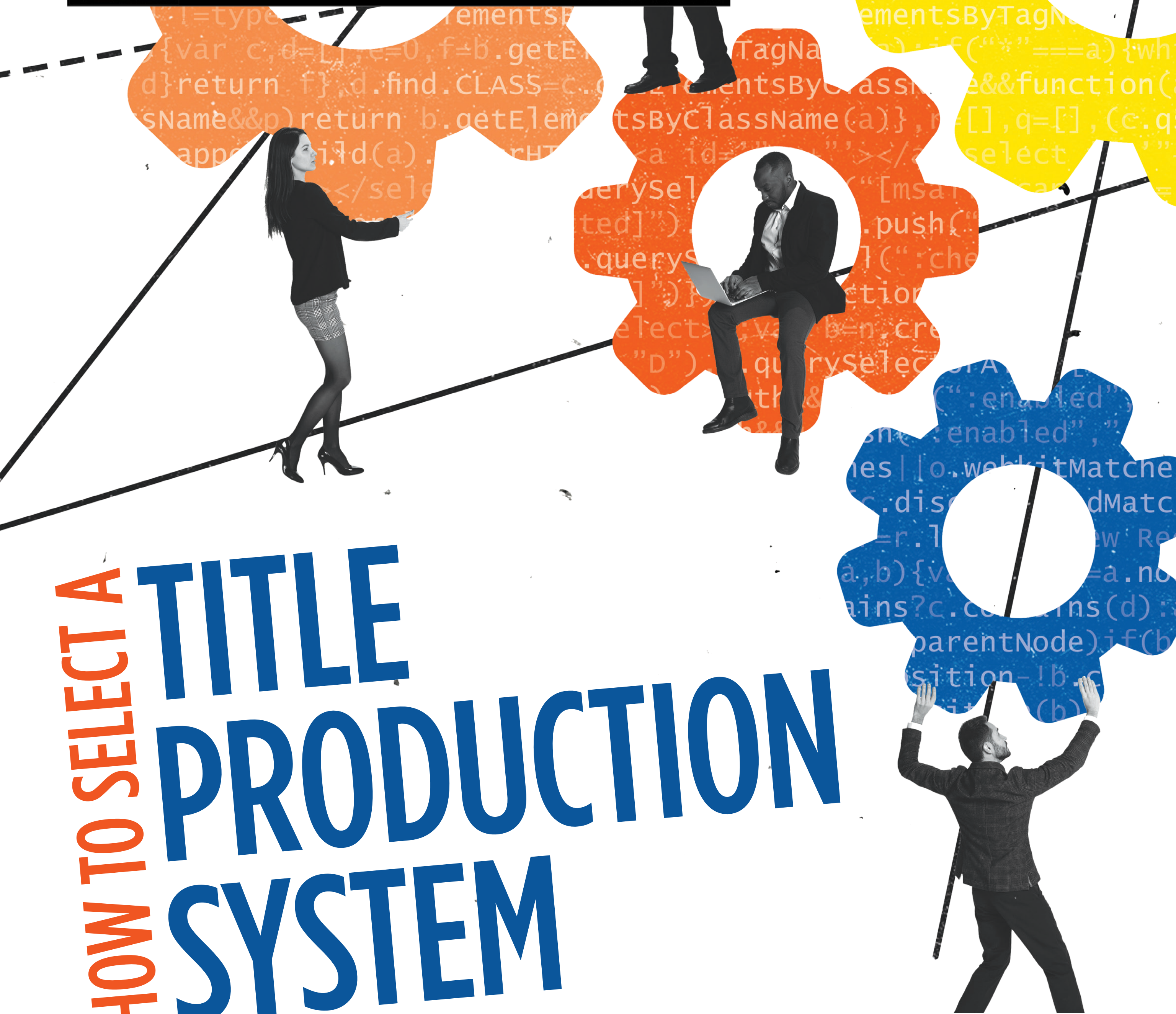
TEXAS
June 19-21
San Antonio, Texas

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 $261,325 from 265 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.



HOW TO SELECT A TITLE PRODUCTION SYSTEM

By Jeremy Yohe

Many Factors to Consider to Help Streamline Workflow and Improve Business Operations

IN THE 1999 MOVIE "OFFICE SPACE," there is an ongoing joke about Peter Gibbons not putting cover sheets on his TPS Reports, and multiple people reminding him or showing incredulity at him not doing that. The term is used by Gibbons as an example that he has eight different bosses to whom he directly reports. After "Office Space," TPS report—which stands for Test Program Set in the movie, came to connote mindless office work.

In the title industry, TPS has an entirely different meaning. For title professionals, TPS stands for title production systems, which are essential tools to effectively manage and streamline workflows. With the many options available in the market, selecting a new title production system can be a daunting task.

Doing some research and comparing multiple systems to determine which one is the best fit for your business will make the decision easier. Look for systems that offer features and functionalities that align with your needs. Some key features to look for include document management, order tracking, billing and accounting, and reporting capabilities.

"Before you begin your search for a new title production system, evaluate your current workflows and identify any gaps or areas for improvement," said Richard Welshons, Twin Cities manager for DCA Title/The Title Team and chair of ALTA's Abstracters and Title Insurance Agents Section Executive Committee. "This will help you to determine the features and functionality that you require in a new system. Make a list of the tasks you need to complete in your daily workflow and determine how a new system can help streamline those tasks."

Deb Grace, director of business development for AccuTitle, said it's important to have a positive relationship with vendor representatives. It's also vital to know how quickly staff can be trained, the type of support provided during and after implementation, software flexibility to provide any modifications for special processing or reports and the ability for multiple parties to communicate within a file.

"A title company really needs to understand what it is capable of now and what services it would like to have in the future to improve processes," she said. "Title companies should also explore whether they need a hosted solution or one that's web based. Do you have your own IT staff to handle the server environment, or do you prefer to have updates and maintenance taken care for you?"

Ease of Use and Training

A new title production system can be a big investment, so it's important to consider how easy it is to use and how much training is required for your staff. Look for systems that have an intuitive interface and provide extensive training and support resources.

Mary Schuster, senior vice president of industry relations for RamQuest, said title professionals should consider the team behind the software. Understanding how the software provider guides customers through training and implementation is of critical importance.

"An often-underestimated matter is how does their customer support team function?" Schuster said.

Choosing title software is a long-term investment and you want to partner with a company who prioritizes customer service above all else.

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"What are their hours? How do you reach them? What is their response commitment time? Issues will come up as a matter of course that are three, five or even 20 years after your go live. So, it's good to know what to expect when you're no longer the newest customer on the block."

When selecting core production software, it's also important for the provider to understand the industry. Schuster said a provider who knows the industry and has transacted through all the geographic nuances in a particular area is a partner who will help maximize the value of your software purchase.

SoftPro provided similar guidance that the provider should be more than just a software supplier. Aside from a company's software technology capabilities, title professionals should also look at what else a company has to offer. Are they constantly innovating to provide an enhanced customer experience? Do they help when it comes to the many compliance and regulatory changes in our industry?

"Make sure the software provider is a partner to your organization," SoftPro said. "Choosing title software is a long-term investment and you want to partner with a company that prioritizes customer service above all else."

Improves Workflow

Even though real estate transactions are complex, Qualia believes a title company's workflow doesn't need to be. For agents that are operating in a single region, with modest volume, and don't have a lot of variety in the types of transactions they process, it's recommended they look for a system that comes with basic workflows and automations that are easy to enable.

For more complex operations, according to Qualia, look for systems that support transaction complexity by building a very high degree of configuration into your workflows—specifically advanced order-level and task-level configuration. Avoid systems that require you to support transaction complexity by having to map out and build the precise workflow for every single possible transaction you may encounter.

"While that may meet a title and escrow operations needs for a period, over time it creates 'workflow debt,' which is the hidden cost associated with implementing a complex and unmanageable schema of tasks, workflows and automations. Look for systems that implement a dynamic workflow approach based on structured data inputs where complexity is managed intelligently in the moment as new information enters the system."

As a result, title companies that implement this approach will be able to automatically support a wide range of geographies, transaction types and general order processing complexity. From there, it's possible to manage unique cases through exceptions to the base workflows.

"By attempting to build unique workflows for every use case, not only can individual automation workflows easily break, that approach requires processors to know every single workflow and decision point," Qualia said.

Integration With Other Technology

When researching options, make sure that the new title production system is compatible with your existing technology, such as accounting software, email system and other software tools. This will help ensure that the new system can easily integrate into your current workflows without disrupting business operations.

"You do business with many different partners throughout your transactions and need to share information with them safely and quickly," Schuster said. "You shouldn't need to decrease efficiency by navigating unique websites or rekeying information. A good title and settlement software provider will have a large and varied list of service providers that are relevant to the work you do."

Qualia said companies should avoid workflow-information silos and workflow downtime. Historically, connectivity with sources of business relied heavily on custom-built, rigid integrations. Title and escrow companies should seek systems that receive, store and transmit information in a standardized and structured format with their transaction partners.

If information isn't stored in a consistent way, this makes it impossible for transaction partners to easily parse and build workflows off the work a title company provides. These workflow information silos create redundancy and confusion. They can also spread inaccurate or outdated information due to the lack of transparency, which ultimately leads to inefficiency.

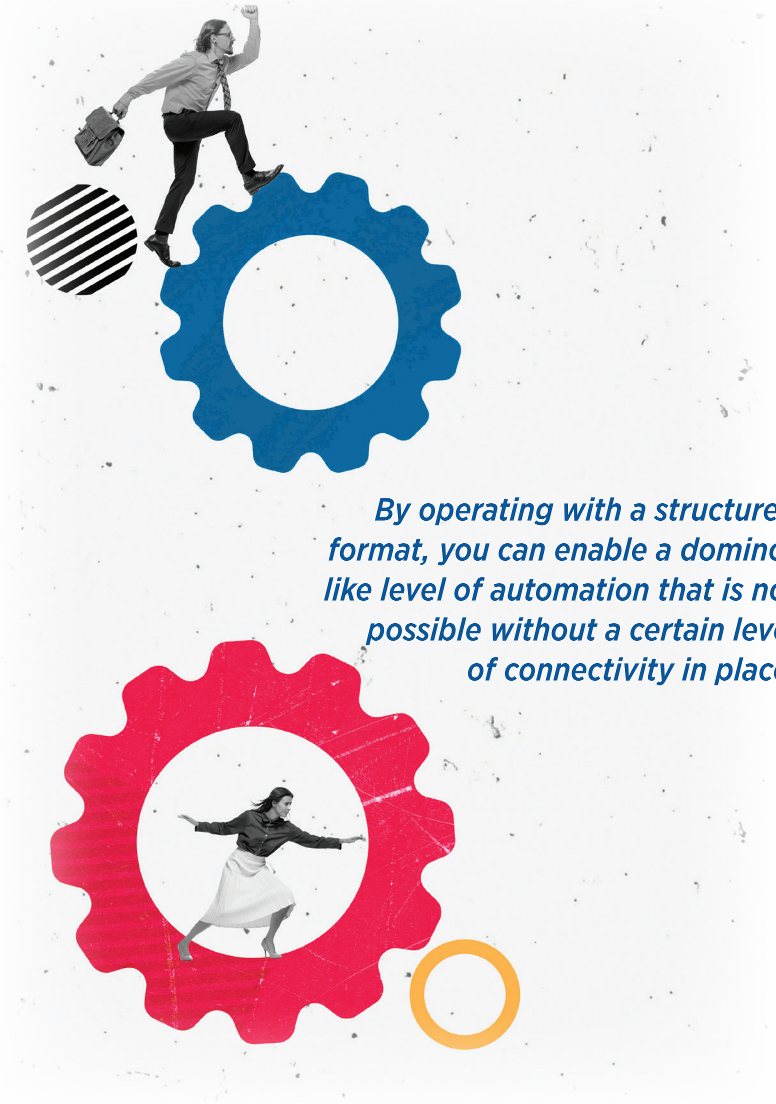
"By optimizing how you connect with transaction partners, new workflows can automatically be triggered for you and your partners as a transaction progresses and additional information is received from a transaction party or input by a processor," Qualia said. "These workflows could include internal tasks that need to be performed by a processor. But they could also include other tasks that can be automatically performed by the system, like ordering additional services from vendors or sending an information request to a party. By operating with a structured format, you can enable a domino-like level of automation that is not possible without a certain level of connectivity in place."

SoftPro says that with so many software options available, it's important to pick a company that will meet all of an operation's needs. Consider if the software is flexible, customizable, has automation features, allows for both residential and commercial closings, has a hosted option for remote work, and if there are other closing and title vendors integrated with the platform—or better yet—if you have the possibility to use your own integrations with the software, according to SoftPro.

Qualia said to look for systems that have a portal for order placement. Results of a vendor's completed work should be able to be mapped intelligently by the system into structured data fields, which can then be flowed directly back into the relevant fields within a file without managing costly custom integrations or the need for rekeying. "Look for systems that have a fully integrated single portal for information gathering, document exchange, e-signing, storage, receiving updates and more to provide homebuyers and sellers a unified closing experience," Qualia said. "Not only will they appreciate it, but it will help you stand out to your real estate agent and lender clients who will benefit from that as well in the eyes of their consumers."

Historically, a homebuyer or seller needed to send information via email or log into multiple portals or tools for tasks such as document signing, exchange, storage or scheduling. Qualia believes this approach creates a disjointed experience for the consumer and is costly for the title company.

"It requires them to purchase and integrate with a variety of different vendors to stitch together a unified experience," according to Qualia. "While each may not break the bank, those costs can add up."



By operating with a structured format, you can enable a domino-like level of automation that is not possible without a certain level of connectivity in place.

Security and Compliance

Security and compliance are critical considerations when selecting a new title production system. Look for systems that have robust security features, such as data encryption and access controls. Additionally, make sure that the system complies with any relevant regulations and industry standards.

SoftPro said title companies should make sure the software vendor they select is dedicated to the protection of all data. The two most important pieces of a real estate transaction are fraud protection and data security. Customers expect their non-public personal information and other sensitive materials that are entrusted to an organization to be protected from misuse, disclosure, destruction, modification or disruption from unauthorized or unsafe access.

"Make sure a software provider offers services to prevent wire fraud and has safeguards in place to protect yours and your customers' data from landing in the hands of bad actors or third parties," according to SoftPro.

Schuster said title professionals should ask about a provider's data policies and read prospective contracts closely to be sure they retain the full right and ownership of data. "This is important not only for title and production software, but also with any service provider you exchange data with," she added.

Qualia added to look for systems that dedicate teams to ensuring their platforms are consistently updating their technology and processes to meet the evolving security risks in real estate transactions.

Items to look for include:

- Independent third-party security certifications (SOC 2, ISO 27001).
- Secure portals which help mitigate the risk of exposing staff and clients to fraud.
- Fraud prevention tools such as multi-factor authentication.
- Companies that have a dedicated information security team dedicated to protect their customers' information.

Cost

There's more than meets the eye when it comes to costs when selecting a TPS. According to Grace, title professionals need to evaluate the pricing models to determine if a system fits the budget, "keeping in mind an up or down market." Key things to consider is if the vendor charges per user or file, and if the state the title company operates in allows pass-through fees.

In addition to the starting cost to purchase software, title companies should be aware of any ongoing or recurring charges they will face with title software. SoftPro said to remember to push beyond a company's sales pitch and take time to determine which potential vendor provides the most value when it comes to specific needs and budget.

"Keep in mind that you should never be surprised by hidden fees, sudden unreasonable increases or changes to the pricing structure of your title software," SoftPro said.

Schuster added that it's important to understand the entire cost of owning and operating a new software platform—not just in year one. Software vendors have different price structures and each has a host of other software and hardware costs that will be needed to either maintain or retire.

"Knowing the total cost of ownership, including any hardware needs, will determine whether your software purchase is truly a good value, not only upfront, but for years to come," Schuster said.

References and Reviews

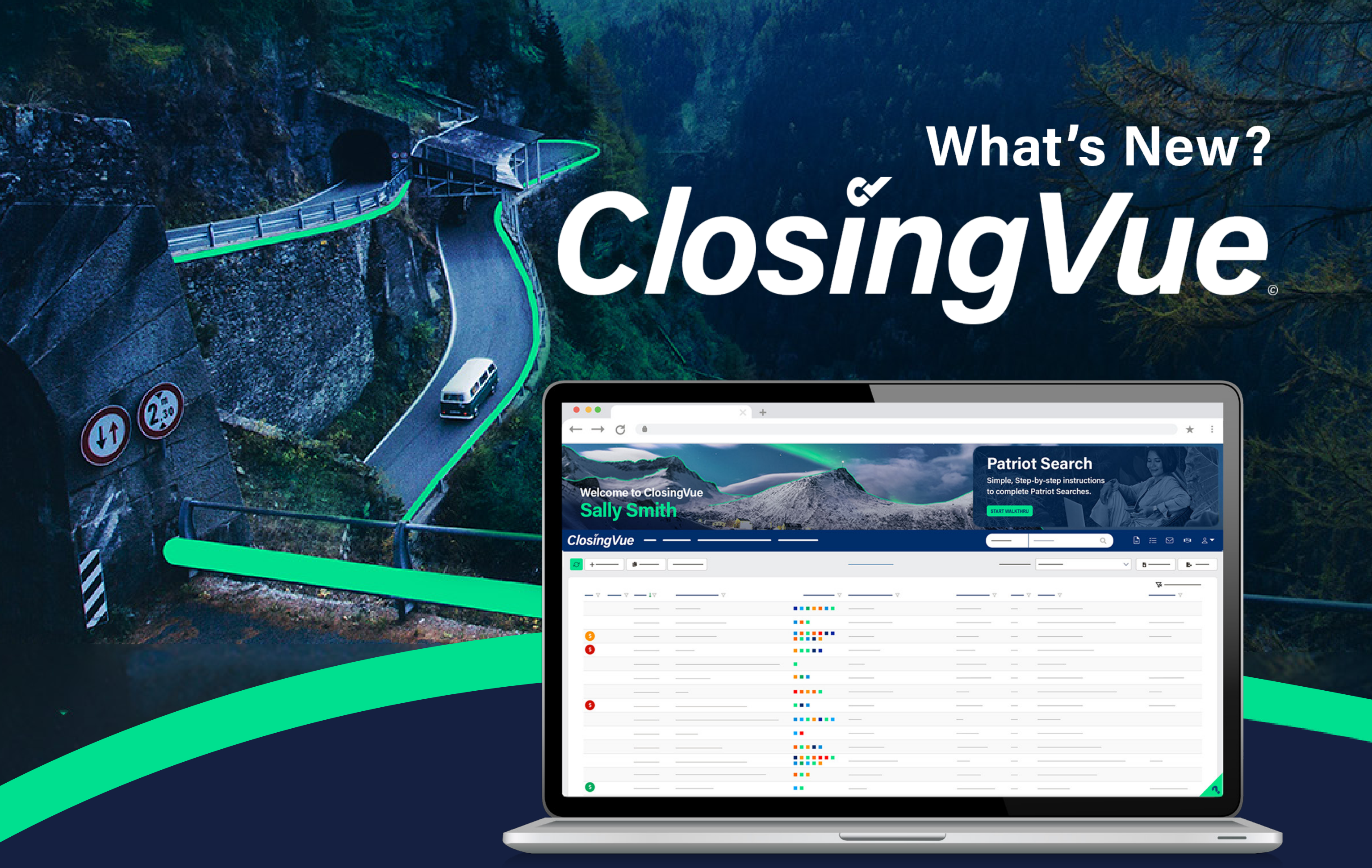
Before making a final decision, companies should get references from other title agents who have used the system and read online reviews. This will help you to get a better sense of the system's strengths and weaknesses from the perspective of other users.

SoftPro said it is important to choose a software provider that will take care of the customer—not just at the time of purchase but during the entire duration of the relationship. Customer reviews are a great source of information to see what other customers have to say about both the software company and their products, according to SoftPro. Most companies include testimonials directly on their website, but don't be afraid to also ask colleagues and friends about their experiences with the software providers you are considering," SoftPro added.

Title professionals can begin their search for a new software vendor on ALTA's Marketplace.

"Selecting a new title production system requires careful consideration of your workflows and needs, research and comparison of systems, ease of use and training, compatibility with existing technology, security and compliance, and reviews and references," Welshons said. "By keeping these factors in mind, you can find a title production system that helps to streamline your workflows and improve your business operations." ■

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

When It's the Construction Lender's 'Own Darn Fault'

Supreme Court of Arizona Holding Provides Framework for Application of the Exclusion 3(a)

By Lori Glebocki

CITATION: *Fidelity National Title Insurance Company, Intervenor/Appellant/Cross-Appellee, v. Osborn III Partners LLC, et al., Defendants/Appellees/Cross-Appellants (Arizona 2023).*

FACTS: In April 2006, Osborn III Partners LLC (the Developer) hired Summit Builders (General Contractor) to be its general contractor for the construction on a condominium project. In August 2006, the Developer entered a loan agreement with Mortgages Ltd. (Lender) to secure $41.4 million in financing for the construction, which was secured by a deed of trust on the property. Lender obtained a loan policy from a predecessor to Fidelity National Title Insurance Co. (Title Insurer). The policy protected the priority of the Lender's deed of trust against mechanic's liens arising from work related to the land that commenced before the policy date. At the time of this decision, the precise order of events was not clear from the record but at some point the Developer began experiencing financial problems. The Lender eventually ceased funding the project after the Developer failed to make interest payments. The General Contractor obtained a mechanic's lien after the Developer failed to pay for its completed work. The mechanic's lien had priority over the deed of trust since mechanic's liens in Arizona relate back to when the work begins on the project (See A.R.S. § 33-992). There are facts that are still disputed but, after some litigation between the various other parties, a claim was filed with the Title Insurer. The Title Insurer denied the claim using the standard policy Exclusion 3(a). This provision of the policy expressly excludes coverage for losses or damages arising out of any "[d]efects, liens encumbrances, adverse claims, or other matters: [] created, suffered, assumed, or agreed to by the insured claimant." In this situation, the Title Insurer indicated it was excluded because the mechanic's lien was created or caused by the Lender's refusal to fund the project.

ANALYSIS: The trial court noted there was divergent jurisprudence on this issue of causation in this context but relied on the case of *Home Federal Savings Bank, v. Ticor Title Insurance Co.* 695 F.3d 725 (7th Cir. 2012), to decide whether to exclude the claim. Applying the *Ticor* standard, they indicated that the relevant inquiry was whether the Lender's action of withholding remaining funds had caused the mechanic's liens but, crucially, stated that if the Lender acts within its contractual rights, as a matter of law, the action cannot be said to have caused the lien. Upon review, the Supreme Court completely rejected the federal court approach in *Ticor* because they said it effectively requires "an insured's contractual breach—a form of misconduct—to trigger the exclusion." The court indicated that the *Ticor* approach would undermine the title insurance industry by "incentivizing lenders to trigger title insurance coverage by creating mechanics' liens through the exercise of contractual rights."

The trial court's determination was reversed by the Court of Appeals, after they rejected the *Ticor* approach and, instead, applied a bright-line rule that was articulated in *BB Syndication Services, Inc. v. First American Title Insurance Co.* 780 F.3d 825 (7th Cir. 2015). The court of appeals broadly held that whenever a construction lender cuts off funding, as a matter of law, they create the liens that arise from it. Upon review, the Supreme Court of Arizona rejected this competing alternative federal court approach. The Supreme Court of Arizona said that this approach doesn't take into consideration the facts to determine if the insufficiency of funds could have occurred for reasons other than the Lender's actions. The court indicated that this approach would ultimately limit coverage because "insufficient construction funding [was not] the type of risk that title insurance [was] built to bear." The Supreme Court of Arizona said that the Title Insurer should have to prove that the Lender's withholding of funds actually caused the mechanic's lien. To do otherwise would "undermine the purpose of construction lending title insurance by limiting coverage for mechanics' liens, and disincentivize lenders' rational economic decisions." Under this approach, Lenders could either feel pressure to terminate projects at the first sign of financial difficulty or fund projects beyond their existing loan commitments in an attempt to avoid mechanics liens.

After the Supreme Court of Arizona rejected both of the competing alternative federal court approaches, it clarified when the exclusion should apply. The Court decided it would use the framework set forth in *First American Title Insurance Co. v. Action Acquisitions, LLC*, 218 Ariz. 394, 187 P.3d 1107 (2008), which involved a similar exclusion provision. That court looked at the scope of the exclusion and noted that an insured creates a defect or risk by acting affirmatively to bring it about. They then considered the intent required to trigger the exclusion and the nature of title insurance. The court in Action Acquisitions concluded that the exclusion was not ambiguous so it would apply as long as the insured intended the "act" that "caused" the defect. Thus, there is no need for the insured to intend the actual defect or engage in misconduct for the coverage to be excluded.

Applying this causation framework to the current case, as long as the court finds that the Lender's action was an intentional, affirmative act that caused the coverage-triggering event, irrespective of any intent to cause the defect, the coverage will be excluded. The court indicated that this causation framework is "a fact-intensive analysis akin to causation in tort law." (See, e.g., *Torres v. Jai Dining Servs.* (Phx.) Inc., 252 Ariz.28, 31 (2021)). Before determining whether the Lender intended the act that caused the defect, the trial court would need to resolve the various factual disputes.

HOLDING: The case was remanded to the trial court to resolve the following factual issues: (a) whether the Developer failed to pay the General Contractor because of the Lender withholding the remaining funds or whether the failure to pay preceded the Lender's withholding of funds; (b) whether the General Contractor's work was performed before or after the funds were withheld and whether they were notified that funds would be withheld; and (c) the actual amount owed.

IMPORTANCE TO THE TITLE INDUSTRY: Importance to the Title Industry: Exclusion 3(a) has been said to be one of the "most litigated provisions in the standard-form title insurance policies purchased by real estate lenders to protect their security interests in ongoing construction projects." This exclusion is found in most title insurance policies and is colloquially "described as excluding matters that are the insured's 'own darn fault'" by Joyce Palomar, author of Title Insurance Law. The title insurance dispute in this case spanned a decade and the Supreme Court of Arizona analyzed the relevant federal cases and determined a framework it would use in deciding these cases in the future.

LORI GLEBOCKI *is vice president and national commercial counsel for Chicago Title Insurance Co. She can be reached at lori.glebocki@ctt.com.*

FHFA Updates GSE Equitable Housing Finance Plans

The Federal Housing Finance Agency (FHFA) on April 5 released updates to Fannie Mae and Freddie Mac's equitable housing plans, expanding the scope of road maps the government sponsored enterprises (GSEs) have drawn up with the aim of closing the racial homeownership gap.

Updates to the 2022-2024 plans include, but are not limited to:

- Inclusion of the Latino Housing Journey and actions to remove barriers experienced by Latino renters and homeowners in Fannie Mae's plan.
- Enhanced focus on ensuring existing borrowers receive fair loss mitigation support and outcomes through monitoring and developing strategies to close any gaps.
- Provision of financial capabilities coaching to build credit and savings.
- Support for locally owned modular construction facilities in communities of color.
- Increases to the reach of Special Purpose Credit Programs (SPCP) to support homeownership attainment and housing sustainability in underserved communities.

Specific to the title industry, the updates provide additional information about the use of attorney opinion letters (AOLs) by the GSEs and references a title pilot program Fannie Mae is pursuing that reportedly would waive title insurance on certain transactions.

In its 2022 performance report, Fannie Mae said it is "currently engaged with multiple providers and lenders on potential test-and-learn concepts aimed at reducing the cost of title for borrowers, and plan to finalize pilot opportunity parameters by end of the third quarter 2023." Fannie noted this will be tied to a SPCP pilot.

Additionally, Fannie Mae shared some limited data about usage of AOLs. The GSE said it purchased 45 loans with AOLs since last April. Fannie Mae reported consumers saved consumers an average of $1,000. The GSE noted the savings and usage is highly state dependent given that insurance law may not allow these products. Interestingly, Fannie Mae reported that of the 42 borrowers who reported race/ethnicity data, three identified as Black borrowers, six as Latino/Hispanic and 26 as white non-Latino/Hispanic. Fannie Mae said it expects to purchase more loans with AOLs in 2023.

Fannie Mae's updated plan also noted that in 2023 it will add heirs property to its research topics. This is an issue ALTA has been focused on since last year.

Meanwhile, Freddie Mac's update regarding title and closing costs consists of one sentence: "Freddie Mac will continue working with title insurers, their trade association and other industry stakeholders to look for ways to lower mortgage costs."

ALTA will continue to have conversations with the FHFA, the GSEs, state regulators, lenders and policymakers to find new and better ways to expand housing affordability that do not weaken protection of property rights.

What You Can Do

Renew your membership or join the Title Action Network, and respond to upcoming alerts from ALTA.

Share Your Stories

You can help our advocacy efforts by sharing information about any affordable housing initiatives your companies are already involved in or may have planned. We would love to highlight these efforts in our weekly updates. Share your initiatives at communications@alta.org.

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Guidance on How FDIC Protects Escrow Accounts, Bank Deposits in Wake of Bank Failures

IN LIGHT OF MULTIPLE BANK FAILURES, TITLE AND ESCROW PROFESSIONALS should understand how the Federal Deposit Insurance Corporation (FDIC) protects bank deposits, including title agency funds, escrow funds and independent customer funds.

The following outlines government guidance and citations to relevant ALTA Best Practices and should not be considered legal advice.

What Is FDIC Insurance?

The FDIC provides insurance in the event of a bank failure for deposit products, such as checking, savings, money market, CDs, cashier and money orders at FDIC-insured banks. This insurance is automatically applied to any FDIC bank's deposit products. The FDIC does not provide coverage for stocks, bonds and other listed investments.

What Are the Limits of FDIC Insurance?

The current amount of insurance for a depositor is $250,000 per account ownership category (e.g., a single account is a different ownership category than a revocable trust or a joint account), per insured bank. All deposits in the ownership category are added together to determine the deposit amount at the institution for that depositor in that ownership category.

Note that escrow accounts are not listed as a separate account ownership category. As an example, the amount of John Doe's personal deposits at an FDIC bank may be aggregated with the amounts that are held in escrow in John Doe's name, resulting in an unexpected balance exceeding the $250,000 limit that's covered. Deposits at credit unions are not FDIC insured, but covered by the National Credit Union Administration.

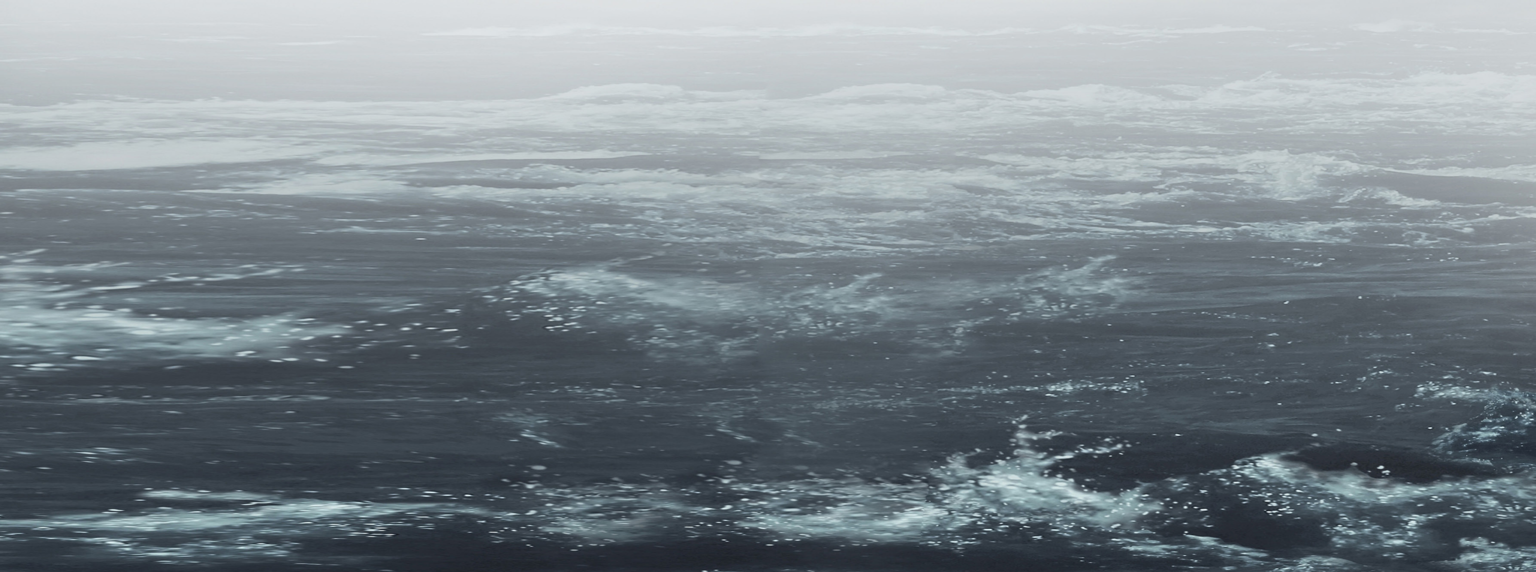
How Does This Affect Escrow Accounts Used to Hold Customer Funds?

Real estate escrow accounts are a type of fiduciary account where the entity opening the account does not have an ownership in the deposit. Fiduciary accounts are not insured as a separate ownership category. Because of this, the total amount of deposits may be aggregated across personal deposits and escrow in that same person's name.

It is important that fiduciary accounts are set up correctly. One of those reasons is that an escrow account that is not set up correctly could potentially have aggregated amounts related to the amount of funds held by the title agent, instead of each trust deposit being allocated to the principal who is the owner of the funds.

The FDIC has outlined the following three requirements that must be met to be considered a deposit of the actual owner:

1. Funds must be owned by the principal and not by the third party who set up the account (i.e., the fiduciary or custodian who is placing the funds). To confirm the actual ownership of the deposit funds, the FDIC may review:
   a. The agreement between the third party establishing the account and the principal.
   b. The applicable state laws.



2. The insured depository institution's (IDI) account records must indicate the agency nature of the account (e.g., XYZ Company as Custodian, XYZ For the benefit of (FBO), Jane Doe UTMA John Smith, Jr.).
3. The records of the IDI, the fiduciary or a third party must indicate both the identities of the principals as well as the ownership interest in the deposit.

In addition, the FDIC provides additional guidance for more complicated transactions.

What Relevant Best Practices Should I Reference?

Best Practices version 4.0, which goes into effect May 23, 2023—outlines the following Pillar 2 escrow account requirements:

1. Escrow trust accounts are properly identified: Accounts are identified as "escrow" or "trust" accounts. Appropriate identification appears on all account-related documentation including bank statements, bank agreements, disbursement checks and deposit tickets.

   Unless directed by the beneficial owner, escrow trust accounts are maintained in federally insured financial institutions and subject to written escrow agreements.
2. Funds held in escrow trust accounts or other funds the company maintains under a fiduciary duty to another person or entity (e.g., investment accounts) are separately maintained and not commingled with the company's operating account or any individual's personal account.
3. Escrow trust accounts are supported by detailed trial balances, listing all open escrow file balances.

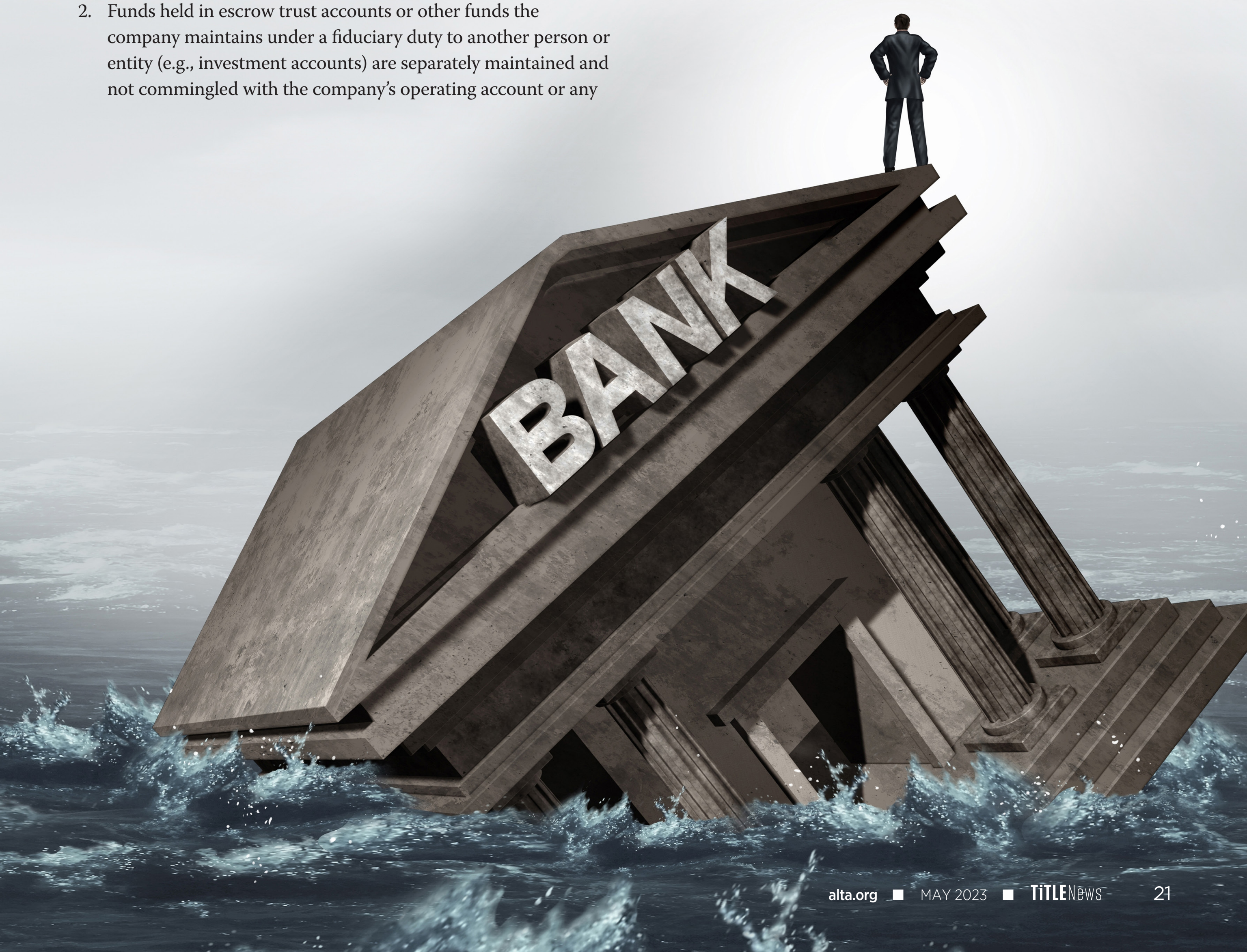
What Should I Tell My Customers?

If customers have deposits at the same bank that handles the escrow account, there may be unexpected aggregation limits. It would be helpful to inform your customers that other deposits they may have at the same institution may be aggregated with their escrow fund for determining the limits of FDIC insurance.

It may also be useful to have the option of utilizing a different FDIC-insured bank to hold the escrow funds if the customer has identified they have deposits at the same financial institution as the bank holding the escrow funds.

Useful FDIC Sites

- Financial Institution Employee's Guide to Deposit Insurance
- Deposit Insurance FAQs
- Deposit Insurance at a Glance



How to Handle Disbursements to Real Estate Agents

WHEN A CLOSING IS CONDUCTED, A BROKER WILL SEND A DISBURSEMENT AUTHORIZATION, denoting the commission split between the office and the agent.

Some real estate agents are requesting that their portion of the commission be made payable to an LLC they own or a professional association (PA).

On the Open Forum of ALTA Connection, Dee Harrison of Alpha Reliable Title in Florida, asked how others were handling this request since neither an LLC nor the PA are licensed agents and not listed on the contract.

The rules likely depend on the state. Kimberly Gilbert-Toelle of Raber Law Offices said in West Virginia commission checks must be made payable to the broker. If unsure, she suggested talking to underwriting counsel for the appropriate guidance.

Sylvia Smith Turk, division president for Stewart Title Co., sees this request on a regular basis in Nevada. The Nevada Revised Statute requires payment to the broker.

"As long as the broker of record signs the Disbursement Authorization, we will do the commission split," Smith Turk said.

Nancy Gusman of Brick House Consulting Services said her rule is to always follow the written instructions from the broker.

"If an agent wants something different, they will have to have their broker revise the instructions," she said. "That keeps me out of the middle of it."

Maryland issued a ruling that title companies can no longer disburse directly to the agent, according to Gusman. Title companies must disburse to the broker, which in turn, disburses to the agent.

In Pennsylvania, Donna Brady Miller, owner of Inter-County Abstract, said the commission gets paid to the broker as set for in the agreement of sale.

"If you pay the funds to someone other than the broker on the agreement, the broker may have legal recourse against you as the settlement agent—not as the title agent—if the commission isn't paid to the broker," she said. "Payment of the agent's portion of the commission is a matter between the agent and their broker, not the title/settlement agent."

In 1999, Texas started requiring that any disbursements to real estate agents not shown in the contract must be disclosed on the HUD/Closing Disclosure that is signed by the parties. A post-closing change on how to handle disbursement of a commission, would require a new HUD/CD to be signed, according to Cathy Clamp CTIP, NTP of Heart of Texas Title Co.

"When I get asked—and I do—I send them a copy of the ruling," Clamp said. "It stops it cold in its tracks."

You might check to see if there's a similar ruling in Florida. At the very least, a change like that post-closing might be a violation of a lender's closing instructions or Closing Protection Letter-even though it's the seller's cost.

Florida also stipulates how real estate agent commissions should be paid.

According to the Florida Realtors Legal Library on the topic of Commissions "Sales associates and broker associates are only able to collect their compensation for real estate services through their broker, either directly/individually or through a PA, LLC or PLLC in their licensed name only. (see 475.161, Florida Statutes). However, In 1999, the Florida Real Estate Commission (FREC) stated in a Final Order (FREC DS-98-02) that a broker "may by written authorization request that a closing agent disburse commissions directly to its salespersons following the closing of the transaction." FREC outlines in the order what must be provided in the written authorization:

- identify the transaction.
- state the name of the salesperson entitled to the commission.
- specify the amount the salesperson should be paid.
- sign the authorization.

Texas Sues Covenant Clearinghouse for Violating Private Transfer Fee Law

The Texas attorney general filed a lawsuit seeking to prevent Covenant Clearinghouse from attempting to enforce or collect private transfer fees it filed against properties across the state.

The lawsuit, filed in Travis County, Texas, accuses Covenant of not properly complying with the state's notice requirements for any private transfer fees filed before 2011. Texas passed revised legislation in 2011 making most private transfer fees unenforceable after June 17, 2011. It also imposed strict notice requirements for maintaining a private transfer fee in existence before June 17, 2011.

The Texas attorney general says Covenant interfered with sales of private property by demanding the payment of unenforceable private transfer fees.

In addition to asking the court to make the private transfer fees void and unenforceable, the attorney general seeks a civil penalty of $250,000 plus two times the amount Covenant sought to collect.

The practice of collecting private transfer fees involves the original developer or builder writing a fee into neighborhood restrictions that would entitle them to 1% of the sales price every time a home is sold. This is usually for a period of 99 years.

Covenant has been the subject of multiple lawsuits from residential homeowners and developers, opposing the company's attempts to disrupt property sales and force the payment of fees with no discernible benefit for a community or subdivision.

According to the lawsuit, a search of Texas state court records reveals that Covenant has been sued in multiple counties alleging attempts to enforce invalid private transfer fees.

ALTA and the Texas Land Title Association have long opposed private transfer fee covenants. In 2010, ALTA worked closely with the National Association of Realtors to develop model legislation outlawing the use of these covenants.

FinCEN Issues Initial Beneficial Ownership Information Reporting Guidance

The Financial Crimes Enforcement Network (FinCEN) on March 24 published its first set of guidance materials to aid the public—and the small business community—in understanding upcoming beneficial ownership information (BOI) reporting requirements.

The new regulations, which go into effect Jan. 1, 2024, require many corporations, limited liability companies and other entities created in or registered to do business in the United States to report information about their beneficial owners (the persons who ultimately own or control the company) to FinCEN.

"The Corporate Transparency Act, through its beneficial ownership reporting requirements, provides the historic opportunity to unmask shell companies and protect the U.S. financial system from abuse by money launderers, drug traffickers, sanctioned oligarchs, and other criminals," said Himamauli Das, acting director of FinCEN. "We are committed to making this transparency process as simple as possible, particularly for small businesses who may have never heard of or interacted with FinCEN before."

It's been reported that the initial form proposed by FinCEN has issues because it allowed businesses to say the ownership information is "unknown." According to reports, a Treasury official said the department will correct the form to ensure it is clear that reporting companies must submit all beneficial ownership information.

ALTA submitted a letter in support of the development of the BOI system being created by FinCEN.

Canadian Firm to Acquire All American Title Group for $9M

Canada-based Starrex International Ltd has acquired All American Title Group of Companies for $9 million.

The transaction, which was approved unanimously by Starrex's board of directors, includes All American Title Co. Inc., Ameripine LLC, AmeriFirst Title LLC, AAT Holdings LLC and Amcap Title LLC.

All American Title was founded in 1999 in Minnesota by Kevin Webb. In 2004, Kevin Gartland joined All American Title as a principal partner. The company operates 10 offices and has 57 employees providing title and escrow services in Minnesota and Wisconsin.

On a consolidated basis, based on management prepared, unaudited financial statements, All American Title generates $10 million in revenue from title insurance premiums annually with an average net income, before taxes, of $2 million.

All American Title will serve as the operational platform for the insurance division of Starrex, which provides title and credit reporting services to mortgage lenders and real estate brokers.

"We are extremely excited to enter into this transaction to acquire All American Title and have the opportunity to partner with such a principled, long-standing and exceptionally run business," said Matthew Hill, president and CEO of Starrex. "All American Title initiates the execution of our strategic vision to enter the U.S. real estate title space on a national scale. We are excited to welcome them to the Starrex team. Both Kevin and Kevin will prove to be valuable members of our team as we move forward."

Security Service Federal Credit Union Acquires Utah First Title

Security Service Federal Credit Union recently acquired Utah First Title Insurance Agency.

Utah First Title Insurance Agency, located just south of Salt Lake City, wanted to find the right fit for its employees and customers. The company will continue to operate under its current name.

"Security Service not only shares our same core values, but their leadership is also making sure our employees and their families are taken care of during the transition and that is important to us," said Mark Schroeppel from Utah First.

Founded in 1956, Security Service has 67 locations in Texas, Colorado and Utah. In addition to providing financial products and services, including insurance and investments, the credit union owns Security Service Title Co.

"When looking to expand our title services, it only made sense to do so in the areas we currently serve," said Charles Goss, chief lending officer for Security Service Federal Credit Union. "The acquisition of Utah First Title Insurance Agency will allow us to provide title insurance and settlement services for both homeowners and businesses in the Utah market."

As a title-centric mergers and acquisitions firm, Turk and Company served as the exclusive investment banker representing Security Service in the transaction.

Fidelity Settles No-poach Allegations in New York

Fidelity National Financial agreed to pay $3.5 million to settle allegations it entered into no-poach agreements with competitors in New York, according to the state's office of attorney general (OAG).

The title company, which cooperated with the attorney general's office, didn't admit or deny the findings.

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

In addition to the fine, Fidelity agreed to terminate any existing no-poach agreements and cooperate with the OAG's ongoing investigations into the industry.

The OAG's investigation concluded that Fidelity entered into no-poach agreements with other title insurance companies, and that these agreements effectively reduced career opportunities and wages for workers.

According to the Assurance of Discontinuance, for 10 years Fidelity must:

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

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

The New York attorney general previously settled similar allegations with Stewart Title Guaranty Corp., Old Republic Title Insurance Co. and AmTrust and First Nationwide.

Stewart Launches National Examined Search Product for Agents

Stewart Information Services Corp. is now offering a national production service for title agents through ASK Services.

Stewart acquired ASK in March 2021. Since then, the companies have built an integrated title production offering supporting agents across the country.

"This new national production offering is a significant investment in our independent agent customers, allowing them to take full advantage of a team of experienced search and exam professionals at the local level," said Tara Smith, group president for Stewart

Agency Services. "The ASK brand has a strong reputation for quality and expertise, and as part of our commitment to becoming the premier underwriter for independent title agents, Stewart and ASK have been working thoughtfully to expand our ability to offer a national examined search product."

ASK's integrated examined search product lets Stewart trusted providers submit and retrieve title search data and documents without leaving their title production systems. Stewart's National Order Desk serves as a single point of contact for order placement, file status and information about examined search reports. Agents can place orders for examined search products via integration within their title production software platform, directly through Stewart's Orders Gateway software or email to the National Order Desk.

WFG Lender Services Launches Rapid Legal and Vesting Service

WFG National Title Insurance Co. expanded its instant title solution suite to include rapid legal and vesting services.

The DecisionPoint Rapid Legal and Vesting Service provides home equity lenders with fully automated legal and vesting reports—including a recordable legal description from a property's last full-value transfer and verified vesting information from the most recent deed. Delivered as quickly as 30 minutes from request through the company's proprietary Valutrust platform, the legal and vesting offering is available to all lenders and features expedited account setup and standardized data delivery. This enables lenders to sign up and obtain needed property-related information quickly and efficiently, according to WFG.

"Home equity transactions are incredibly time-sensitive, with borrowers looking to access money quickly to fund home repairs, improvements and other immediate expenses," said Dan Bailey, senior vice president of WFG Lender Services. "The revenue profile for home equity transactions is very different as well, with lenders picking up most or all of the origination costs. For this reason, it's imperative for us to deliver accurate, high-quality products quickly and at a price point that makes sense for lenders."

Doma Adds Tax Title Services to Vendor Partnership Program

Doma Title Insurance Inc. added tax sale certification provider Tax Title Services to its AgentMarketplace vendor partnership program.

This addition will help Doma's independent and affiliated title agent and attorney customers overcome the challenges of insuring properties involved in tax foreclosure auctions, in which private buyers and investors purchase real property with defaulted property taxes from a government body.

"Tax Title Services has assisted title agents and investors with their tax foreclosure auction-related needs for a quarter of a century, and their industry knowledge and expertise in this area is unrivaled," said Amy Tankersley, assistant vice president, director of education and industry relations for Doma Title Insurance. "We are pleased to partner with Tax Title Services to help our title agent and attorney customers avoid the costs and delays associated with quiet title actions—giving them more time and resources to focus on growing their business and succeeding in a challenging market."

To date, Tax Title Services has qualified more than 50,000 properties for title insurance, helping investors maximize their potential profit and minimize negative financial responsibilities. The company offers its services in nearly 40 states for a reasonable, flat-rate cost, and says its average turnaround time is approximately 25 to 45 days.

Opendoor Makes Ownership Stake in Title Resources Group

Opendoor Technologies Inc., which provides an e-commerce platform for residential real estate transactions, acquired a minority stake in Title Resources Group (TRG).

Financial terms were not disclosed.

Opendoor joins Centerbridge Partners LP, Anywhere Real Estate Inc. and HomeServices of America as ownership partners.

"We are thrilled to have Opendoor and their innovation in the purchase market become part of TRG," said Scott McCall, president and CEO of TRG. "We are also very excited to work together with the team at OS National, a national title and escrow company wholly owned by Opendoor."

Charles Chacko, co-CEO of OS National, added, "Like us, TRG places their customers first and strives to lead their sector with innovative products. Our investment strengthens our partnership with them and will further enhance the value we can bring to our customers and the industry. We look forward to what we can accomplish with TRG."

Qualia Unveils New Platform to Enable 'Connected Transaction'

Qualia announced the launch of a new solution that combines title and escrow production and vendor management while also connecting clients and homebuyers.

doma Title Insurance

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Qualia Atlas is a new addition to the company's cloud-based title escrow, and closing solution built with newly developed advanced configuration and automation to manage the unique complexity of national enterprise operations.

By providing enterprise-critical functionality and a standardized integration layer, Atlas enables the "connected transaction." This technology can streamline real estate closings from end-to-end for all parties involved in the transaction.

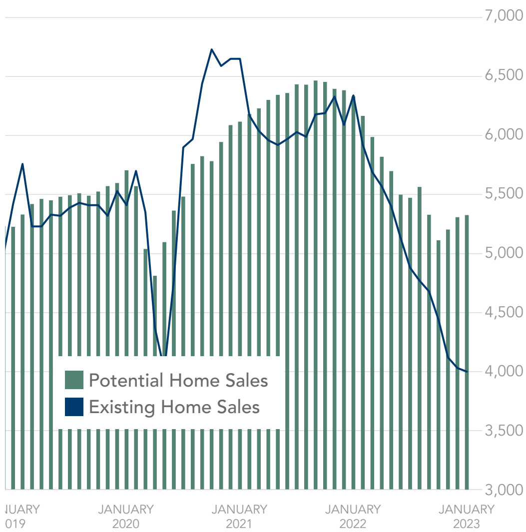
"We originally launched Qualia almost 10 years ago with the belief that a modern technology infrastructure could fundamentally transform homebuying into a simple, secure and enjoyable experience for everyone involved," said Nate Baker, Qualia's co-founder and CEO. "Atlas is the culmination of several years of development to provide a unified closing platform for enterprise title companies." Atlas includes newly released functionality and services including:

- Data access via an enhanced API for integration with internal systems such as CRM, analytics and accounting tools.
- Order opening automation to assist teams with high transaction volumes.
- Privacy and permissioning controls for multi-branch or agency operations.
- Sophisticated tasking capabilities to support centralized operations functions.
- A suite of anti-fraud tools.

In addition, Atlas provides companies with a standardized integration layer that can be managed across all transaction parties, eliminating the need for rigid, custom-built integrations. Qualia said this integration layer enables title companies to efficiently partner with their lenders, real estate agents, vendors, consumers and underwriters. These integrations automate title and escrow companies' workflows and the dependent workflows for their transaction partners.

Housing Market Potential

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



4.00 SAAR
Existing Home Sales

5.33 SAAR
Potential Home Sales

-24.9%
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

January 2023

$351,398
House-Buying Power

-24.8%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

	States		Markets
1	New Jersey $512,614	1	San Jose, CA $706,871
3	Massachusetts $505,835	2	San Francisco, CA $667,822
2	Hawaii $485,354	3	Washington, DC $613,621
4	Maryland $474,103	4	Boston, MA $557,213
5	Rhode Island $459,244	5	Denver, CO $509,778

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

MEMBER Profile

John Mashack | Vice President | Loudoun Commercial Title LLC

Virginia Title Agent Delivers for Marine and Family, Hopes to Catch a Carp

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

I've been in the land title industry since 2004, a Virginia licensed title producer since 2005, and a Maryland and D.C. title producer since 2020. I didn't even know what title insurance was when I made my start in the title industry. I was a recent college graduate with minimal professional experience when the founder of my company (whom I had previously worked with), called to tell me he was opening a title insurance agency and asked if I wanted to work with him. He asked if I knew what title insurance was, to which I responded, "No." After a brief explanation of title insurance and real estate settlements, I said "Yes!" and my journey in the title industry began.

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

What I enjoy most about my job is that every day is different and it's never boring. I enjoy being both a puzzle solver and a problem resolver for my customers. One day, I may have surveys strewn across the conference table trying to determine access to a parcel. The next day, I'm completing title underwriting and structuring settlement statements for a complicated multi-state transaction that is closing by the end of the week.

What's your best industry "war" story?

Not strictly speaking a "war" story, but last year I did help a wounded Marine and his family purchase their first home. Being mostly—but not completely—a commercial shop, we did not have one of those fancy signs for homebuyers to hold to celebrate the purchase of their home. I felt bad that they had to hold up a hand-made sign on a sheet of paper, so the next day I purchased a "We said yes to the address" sign for the office.

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

The land title industry is a great career opportunity because it offers so many avenues to success, professional growth and job satisfaction for those willing to put in the work. Depending on your education, work experience, interests and personality, you can be in a customer-facing position such as escrow officer or closer. Or if you prefer, you can work behind the scenes as a title examiner or underwriter. We are a small office and have had mostly the same three to four employees. However, our founder retired last year, and we have since hired two title agents. One came to us as a referral and the other through LinkedIn.

What advice do you have for professionals starting their career in the industry?

What I would say to anyone starting their career in the title industry is to go in with an open mind and a willingness to learn. I've been in the industry for almost 20 years, and I'm still learning every day.

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

When I first started in the industry, we would literally log out policy jackets that our underwriter agency representatives would periodically drop off in bulk. Closing protection letters would be delivered by fax. And we would have to physically deliver deeds and other documents for recordation to the appropriate courthouse, whether in person or overnight to a third-party title examiner who would record on our behalf the following day. Nowadays, everything is considerably more streamlined, which allows us more time to provide superior service to our customers.

How does your company differentiate itself in the market?

My company's competitive advantage is a combination of our knowledge and technical skill and our consistent attention to detail. We sweat the details so that our customers have as smooth an experience as possible when closing their transaction.

How does your company support its community?

Loudoun Commercial Title has supported the local community through our work with 100 Women Strong, a nonprofit organization founded to make a commitment to improve the quality of life for residents of Loudoun County, Va., and Hero Homes, a local nonprofit organization that builds homes for wounded veterans in the northern Virginia community. My company is also a sponsor for JK Community Farm, which is based here in Loudoun County. All team members at Loudoun Commercial Title are strongly encouraged to get involved with industry associations for professional development and to give back to the title community.

Why are you a member of ALTA?

Loudoun Commercial Title is an ALTA member for education, advocacy and support. My company is in the process of updating our Best Practices based on the recently released Best Practices Framework and the online resources on the ALTA website have been invaluable. I started getting involved with ALTA in 2021 when I completed Title 101, Title 201 and Ethics in the Title Industry for the NTP designation. Understanding Commercial Transactions is an excellent course to take for any title agent who works in commercial. I have the course materials in a binder for quick reference.

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

Currently, I am on three committees: the National Title Professional Program Council, the Best Practices Work Group and the Homeowner Outreach Program Work Group. I hope to contribute more to each committee in the upcoming year.

Why is it important to advocate for the industry?

It is important to advocate for the industry because somebody needs to step up and speak for the land title industry, which focuses on protecting the safe transfer of real estate. We all need to be the voice to help educate lawmakers, regulators and our customers on current issues that may negatively affect the land title industry, such as attorney opinion letters and Non-Title Recorded Agreements for Personal Services (NTRAPS).

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

It's not much of a secret, but I love freshwater fishing. It doesn't matter if it's bass, catfish, trout, bluegill or assorted panfish. I hope to finally catch a carp this year.

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

I'd love to break bread with Lt. Gen. Lewis Burwell "Chesty" Puller, the most decorated Marine in U.S. history. He was highly respected for his unflappable courage under fire and for always putting the welfare of his Marines above his own.

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

"Raiders of the Lost Ark" has been my favorite movie since I was five years old. My mom wouldn't allow me to see it in the theater because she thought I was too young. I was fortunate enough to see it on the big screen a few years ago, and it was every bit as amazing as the first time watching it on the small screen.

What's in your music playlist?

I prefer to take the album approach when listening to music, so I don't have a lot of playlists. I think I only have two: Yacht Rock and Best of the Four Horsemen. Currently, I'm listening to Pink Floyd's recently released "Dark Side of the Moon: Live at Wembley 1974."

NOMINATE SOMEONE FOR A PROFILE

If you know someone you'd like us to consider for a member profile, send your nominations to **communications@alta.org.**

Movers & Shakers

David Jenkins

WFG Hires National Agency Manager

WFG National Title Insurance Co. appointed industry veteran David Jenkins as senior vice president and national agency manager.

Jenkins returns to WFG, where he served as senior national agency underwriting counsel from 2017 to 2020. In his new role, he'll support WFG's more than 1,700 agents, drive expansion for both new and existing agents, and leverage the resources WFG provides its agents to help them increase their market share. Jenkins started in the industry 37 years ago during high school, working for his family's title insurance agency as a courthouse title searcher after school. Since then, he has served in a variety of roles within the title and settlement services industry.

Jamie Deal

Doma Names Agency Manager for East Texas, Louisiana and Oklahoma

Doma Title Insurance Inc. appointed Jamie Deal as agency manager for East Texas, Louisiana and Oklahoma. In this role, she will assist Doma's growing independent title agent base in the region, offering agents her expertise and support as they strive to grow their market share.

In addition to being CEO of her own title agency, Deal has served in many capacities in the title industry over the past two decades, including as an abstractor and examiner, fee attorney manager, director of business development and chief operating officer. Through the years, she has developed expertise in providing title insurance and closing services for a wide range of transactions, such as single family, commercial, foreclosures, refinance and short sales.

PropLogix Appoints New CEO

PropLogix recently named Alex Eckelberry as the company's new chief executive officer. Eckelberry joins the company as it begins a new chapter of growth and expansion and follows the company's earlier investment from leading private equity firm Accel-KKR. Jesse Biter, the company's co-owner and previous CEO, will remain an active member of the company's board of directors.

"We are excited to bring Alex on board to lead the company in its next phase of growth," Biter said. "I'm confident that he will successfully lead PropLogix into the future while preserving the fun culture we've built.

Eckelberry has over 30 years of experience in technology and related areas, with stints at Borland International, Quarterdeck Corporation (now Symantec), GFI Software, AutoLoop, Affinitiv and Ontrack Data.

Old Republic Names Agency Operations Director

Old Republic Title (ORT) recently appointed Sandra "Sandy" Schoen to executive vice president of Old Republic National Title Insurance Co. (ORNTIC) and promoted her to the additional role of agency operations director.

In this role, Schoen will oversee ORT's agency operations group while working with key agency line of business stakeholders. Her principal goal is to establish agency business priorities, advance constructive initiatives and evaluate the effectiveness of the strategies deployed to enhance the company's connection with its title agents. Schoen has over 25 years of experience in leadership roles with Old Republic. Previously, she served as senior vice president of ORNTIC and Northeast region manager/ Eastern title division director of operations.

Action Title Research Promotes CFO

Action Title Research recently promoted Kirill Gordeitchik to chief financial officer. Previously, Gordenitchik served as senior vice president of corporate development to the chief financial officer. He played a crucial role in the acquisition of Legal Title Services. Before joining Action Title Research, Gordenitchik was director of corporate development with Amtrust Financial Services.

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We're Back

JACK RATTIKIN III
ALTA president

IT HAD BEEN A LONG THREE YEARS SINCE WE'D BEEN ON CAPITOL HILL advocating for the title insurance industry. It was wonderful to have nearly 200 ALTA members explaining to members of Congress the benefits of title insurance and protecting our businesses—especially with the regulatory environment cranked up.

First, I want to thank everyone who attended the ALTA Advocacy Summit and took time away from their offices and families to participate in this important event.

Fannie Mae and Freddie Mac—which remain in conservatorship—are the largest customers of title insurance. Fannie and Freddie generally require title insurance policies on loans they purchase from lenders. Because of this requirement, they have a significant impact on the title insurance marketplace. Both government sponsored entities now accept a written opinion from an attorney in lieu of a title insurance policy "in limited circumstances."

While most of the recent conversation has centered on the use of certain attorney opinion letters, these products are not the only title-related initiatives that are being considered by the GSEs.

It has been reported that Fannie Mae plans to launch a pilot program on certain transactions at the end of the third quarter of this year. Under the proposal, it has been conveyed that a few mortgage originators would be granted a waiver on title insurance requirements for loans sold to Fannie.

Having so many industry voices share their stories on Capitol Hill went a long way toward informing Congress about the risks of this pilot program. We also discussed the benefits of legislation like the SECURE Notarization Act, which has been reintroduced and passed by the House of Representatives.

In addition to Capitol Hill Day, the ALTA staff put together several sessions that provided the latest on what's happening in D.C.

To open the conference, Anna Palmer and Jake Sherman, co-founders of Punchbowl News and New York Times best-selling authors of "The Hill to Die On," provided candid analysis filled with colorful anecdotes about what's driving politics and policy inside the nation's capital. There was a regulatory roundtable that featured Seth Appleton, president of the U.S. Mortgage Insurers; Ed DeMarco, past acting director of the FHFA; and one of our longtime industry champions, Ed Perlmutter, a former member of the U.S. House of Representatives who served eight terms. There was also a session with First American economist Odeta Kushi that provided an economic update and a Q&A with U.S. Rep. Andrew Garbarino.

We definitely got in our steps while visiting House and Senate offices, as well as other venues in D.C. What a rewarding experience.

It was a wonderful week representing the industry. We were back, but we never left!

"The only job of Westcor folks is to **HELP AGENTS WIN**."

—**Mary O'Donnell**, CEO & President

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