

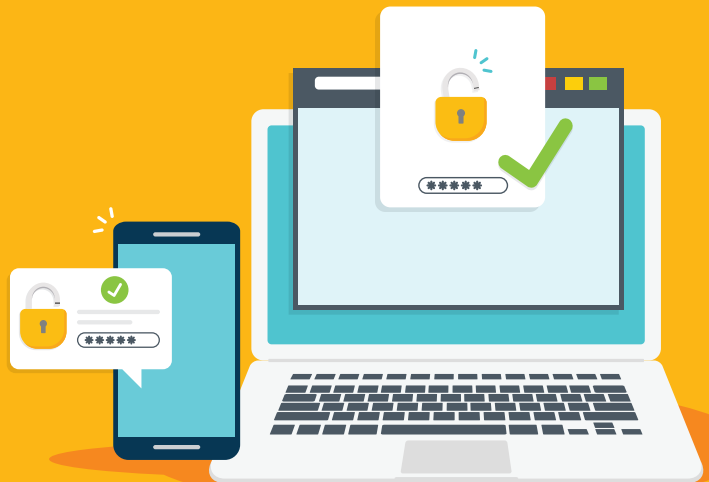
TITLE News

OCTOBER 2024

AMERICAN LAND TITLE ASSOCIATION

Combating Seller Impersonation

Companies Implement ID Verification Tools as Fraud Attempts Increase





Powered by Generali

LOCK SCHMOCK WHAT ABOUT TOTAL TITLE PROTECTION?



1 in 20 Americans who bought or sold a house in the last three years was a victim of real estate fraud.

Help ensure your clients emerge triumphant with the deed to their new home, and **generate upwards of \$1.4 million** that goes straight to your bottom line by integrating identity protection, home title monitoring, scam analysis, and award-winning fraud resolution assistance as a value-added benefit to your existing fee structure. Partner with Iris® Powered by Generali to deliver title protection services unlike any seen in the market today.

Total Title Protection is the only “lock” to help your clients protect their home and identity.*



Contact me today to get started!

Jim Punday, Vice President

JPunday@IrisIdentityProtection.com

IrisIdentityProtection.com/ALTA

Generate millions in additional revenue!



What's commonly referred to as a Home Title “Lock” is a service that monitors changes to a home's deed/title – such as the transfer to someone else's name. The service will notify the customer if this has happened. It does not actually “lock” the title to prevent fraudulent deed or home title transfers. Iris' Total Title Protection monitors changes to customers' home deeds/titles – and identity data – and alerts them if their personally identifiable information is found on the dark web (hacker dump sites, back markets, hacktivist forums, file-sharing portals, and more).

Kudos to you for reading the fine print.

1 CertifID, State of Wire Fraud Report, 2024



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**DON'T MISS THIS MONTH'S
DIGITAL ISSUE OF**

TITLENews

The digital edition of **TITLENews** includes a webinar recording about practical uses of artificial intelligence in the title insurance industry. Expert panelists not only shared the types of AI being used today by title agents and underwriters, they also offered advice on how to implement AI, how to get staff buy in, how to measure ROI and what's on the horizon for this technology.

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Digital TitleNews Today.



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

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

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TITLENews

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Listen to Lead

AT SOME POINT LAST YEAR BOTH OF MY DAUGHTERS—IN ONE WAY OR ANOTHER—



JEREMY YOHE

ALTA vice president of communications

told me the way I was cheering for them during volleyball games wasn't helpful. I didn't think much of it at the time, except for the fact that they thought I was being annoying. And here I thought I was just being a dad.

Recently, I found myself wanting to "get loud" at one of my oldest daughter's matches. I bit my lip and asked after the game why she didn't want me to cheer. My 16-year-old replied that the way I was doing it "wasn't helpful." That feedback was a bit difficult to take. I then asked why she hadn't told me sooner. At this point, my 14-year-old chimed in, "We didn't want to hurt your feelings." Double whammy.

Both comments were hard to hear, but 100% honest. After all, their volleyball games aren't about me. It's about them. My goal has been to support my children in a way that helps them do their best. It's not about how I cheer. It's about why. If what I'm doing isn't helping her do that, then I'm missing the mark.

The feedback didn't hurt my feelings because if what I'm doing is distracting, that defeats the purpose of cheering them on. As leaders—whether we're leading our families, teams or businesses—we have to make sure that what we're doing is actually helpful.

It's easy to fall into the trap of thinking, "This is how I would want someone to cheer for me," or "This is what I needed when I was in their shoes." Leadership isn't about only doing what works for us, however. It's about showing up in ways that work for them. It's about listening to what each person truly needs and adapting to support them in the best way possible.

While simple, this gets overlooked too often in leadership. We can't always give people exactly what they need, but we can make sure we're not doing the opposite of what we've set out to achieve.

The conversation with my daughters educated me about the best way to cheer and support them. Hopefully, it also showed them what it means to take feedback, make adjustments and grow. This is a straightforward strategy to be better for the people we care about and lead.

ALTA Insights: How the Chevron Decision Impacts the Title Industry



The U.S. Supreme Court in June issued a landmark decision rejecting the judicial doctrine known as Chevron deference. Why should the title insurance industry care about this Supreme Court decision on a judicial doctrine that was little-known

outside of legal circles? Register for this CloseSimple-sponsored ALTA Insights webinar to learn how this opinion could affect how the Consumer Financial Protection Bureau administers, and how courts interpret, the Real Estate Settlement Procedures Act (RESPA) and rules promulgated under that statute, including RESPA Section 8 and the TILA-RESPA Integrated Disclosures rule.

Date

■ 1:00-2:00 p.m., Monday, Nov. 4

Speakers

■ Rich Horn | Co-Managing Partner | Garris Horn LLP
CE/CLE is available for this webinar.

[Click here](#) to register.

ALTA Foundation Donates Emergency Grant Following New Mexico Fires, Flooding

The ALTA Good Deeds Foundation (AGDF) awarded a \$5,000 emergency grant to the Community Foundation of Lincoln County in New Mexico. The foundation established a shelter fund to assist members of the community who recently experienced the loss of their homes due to local fires or flooding.

The South Fork and Salt wildfires near Ruidoso, N.M., and the Mescalero Apache Reserve claimed two lives and destroyed nearly 1,400 homes and structures. Between the two fires, more than 25,000 acres were burned in June 2024. Changes in the landscape caused by the fires contributed to dangerous flash

flooding conditions and, when monsoon rains hit the area, the situation became emergent. The area has been subjected to 19 flash flood emergencies, including multiple evacuation orders and National Guard responses, during June and July 2024.

The AGDF Board awarded the emergency grant to aid residents whose homes were uninhabitable following the Lincoln County devastation.

Since October 2020, the ALTA Good Deeds Foundation has awarded \$987,000 in grants to 170 community nonprofits in 45 states and the District of Columbia.

[Click here](#) to donate.

ALTA 2024 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. So far in 2024, TIPAC has raised \$465,604 from 621 people. In addition, \$144,250 from 21 companies has been pledged to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

| ALTA Updates Five Compliance Guides

ALTA announced that it recently updated four [TIRS State Compliance Guides](#), which offer comprehensive insights into the title industry’s regulatory landscape.

The five jurisdictions that were updated include Indiana, Iowa, New Mexico, West Virginia and the District of Columbia.

Available for purchase by state, region

or as a complete set featuring all 50 states plus the District of Columbia, subscriptions are available to ALTA members and non-members. [An ALTA membership](#) provides you with discounts on these and other ALTA publications.

ALTA also implemented a new searching capability for TIRS. The guides are now searchable within the ALTA

website for both complete set (50-state volume) subscribers and regional volume subscribers (volume 1-6). [Click here](#) to subscribe.

| ALTA Congratulates Latest NTP Designees

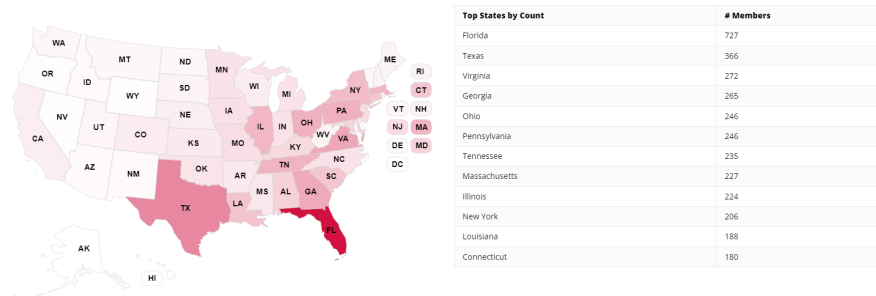
Liz Casselman of Birmingham Title Agency in Southfield, Mich., Greg Wick of Pennington Title Co. in Rapid City, S.D., and Christina “Tina” Manuel of Allied Capital Title LLC in Champaign, Ill., join the list of title professionals who have earned their national title professional designation (NTP).

Casselman is owner of Birmingham Title, and has experience in title law and is a certified land title professional. She is a member of the Michigan Land Title Association.

Wick has 44 years of experience in the title industry. He is a member of the South Dakota Land Title Association and is a past president of the association.

Manuel is an attorney with 20 years of industry experience. She is an Illinois Title Professional and Illinois Escrow Professional, and a member of the Illinois Land Title Association.

Check out the full list of NTPs [here](#).



CALENDAR

2024 ALTA EVENTS

CONSUMER MARKETING WORKSHOP
Nov. 19
Virtual
For more information, go to alta.org/events.

STATE CONVENTIONS

VIRGINIA
Oct. 17-19

WASHINGTON, D.C.
Nov. 2

FLORIDA
Nov. 10-13

KENTUCKY
Nov. 6-7

LOUISIANA
Dec. 4-6

| Digital TitleNews Extra: Practical Look at the AI Used By Title Agents



NEWS TO SHARE?

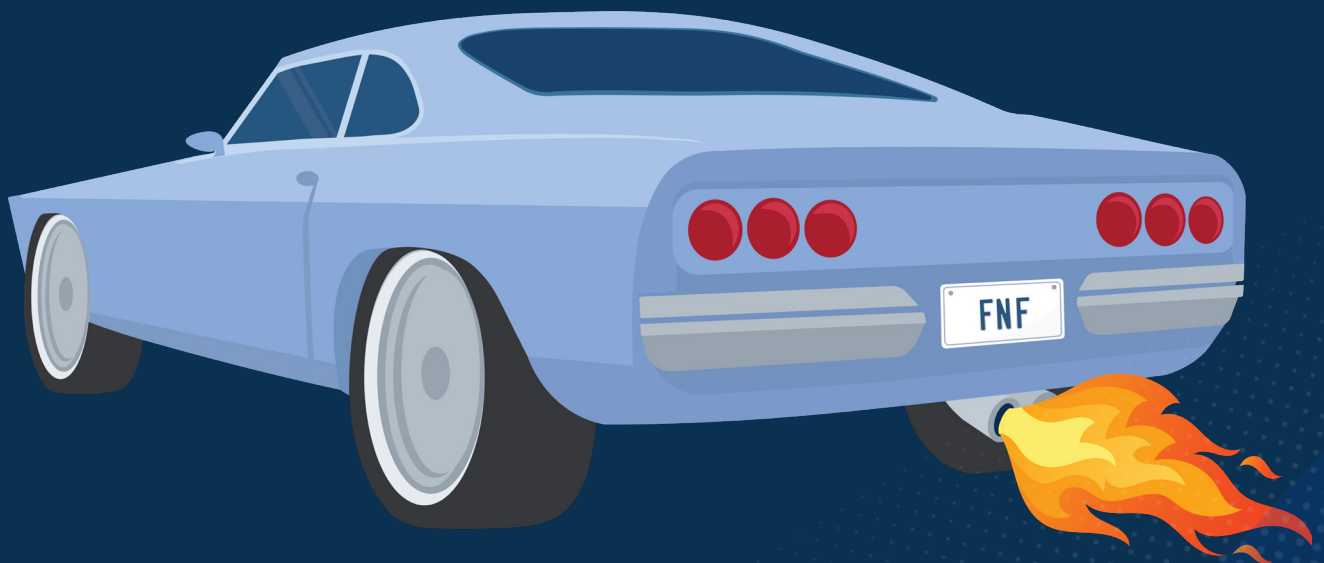
If you have information you'd like us to consider for TiTLE News, send company announcements to communications@alta.org.

IGNITE ***YOUR FUTURE***

WITH FNF FAMILY OF COMPANIES

Buckle up and join us on an exhilarating journey toward a brighter tomorrow. At FNF Family of Companies, we are committed to driving strategic growth plans right to your doorstep. Just like a well-planned road trip, our mission is to navigate you through every twist and turn on the path to success.

Imagine cruising down the open road, the horizon stretching out before you as endless opportunities unfold. Our team at FNF is dedicated to being your trusted co-pilot, ensuring that your journey is smooth and filled with promising destinations.





With our innovative solutions and unwavering commitment to excellence, we empower you to accelerate your progress and ignite your future. Whether you're merging into new markets or expanding existing ones, we provide the roadmap for sustainable growth and prosperity.

Join us in driving toward the future—where strategic growth meets unparalleled underwriting expertise. Let's hit the road and embark on this adventure together.

FNF Family of Companies: Navigating Success, Igniting Futures

nationalagency.fnf.com



COMBATING Seller Impersonation

Companies Implement ID Verification Tools as Fraud Attempts Increase

By Jeremy Yohe



IN JUNE 2024, criminals attempted to steal Graceland, Elvis Presley's estate in Memphis, Tenn. The fraudsters posed as an auction company and fabricated documents to make it seem like Lisa Marie Presley, Elvis' daughter, defaulted on a loan. Lisa Marie's daughter, Riley Keough, sued to stop the foreclosure auction. The seller impersonation fraud was uncovered when investigators determined the company and documents were fake.

Sophisticated fraudsters use the real property owner's Social Security and driver's license numbers in the transaction, as well as legitimate notary credentials, which may be applied without the notary's knowledge. These criminals prefer to use email and text messages to communicate, allowing them to mask their true identities and commit crime from anywhere.

Due to the types of property being targeted, it can take months or years for the actual property owner to discover the fraud. Property monitoring services offered by county recorder's offices are helpful, especially if the fraud is discovered prior to the transfer of money.

The attempt to steal Graceland is a high-profile example of how rampant this type of fraud has become. In February, a woman who was director of homeownership programs for the nonprofit United Community Housing Coalition in Detroit, allegedly stole more than 30 homes in and around the city. According to court documents, Zina Thomas forged quitclaim deeds that transferred properties to fictitious entities, and then sold them to unwitting third parties.

Seller Impersonation Fraud Attempts Increase

Seller impersonation fraud attempts continue to increase as 28% of title companies experienced at least one of these incidents in 2023, according to a study conducted by ndp | analytics.

The study, which included responses from 783 title companies across the United States, also showed that two out of 10 title companies experienced a seller impersonation fraud attempt in April 2024 alone.

While threats increase, the study found 91% of title companies currently provide or plan to provide education and resources to train employees on fraud. These actions are critical to combating all types of fraud, including seller impersonation fraud, wire fraud and elder financial exploitation.

Importantly, seller impersonation fraud often is caught before the real estate closing is completed. The study showed that in 2023, 46% of companies said identifying and preventing fraudulent transactions before closing was at least somewhat common. To compare, only 26% of companies reported it was somewhat common to catch the fraud after closing.



Both the ALTA Owner's Policy and ALTA Homeowner's Policy provide coverage to buyers who fall victim to pre-purchase forgery. The ALTA Homeowner's Policy also protects against a third party who fraudulently transfers the owner's property in the future. For companies in the 46 states where regulators have approved these enhanced policies, 42% of customers, on average, selected policies that protect their property from forgery, including seller impersonation fraud, in the future. In 2023, 16% of title companies paid claims on transactions involving seller impersonation fraud.

Common characteristics of seller impersonation fraud include notarization issues and use of a property owner's legitimate non-public personal information. The most common notarization issues were fake notary credentials (43%) and use of real notary credentials without permission (31%), according to the study.

Vacant land at 85% was the most targeted type of property last year, followed by vacation homes (37%), rental properties (37%) and agricultural land (23%).

In 2023, most companies that experienced attempted fraud reported cash transactions held a higher risk of seller impersonation (88%), followed by requests for mail-away signing and the use of an unknown notary (86%), instances where there was no existing mortgage or encumbrance on the property (84%) and refusing to take voice or video calls (83%).

COMMON CHARACTERISTICS OF SIF HELP COMPANIES DETECT FRAUD

Fraudsters tend to favor properties that are not owner-occupied, like vacant properties, as well as all cash transactions and mail away-signings with use of their own notary. They also fake notarizations or use real credentials without permission.

*Common SIF characteristics and red flags that signal heightened risk of SIF in 2023 (Share of companies indicating the action was at least somewhat common)**



Red Flag:
Request for All Cash Transaction
88%



Red Flag:
Request for Mail-Away Signing & Unkown Notary
86%



Property Type Targeted:
Vacant Land
85%



Notarization Issue:
Use of Fake Credentials
43%

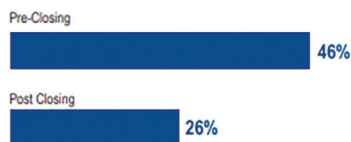


Notarization Issue:
Illegal Use of Real Credentials
31%

INDUSTRY EFFORTS PROTECT CONSUMERS AND COMBAT FRAUD

Title insurance companies invest resources to identify SIF during the transaction process. As a result, it is more common to catch it before closing. Enhanced homeowners insurance policies protect buyers post-closing in states where it is an option. Still, companies train staff on identifying and reporting fraud to reduce instances in future transactions.

Companies who considered it at least somewhat common to catch SIF before and after transactions closed in 2023



*Avg. Share of Customers with Enhanced Homeowners Policies***



Companies that currently or plan to use educational resources to combat SIF



*These actions can be part of a legitimate transaction but may indicate a higher risk of fraud.

**Only for the 46 states whose regulators have approved enhanced policies (excl. FL, NM, OR, and TX).

Source: ndp | analytics. 2024. ALTA Critical Issues Study. Seller Impersonation Fraud. July.



Fake Sellers Spoofing Title Company Websites

Earlier this year, Knight Barry Title warned its partners, industry colleagues and consumers about a new twist in tactics by cybercriminals engaged in seller impersonation fraud.

In August alone, the Wisconsin-based title company thwarted multiple attempts by scammers to set up fake webpages mimicking Knight Barry's website in an attempt to bypass the scrutiny of title professionals and closing officers.

It's what company leadership called the next step for seller impersonation fraud: impersonating the title company by creating a fake webpage that is similar to a legitimate title company. After all, it's due diligence by title companies across the country that often exposes this type of fraudulent activity before it's too late.

"It's a pretty good little scam. By doing this, the cybercriminals have the listing done, they have the real estate purchase contract done, and now they have the title company," said Knight Barry Title General Counsel Cheri Hipenbecker. "We've had people realize that after communicating with the impersonators, maybe something seemed off, so they've Googled Knight Barry, found our website and called our people, and our real people have said, 'That's a scam.'"

The company shared these incidents with the Secret Service and had some of the scammers' bank accounts shut down. It also invested in a domain twister tool to be alerted anytime a similar-sounding domain to any of Knight Barry Title's current websites is registered. This helps the company's IT and legal teams uncover spoofed sites. Often, the new webpages are either off by a single character or intentionally deceitful in another way.

"As an entire industry, the more protection we offer to people, the better," said Craig Haskins, CEO of Knight Barry Title. "It helps us all. Plus, I want our customers to know we caught these scammers and are continuing to do what it takes to keep transactions safe and secure."

Knight Barry Title developed warning language so more real estate professionals and the general public are aware of this new strategy from scammers.

"The criminal purchases one or multiple fake domains and using this fraudulent domain, they email researched clients with a payment reminder/invoice that includes new wiring instructions to a fraudulently created bank account," one warning reads in part.

Fraud Prevention Tools

Several title insurance companies have partnered with Intellicheck to offer a tool to detect seller impersonation.

Both Westcor Land Title Insurance Co. and Doma Title Insurance Inc. are using the tool, which was engineered by GridBase.

Intellicheck's on-demand, digital and physical identity validation solutions now scan over a third of the U.S. population every year. The company's solutions serve major ecommerce and

retail commerce businesses, financial services companies, law enforcement and government agencies across North America.

The solution can validate various forms of identification, including state-issued IDs, passports and even IDs for international transactions. Users can undergo ID verification through multiple validation channels, such as mobile texting and live email hyperlinks.

The system enables title agents to monitor the status of ID verifications in real-time. In addition to preventing fraud, the identity verification tool can assist businesses in meeting regulatory standards. Westcor said the tool can be integrated into existing business workflows, minimizing disruptions during implementation.

Westcor has branded its version of the solution as val-ID.

"The launch of val-ID is a testament to our dedication to enhancing security and streamlining operations in the title insurance industry," said Scott Chandler, chief operating officer at Westcor. "We are confident that this tool will be a game-changer for our agents, allowing them to perform their duties with greater confidence and efficiency."

Doma offers the tool at no cost to agents who are signing documents as part of a transaction the underwriter insures.

"Doma agents are on the front lines of preventing fraud, and Intellicheck arms them with a tool to stop fraud before a transaction even occurs," said Emilio Fernandez, president of Doma. "We are proud to partner with our agents in not only reducing seller impersonation scams, but also protecting a homeowner's or property owner's most significant investment."

This scam is most rampant in the high-volume states of California, Florida and Texas, but schemes have targeted property owners throughout the country, from rural areas of the south to cities in the Midwest. Scams often target elderly homeowners who own their homes free and clear, as well as vacant or non-owner-occupied property, such as undeveloped land or investment property.



"As an entire industry, the more protection we offer to people, the better. It helps us all. Plus, I want our customers to know we caught these scammers and are continuing to do what it takes to keep transactions safe and secure."

— Craig Haskins, CEO of Knight Barry Title



The surge in seller ID fraud has also resulted in higher title claims. According to a recent analysis conducted by global consulting and actuarial firm Milliman, fraud and forgery claims represent 21% of the total dollars spent by title insurers on claims expense and losses. The analysis examined nearly 130,000 title claims from 2013 to 2022, finding that fraud and forgery claims were two of the top three leading causes of loss. The study also concluded that claims of this nature are five times more costly—more than \$143,000 in total average claim costs—than all other claims.

In 2023, 30% of all claims paid by Doma Title Insurance involved fraud and forgery, which includes seller ID fraud claims. Only a few months into 2024, claims involving seller impersonation surpassed 2023 levels, said Chris McChesney, Doma's chief claims counsel.

"Most of these claims result in a full loss of title, meaning one claim can easily cause a loss of \$500,000 or more," McChesney noted. "The vast majority of these claims is preventable using a seller ID verification tool like Intellicheck."

To validate IDs, agents enter the file number and the proposed signer's cell phone number into Intellicheck's platform. Intellicheck then sends a text message to the signer, prompting them to use their cell phone to take a picture of their DMV-issued ID, scan the barcode, and take a self-portrait or "selfie." Intellicheck's system validates the ID, and that the owner is holding it. Enhanced subscriptions can also compare the individual's presented information to other documents, including court records and property records. In addition, enhanced subscriptions can obtain forensic information from the applicant's device, virtual private network (VPN), cell phone carrier and billing information.

Within seconds, the agent receives a "PASS/FAIL" report for the individual that is 99.9% effective, according to Intellicheck. Depending on the result, the agent can either halt the transaction and report the fraud attempt or download a PDF of a "passed" decision to their title file as proof of ID verification.

Victoria L. Williams, escrow officer and title officer at Capstone Title and Escrow Inc., a family-owned title insurance agency based in Salt Lake City, Utah, said seller ID fraud scams

have become rampant in her market, leading her company to seek out the tools and education needed to mitigate losses.

"We are especially noticing fraud attempts in our market on transactions involving land that is unencumbered, and we are trying to offer resources and options to our clients when these situations arise," Williams said. "The biggest problem Intellicheck solves for our brand is reducing costs in the long term whenever we have seller impersonations of out-of-state sellers, unencumbered land and buyers who say they are unable to meet in person for a signing."

CertifiD, a wire fraud protection provider, also can be used to prevent seller impersonation. The vendor's software evaluates more than 150 markers of fraud. In 2023, CertifiD identified 2,239 cases of suspected seller impersonation fraud for existing customers. The company offers identity verification as a standalone solution.

The FNF Family of Companies also unveiled a service aimed at reducing seller impersonation fraud by raising potential red flags as early as possible in the real estate home closing process.

Called ionFraud, the tool allows title agents to verify a myriad of property information when they open a new order, including owner name, owner's mailing address, occupancy, assessed value and estimated mortgage balance.

"Typically, title agents must manually research several websites to obtain the information. ionFraud quickly puts that data at your fingertips," said Joe Grealish, president of National Agency Operations for the FNF Family of Companies. "This new offering is a nationwide tool and it's designed to be easy to use. Having the ability to potentially identify fraud early in the transaction will save our title agents valuable time and resources while protecting our real estate partners, property owners, and transaction participants."

Users of ionFraud can generate a property ownership report, together with an automatically generated "Notice of Pending Real Estate Transaction" letter. If the title agent identifies potential warning flags for the transaction, they can send the letter to the owner of record to make the owner aware of the pending transaction.

FNF's direct operations use a similar tool that has resulted in early success regarding claims and claims exposure. One FNF operation noted success "stopping several transactions each week before time and resources are spent on full searches and exams, as well as stopping seller impersonation fraud transactions from getting to the closing table."

The new tool is available through the AgentTrax portal, which can be accessed on the FNF Family of Companies' national agency website or through SoftPro360.

Proof launched a fraud detection product powered by artificial intelligence (AI) built to identify falsified records, forged signatures and identity theft. Called Defend, the solution analyzes more than 100 risk signals to highlight potential fraudulent activity during the transaction. When they use Defend, businesses receive a risk score for every transaction, highlighting specific fraudulent issues behind every authorization, signature, notarization or identity verification. Proof said Defend can also detect traditional forms of identity fraud as well as emerging methods like synthetic identities and deepfakes. Coupled with Proof Certificates, Defend allows businesses to trust that both the people and the documents involved in a Proof transaction are valid and secure.

Soon, businesses will be able to set custom fraud policies to manage specific risks, according to their business needs. With the ability to identify fraud in real-time, Defend allows customers to block or approve a transaction and also set policies that automate decisions. If potentially fraudulent activity is detected, Proof will automatically step up identity verification to meet a company's unique business requirements for any transaction.

"We couldn't be more excited about this game-changing technology that Proof is bringing to its platform," said Aaron Davis, CEO of Florida Agency Network. "Real estate fraud threatens the integrity of our industry. As a title agency, we sit on the front lines and we need tools like Defend to ensure that we can protect our customers' most precious assets with the documents we collect, get signed, and notarize at the closing."

ALTA's Efforts

Not only has ALTA helped develop several resources to provide education about seller impersonation, the association and other trade groups also developed an [issue brief](#) with recommendations to help combat the increase in deed fraud. AARP, Mortgage Bankers Association (MBA), National Association of Realtors (NAR), National Notary Association (NNA) and Property Records Industry Association (PRIA) all helped create the What Is Deed Fraud brief.

"Protecting the property rights of all Americans—and what is likely their largest financial investment—is of utmost importance," said Elizabeth Blosser, vice president of government affairs at ALTA. "The amount of money lost to deed fraud and other real estate-related scams simply is not acceptable. We must combat these threats."

The document outlines numerous ways to help prevent and mitigate deed fraud, including:

- Providing identity verification options for notarizations performed in the physical presence of the notary.
- Providing better security for access to public records.
- Requiring continuing education for real estate professionals and notaries.
- Allowing local government offices to report suspected fraudulent documents to law enforcement.
- Offering property owners free access to property recording notification systems.

"Older Americans are at higher risk of deed theft and the results are financially and emotionally catastrophic," said Jenn Jones, vice president of financial security and livable communities at AARP. "We must do more to protect unsuspecting homeowners and homebuyers against criminals. In a world with increasingly rampant fraud, educating the public and advocating for stronger local and state consumer protections is critical."

Although deed fraud can include a variety of real estate-related crimes, most schemes involve the impersonation of a property owner and the recording of fake or forged documents in local land records. These crimes result in legal costs, reduction in equity or property value and even property loss. According to the [Federal Trade Commission](#) (FTC), fraud losses in 2023 cost U.S. consumers more than \$10 billion, of which \$2.7 billion is attributed to imposter scams.

"The National Notary Association believes these owner/seller impersonation deed fraud policy recommendations are reasonable and necessary steps that should be adopted to protect property owners, real estate professionals and even notaries who are victims of these crimes," said Bill Anderson, vice president of government affairs at NNA. "The NNA urges notaries in every state to learn the warning signs of owner/seller impersonation deed fraud and be vigilant in verifying the identities of all grantors seeking notarization of real property conveyance deeds."

To support victims of these crimes, ALTA, AARP, MBA, NAR, NNA and PRIA are calling for legislatures to strengthen data gathering needed to help law enforcement more easily identify deed fraud victims; increase the resources given to local, state and federal law enforcement to combat this growing threat; and provide resources and expedited processes for victims to reestablish title in the legitimate owner's name.

"PRIA is proud to partner with these other great organizations as we continue to battle deed fraud," said PRIA President Dan Shmukler. "Collaboration is a key mechanism to solve any problem, and deed fraud has impacted and can impact anyone." ■



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Tips for Checking State Identification Cards During an In Person Notarization

1. Use tools of the trade.

- Magnifying glass for microprint: Many state driver’s licenses and IDs have microprinting as a security feature, but you will need a magnifying glass to read it.
- UV light for holograms: Many IDs have holographic images that you can see only with a “blue” (UV) light.
- ID Checking Guide: Has pictures and information on drivers’ licenses and state IDs of all 50 states. Use it to master your state’s IDs and also to verify an out-of-state ID that is presented to you.



2. Know your state’s IDs.

- Most notarizations you will perform will involve state residents who present your state’s driver’s license or state ID to verify their identity.
- Know the versions of IDs that are currently valid in your state.
 - Real ID.
 - Non-Real ID.
 - Current but no longer issued versions.
- Know the security features of your state IDs: Ghost photos, microprinting, holograms, laser perforations, tactile security features.

3. Handle the ID.

Ask the signer to take the ID out of their wallet or from behind the “ID window” of their wallet so you can handle it. To check the physical attributes of an ID, you must inspect the ID up close and touch it.

While handling the ID, check for tell-tale signs that the lamination is fake (ragged edges, peeling, air pockets underneath, creasing, etc.)

4. Compare the physical description, photo, and signature.

- The physical description of the person on the ID should reasonably match the appearance of the individual who appears before you.
- While a person may change their hair color, length, or style, certain facial elements such as the position of the eyes, eyebrows, ears, nose, and chin usually will not change. Focus on these elements in the photo and the person before you.
- Does the signature on the ID reasonably resemble the signature on the document being notarized and in the journal of notarial acts?



1. Inspect the back.

- Fake IDs may compellingly reproduce the front of the ID but not the reverse side.
- Check the back side for the inclusion of all elements that should appear such as a magnetic swipe strip, barcode, and design and security elements (The ID Checking Guide will identify these elements).

2. Check for signs of tampering.

- Fake IDs may tamper with the signature, photo, and typed information.
- If the ID contains overlapping type as a feature, the absence of overlapping type could be a sign of tampering.

3. Inspect the front.

- Physical attributes of the ID.
 - Thickness.
 - Rounded and smooth corners (a state DL or ID that does not have rounded corners is likely a fake).
 - Smoothness of photo: A “bump” could indicate an altered photo was placed on top.

- Design elements: For example, the current California driver’s license has a fine-line state map, mountains, orchards, gold prospector, sailboats, and California poppies on the front of the license.
- Fonts and color of fonts (mismatched and miscolored fonts are evidence of a fake ID).
- License number should reflect the proper type and number of characters. For example, in California, the first character is a letter followed by 7 unspaced digits.

- Photo and ghost photo.
- Holograms and visual security features (laser perforations that require you to hold the ID at a certain angle or up to the light to see).
- Tactile security features such raised lettering that you can feel by touch.
- Overlapping elements and printing.
- License or ID term length.
- Does the signature on the ID reasonably resemble the signature on the document being notarized and in the journal of notarial acts?

4. Check the ID expiration date.

5. Ask questions.

- Ask the cardholder to verify personal data on the card. If they can’t, it is a red flag.
- Ask the cardholder what the middle initial in their name stands for.
- Purposely mispronounce their name or misstate their middle initial to see if the cardholder instinctively gives the correct information.

10. Look for signs of deceit.

- Nervousness.
- Lack of eye contact.
- Hesitation when answering questions.
- Eyes tracking upward (as a sign they may be trying to remember or make something up).

Title Agents Face New Requirements Under Final Anti-Money Laundering Rule



The U.S. Treasury Department’s Financial Crimes Enforcement Network (FinCEN) issued a [120-page final rule](#) that requires certain people involved in real estate closings and settlements to report information to the agency about all-cash residential transactions nationwide involving legal entities and trusts.

The effective date of the rule is Dec. 1, 2025. ALTA had asked for a one-year implementation period at a minimum. ALTA shares the goal of protecting the U.S. real estate market from money laundering and intends to work collaboratively with FinCEN. ALTA’s focus is to help reduce the impact on small businesses and the cost of the regulation.

For eight years, ALTA members have engaged productively to assist FinCEN in identifying money laundering schemes through targeted data collection and reporting efforts under [Geographic Targeting Orders](#) (GTOs), which have been renewed and expanded since being initially issued in 2016.

The proposed rule expands on the GTOs, which require title insurance companies to file reports identifying the beneficial owners of LLCs in all-cash real-estate transactions above certain monetary thresholds in select areas in the U.S.

- Unlike the GTOs, reporting under the proposal is not limited geographically
- There is no dollar threshold.
- Under the rule, the person conducting the settlement will have to file a limited purpose suspicious activity report within 30 days of settlement.
- FinCEN indicated it will develop a specific real estate report form for electronic filing. This will hopefully address many of the issues the industry experienced with the GTO reporting.

According to the rule, the “reporting person” is the person conducting the settlement/closing or the person who prepares the settlement statement. Reporting can’t be avoided if the buyer chooses not to purchase title insurance.

What Must Be Reported?

There is more information that must be reported under the proposal than under the GTO. According to the proposed rule, the reporting person must provide:

- Their information (name, category of reporting person and address).

- Name, address and taxpayer identification number (TIN) for the transferee and transferor.
- Beneficial owner information for the transferee and anyone signing the transfer documents (names, dates of birth, addresses and TINs for those individuals).
- Name, DOB, address and TIN for all transferors on title or the beneficial owners if the seller is an entity.
- Address and legal description for the property.
- Information about the payments made by or on behalf of the transferee (this includes amount of each payment, the payor, the payment method and the name of the financial institution from which the payment was drawn).
- Information about any hard money or other lender not subject to anti-money laundering rules that was involved in the deal.

After an initial review by ALTA, it appears FinCEN incorporated several important industry recommendations to streamline the regulation and reduce some of the burden on real estate professionals. Due to ALTA’s efforts, some of key changes in the final rule include:

- Addition of new exceptions for estate planning trusts, transfers to a qualified intermediary under a 1031 and expanded exemption for transfers related to death, divorce or court oversight.
- Expanded reasonable reliance standard. This addressed many of ALTA’s concerns and allows title and settlement agents to rely on information provided to them to complete reports.
- Limited trust reporting to more basic information from trust certificates.
- Clarified reporting when land is vacant to only be when the buyer certifies they intend to build a house.
- FinCEN dropped a requirement to confirm zoning and approvals. Title and settlement agents can rely on certification from buyers that they meet an exception to reporting.
- Reduced record-keeping obligation to just the certification from buyer and any designation agreement.
- FinCEN agreed to provide FAQs as it goes through implementation.

ALTA will develop and provide several education and training opportunities to prepare the industry for the new rule’s requirements.

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N.J. Appeals Court Holds Title Company Misclassified Employees as Contractors

Citation: *Your Hometown Title, LLC v. N.J. Dep't of Labor & Workforce Dev.*, No. A-1168-21, 2024 N.J. Super. Unpub. LEXIS 148 (App. Div. Jan. 31, 2024)

By Michael R. O'Donnell and Kori Pruett



Facts

In September 2018, the New Jersey Department of Labor (NJDOLE) initiated an investigation into Your Hometown Title LLC (YHT) to ascertain whether YHT had tendered the required contributions to the unemployment compensation and state disability benefit funds in accordance with the New Jersey Unemployment Compensation Law (UCL). NJDOLE determined that 12 of the individuals YHT had classified as independent contractors were in fact employees under the law. The employees in question, included title abstractors, notaries, closers and a cleaner hired to clean the YHT facility.

YHT appealed the decision to the Office of Administrative Law, where the administrative law judge found that 11 of the 12 individuals were independent contractors. Upon review of the administrative law judge's findings, the commissioner overruled the judge and determined that all 12 employees were "misclassified as independent contractors."

In New Jersey, an employer's obligation to "pay into an unemployment benefits fund under N.J.S.A. 43:21-7, turns on whether its workers are employees or independent contractors." Pursuant to the UCL, a court uses a specific test—commonly called the ABC test—to determine whether a worker is an employee or independent contractor:

- (A) the individual must be "free from control or direction over the performance of such service"
- (B) the service "is either outside the usual course of the business for which such service is performed" or the service is performed outside the regular place of business for that service
- (C) the individual "is customarily engaged in an independently established trade, occupation, profession or business." N.J.S.A. 43:21-19(i)(6)(A)-(C).

As to prong A, the commissioner relied on YHT's "Independent Vendor Services Agreement," "Vendor Services Agreement," "Witness Only Closer Instructions" and "Notary Signing Agent Code of Conduct" (collectively the YHT Agreements) to find the YHT Agreements established an employer-employee relationship because they required the workers to complete their tasks in accordance with the strict guidelines, reporting requirements, and time restraints set forth by YHT. Thus, the commissioner determined YHT failed to meet its burden under prong A of the ABC test. The commissioner noted the YHT Agreements "reflect a 'substantial degree of control' over the individual engaged with YHT." The commissioner pointedly rejected YHT's contention that the instructions set forth in the YHTS Agreements are "simply industry 'best practices.'" He reasoned YHT's decision to issue the YHT Agreements, even if the requirements are industry best practices, "at YHT's sole discretion without any input from the closers, notaries, or title abstractors, coupled with the substantive provisions in these documents, is the 'very essence of direction and control.'"

The commissioner further determined that YHT had failed to establish prong B as to closers and notary signing agents because they provide services at closing, which is a service performed by YHT in its "usual course of business" and the closing locations "are locations where YHT performs 'an integral part of its business.'" In contrast, the commissioner found that YHT satisfied prong B as to title abstractors because he determined that categorizing the county clerk's office as YHT's place of business was "unfair."

Finally, as to prong C, the commissioner held YHT met its burden for 11 of the 12 workers. Specifically, he determined the closers, notaries and title abstractors had their own "legitimate independent business enterprises" and "only earned between one and twenty-eight percent of their Schedule C income" from YHT assignments. The one exception to the commissioner's finding was an employee who earned 88% of her Schedule C income from YHT. YHT appealed the commissioner's finding.

Holding

On appeal, YHT argued it satisfied the ABC test and the facts at issue are like the facts set forth in a prior decision of the New Jersey Appellate Division, *Trauma Nurses, Inc. v. New Jersey Department of Labor*, 242 N.J. Super. 135, 147 (App. Div. 1990), because there—as with YHT’s vendors—the individuals could choose whether to accept an assignment, had no “material ‘direction and supervision,’” and “had autonomy.” YHT reiterated its contention that the YHT Agreements “simply reiterate industry standards” and asserted that because the individuals are required to maintain their own insurance, they “operate a separate business.” As to prong B, YHT claimed the disputed work occurs outside its place of business, and it does not provide closing and abstracting title services “to the public but hires vendors to perform” the services, rendering them outside YHT’s usual course of business. Turning to prong C, YHT asserted it was the individual’s choice to procure the majority of her work from YHT.

All vendor agreements must be carefully reviewed to be clear on a vendor’s status and responsibilities, while at the same time establishing the independent nature of vendors.

The New Jersey Land Title Association (NJLTA) participated in the appeal as amicus curiae. NJLTA argued the commissioner’s decision lacked factual support, that “industry standards and codes of conduct are not the same as instructions” and the title agent does not control the timeline of the transactions; the buyer and seller of the property do. Critically, NJLTA asserted that the status of the workers as employees was “negated by virtue of the individuals carrying their own insurance.” In contrast, NJDOL argued YHT required the individuals to sign agreements and “adhere to role-specific addendums[.]” DOL countered that even if the YHT Agreements “reflect industry standards in practice,” it was YHT’s decision “to adopt the instructions, thereby mandating compliance with them as a condition of providing services for YHT.”

On appeal, the court reviewed the record below to determine whether “the Commissioner acted in an arbitrary, capricious, or unreasonable manner or that its decision lacked fair support in the record.” Further, the court reiterated the findings of the assignment law judge “are not binding on the Commissioner.” After reviewing the record and relevant controlling law, the court held the commissioner’s determination was reasonable.

Specifically, the court found YHT had failed to meet

prong A and “the Commissioner reasonably classified the closers, notary signing agents, and title abstractors as employees of YHT” because they “were subject to a sufficient degree of control[.]” Like the commissioner, the court looked to the YHT Agreements and noted that YHT’s “instructions for the title abstractors were detailed in nature” and “specific directions” were provided for a range of tasks, which had “to be completed in strict compliance” with the YHT Agreements. Rejecting YHT and NJLTA’s assertion that the YHT Agreements simply set forth industry standards, the court determined the agreements were “specific vendor services agreement[s]” with detailed requirements set by YHT, “not an outside institution.” Finding YHT had failed to satisfy prong A, the court declined to substantively address the remaining prongs of the ABC test.

In sum, the court upheld the commissioner’s finding that closers, notaries and title abstractors were employees for purposes of contributions under the UCL due to the specific “instructions and parameters” set forth in the YHT Agreements.

Importance to the Title Industry

This case is important in that although it deals with New Jersey workers compensation law, the decision calls into question the nature of the relationship between title agents and the parties they contract with to do closings and title searches. This is particularly significant as the closers, notaries and title abstractors at issue here only earned between 1% and 28% of their Schedule C income though their engagement with YHT, which means the remainder of their income came through relationships with separate vendors. Despite this income variance, the court still determined that because YHT failed prong A, the workers were employees, demonstrating the power regulatory agencies have to disrupt standard industry practice.

As a result, the wording of vendor agreements must be carefully evaluated to ensure a state labor department cannot use it to argue the agents have control over their contractors sufficient enough for them to be classified as employees when they are truly independent contractors. Thus, all vendor agreements should be carefully reviewed to be clear on a vendor’s status and responsibilities, while at the same time establishing the independent nature of vendors.

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Communicating the Intrinsic Value of the Title Industry Through Education, Service and Greater Efficiency

By Terri Hanson



**WHAT'S
YOUR
STORY?**

WHEN THE CONSUMER FINANCIAL PROTECTION BUREAU (CFPB) ANNOUNCED

this year it was launching a public inquiry into the increase in mortgage and title closings costs, many in the title insurance and settlement services industry reacted with great frustration in a year when income and profits have diminished due to high interest rates.

As the political rhetoric around this issue has made clear, the industry once again has a public relations problem.

In 2004, when regulators began to look more closely at the title insurance industry due to reinsurance practices at the time, the industry realized no one—least of all the politicians and regulators—had any concept of what services title agents provided. It was an industry that had grown up in the shadow of the other two pillars of the industry: real estate agents and loan officers.

The industry set out to correct a multitude of misimpressions and to lay out the value the industry brought to ensuring the validity of land records, but also in protecting individual homeowners' rights as well as the safety of the transaction itself.

Even though a plethora of information is available to homebuyers and regulators, the industry still has been unable to assume its rightful place as an intrinsically valuable third partner in the buying and selling of real estate.

This request for information from the CFPB may look like another descent into darkness for the industry, but it in fact may be just the opportunity agents need to redouble their efforts to enhance the customer experience—and also to define their value in the eyes of the world. And while it's almost obvious that we, as an industry, need to redouble our efforts to educate the consumer about what we do and why it's valuable, we can't really do that effectively without first ensuring a more efficient, enjoyable process.

Title Insurance Compared to Automobile Safety

When a design flaw was uncovered in airbags and a million vehicles were recalled, we were instantly reminded of the importance of airbags in saving lives and reducing injuries.

But on a daily basis, we get into our cars, start them up and drive off to work without even thinking about the engineering that has gone into the manufacturing of automobiles for more than 100 years that has made driving safer.

The World Economic Forum notes that fatalities per 100 million miles driven have fallen from 5.1 in 1960 to just 1.1 in 2020, a 78% drop. This is due to the consistent introduction of safety features such as seat belts, crash-testing, airbags, and anti-lock brakes. More recently blind spot detection, lane departure warnings and automatic emergency braking have been introduced as further protections.

This is analogous to the title insurance industry.

People buy and sell homes every day without ever looking under the hood to see what safety measures have been put into place over the past century to ensure the legitimacy of that transaction, from the first simplistic search for ownership rights in the public record to the complex examinations that take place today on the property, the sellers, HOAs, the survey, the legal description, signatures, identification documents, powers of attorney, complying with Foreign Investment in Real Property Tax Act (FIRPTA) and so on.

In addition, all of the details of escrow, closing and recording, along with the accompanying the weight of the regulatory and auditing requirements, is another huge responsibility that has been assumed through the years by title companies, the details of which remain largely outside the customer's awareness. To many consumers involved in a residential real estate transaction, the title or escrow agent is someone standing in the way of finally receiving (or giving) the keys to their new home. In some cases, the buyer or seller might not even hear from or be in contact with the title agent. It remains, for the most part, a real estate agent, mortgage broker or loan officer driven transaction. Sadly, from a consumer perspective, the title agency is simply a roadblock to the closing.

The best way to overcome this lack of understanding is by ramping up efforts to share information with buyers, sellers, real estate agents, loan officers and the community. That's easy to say, but challenging to do. It starts by allocating time and resources to getting it done.

Focus on Efficiency

One of the challenges the industry faces from clients and regulators is the question of why the cost of insuring title has not gone down with the advent of technology. After all, they argue, you no longer have to pay someone to wade through dusty ledgers to explore past ownership and lien issues.

Don't you wish it were that simple! Technology has benefited everyone in helping to reduce the number of days it takes to complete a transaction. It has also helped streamline workflows, allowing decision-makers to redeploy employees otherwise tied down by manual production tasks to take on things like customer support and marketing, two key ingredients in the ongoing effort to demonstrate the value of title insurance and settlement services.

But the transaction itself has become more complex due to all the reasons mentioned above. Title agents have taken on numerous additional tasks over the past two decades, such as HOA, FIRPTA and FinCEN documentation; escalating regulatory requirements around the handling of funds in escrow; and the more recent demand to ramp up technology and processes to combat cyberfraud.

How owners and agents select and utilize their technology is also a critical element of how efficient their services can be. Unfortunately, there are more than a few examples of money sunk on technology or businesses that continue to cling to obsolete solutions in our industry. We also still see good technology being underused or misused, resulting in less-than-ideal results.

To be successful in this environment, it certainly behooves title agents to explore all the ways they can create efficiency and cost savings through technology. This not only helps the agent run a more cost-effective agency, but can also improve customer service through better communication, more secure exchange of information and quicker turn times.

As agents improve their operations, it provides yet another opportunity to market these improvements to their client base to highlight what additional value they bring through these innovations.

Raising the Bar: Improving the Customer Experience

In addition to building a foundation towards increasing awareness by becoming more efficient, it's imperative to focus on improving the customer experience, especially in light of first-time homebuyers' pre-disposition to conducting every aspect of the transaction in an easy and seamless manner via technology. In some ways, these two factors are interrelated. The faster and more smoothly a transaction is closed, the more satisfied a customer will be with the experience.

Interfacing with the customer through a well thought-out and secure tech stack is also an increasing necessity. But it is not the only aspect of the customer experience to be considered.

Your tech stack may be the most efficient and effective way of processing title and closing from your point of view, but if it doesn't address the emotional needs of the customer throughout the process, you may be missing the boat.

Establishing trust from the outset of the transaction will go a long way to ensuring a productive and satisfying customer experience. This includes:

- Providing a transaction road map so clients

understand what's ahead of them.

- Being transparent about timelines and pricing to set realistic expectations.
- Listening and acknowledging anything the customer imparts about special needs.
- Putting in writing unusual issues or circumstances and how they will be addressed.

For the customer—whether that is the real estate agent, the loan officer or the homebuyer—this is the most important transaction in the world, and they need to know that you value it and them with the same reverence and urgency. This means they want their questions answered, their concerns addressed, and their issues resolved in a way that is responsive and empathetic.

Some of this can be accomplished easily through technology, but technology also has to be able to kick it up to a human being if the issue is complex, and timely responses go a long way toward making the customer feel valued and increasing their trust in your ability to handle complex situations.

Spreading the Word and Explaining the Value

Educating buyers and sellers individually throughout



the transaction about these safety measures is a great launch point to shift this paradigm. This could include:

- Cyber fraud information and prevention tactics.
- The nature of the title search process with specific examples.
- Steps taken throughout escrow to protect personal information and funds.
- Techniques and technologies used to identify and thwart real estate and mortgage fraud.

Customer can get a more visceral understanding of the value of the work by being specific and using real-world examples of how these efforts have saved homeowners' investments in their property.

Real estate agents and loan officers will acknowledge that while title insurance is required by the lender, they don't always understand the steps title agents take to ferret out potential issues with the title to a property. It's a good practice to consistently educate real estate agents and loan officers by employing the following methods:

- Prepare and share flyers with a step-by-step explanation of the title process.
- Offer to present educational sessions at local and state industry meetings.
- Host small industry group meetings to focus on improving specific touchpoints during a deal.
- Never lose an opportunity to share an anecdote of how your agency rescued a transaction.

Storytelling is more memorable than data. Within each of these opportunities, make sure you are offering real examples of how the title and escrow process prevented fraud, uncovered an issue that would impact the homebuyer's use of the property, or fast-tracked a resolution that prevented a deal from falling through.

And finally, there is a need to educate the larger community. For instance:

- Introduce yourself to the local media as a resource for future stories.
- Send an in-depth proposal for coverage of a particular facet of the title industry.
- When a real estate issue hits the news, write a letter to the editor.

In each case, provide a local "hook" to the story that focuses on a recent title search and what it uncovered, or highlight a big local development to examine the challenges of searching a multi-property purchase. You can also address questions that may arise for property that has changed hands multiple times in recent years.

The title industry rarely makes the news unless something bad happens or customers or regulators start questioning the value of the process. It's time to shift that paradigm and get out in front of the issue by proactively finding opportunities to guide the narrative.

Final Word

The title and settlement services industry has suffered from not having an obvious national platform from which to educate the populace about the value of the work you do. Like talking about hedge funds, credit default swaps and derivatives at a cocktail party, peoples' eyes start to cross when you launch into an explanation of what title insurance and settlement services are all about.

The key is to become a good listener to fully grasp the needs and requirements of your customers so you can communicate in a way that is supportive and reassuring.

In addition, learn how to weave storytelling into every aspect of your marketing and communications strategies, from the way you educate your customers about what you do to promoting your newest technological wizardry that is going to improve your ability to service your customers.

Title agents have a captive audience every time they close a transaction. Capitalize on this opportunity to improve your clients' understanding of what you do and to change the narrative for the better.



TERRI HANSON, *president and CEO of VizionX*, has over 25 years of experience in the title and escrow industry providing leadership in the implementation, training and support of a number of software solutions. She can be reached at thanson@vizionx.com.

Industry Education Resources

Through the Homeowner Outreach Program, ALTA provides exclusive resources—including Power Points, blog posts, educational flyers, print and digital ads, infographics and posters—to help ALTA members explain title insurance and the closing process. [Click here](#) to view what's available.





FIVE QUESTIONS ABOUT TITLE INDUSTRY VALUES

• President of Pennsylvania-based White Rose
Settlement Shares Importance of Core Beliefs

A COMPANY'S VALUES ARE THE CORNERSTONE OF ITS CULTURE. Values are the basis of how a business functions. They set you apart from the competition, make you unique and are essential to achieving your organization's goals.

ALTA unveiled the industry's values in 2017 after listening to members for more than a year to understand the pride they take in their work protecting property rights and helping consumers close real estate transactions. The conversations served as the foundation of ALTA's Our Values and reflect the enduring, memorable and aspirational values of ALTA members.

The values include:

- **We Lead:** We are the authority in real estate transactions. We innovate for the benefit of our customers.
- **We Deliver:** Our customers trust us to do the right thing, the right way—before, during and after the transaction. We sweat the small stuff to assure that land transfer is accurate, swift and secure.
- **We Protect:** We protect the property rights of those we serve. We reduce risk so our customers have peace of mind.

A company's values are the cornerstone of its culture. We will highlight ALTA title agency owners to showcase the importance of establishing core values to create a strong culture within their operations.



1. How do ALTA's Our Values—We Lead, We Deliver, We Protect—reflect the core values of our industry?

ALTA's Values should be at the heart of everything we do as a title agent. Our primary responsibility is to ensure the consumer and/or lender are protected. We achieve this by delivering a marketable title covered by the title insurance policy, but there is much more involved in each file that few people fully understand. We take the lead in ensuring the settlement process comes together smoothly by managing various moving process parts, including the settlement and collection of funds for our government by paying off IRS liens, state and local taxes, and domestic relation obligations.

We also help protect consumers and our livelihoods through our grassroots efforts at the national and state levels of government. These efforts have grown exponentially in the past several years, and I truly feel we are heard by our legislators. We continually are in contact with the appropriate parties to bring awareness of regulatory and market changes that may have negative impacts for the consumer and our industry.

2. How would you describe the culture in your office?

When you walk into our office, you are greeted with a professional, welcoming atmosphere. We maintain a positive, proactive attitude in our office. Together, we strive to ensure smooth transactions while enjoying our time and the company of our colleagues. We respect each other, know each other's families, and share in both our triumphs and challenges.

3. What are your office's core values?

The core values of White Rose Settlement Services are Lead with Integrity, Be Authentic, Choose Happiness and Have Accountability.

4. How do these values and your culture impact your employees?

When I hire, it is not just for the title experience, but more about the culture, values and morals. I believe when I create a positive work environment, this is the crux for a happy co-worker. I have learned in my 28 years as a business owner that if I take care of my co-workers, they will take care of the clients. It is a win-win for everyone. I could not do this myself. Each and every co-worker is an important part of the team.

5. How do these values and your culture impact your customers?

I feel the clients benefit from happy co-workers and a positive work environment. I always use the metaphor that we are like little ducks, paddling furiously below the surface of the water to ensure a flawless settlement. However, all I want the clients to see is a beautiful waterbird gliding across the water—no issues, no stress and all smiles as they sign their paperwork and receive the keys to their new home.

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GSEs Update Multifamily Seller/ Servicer Guides

THE GOVERNMENT SPONSORED ENTERPRISES (GSES) RECENTLY ANNOUNCED UPDATES to their Multifamily Seller/Servicer Guide that impact the handling of escrow and settlement functions involving mortgage transactions and the acquisition of multifamily properties

According to Freddie Mac's [guide](#), title insurance underwriters must receive and disburse all the funds associated with these transactions effective Aug. 15. Underwriters must also deliver the Settlement Statement to the Seller/Servicer or the Seller/Servicer's counsel.

Title agents can continue to handle the closings.

Freddie Mac reported the change is due to several fraud cases where the actual purchase price was not reported. The fraudulent activity resulted in inflated loans.

Found in Chapter 29 for Title, Description, Survey, UCC Searches and Opinions, the Guide says:

■ 29.1(d): Effective for any Mortgage transaction that is an acquisition which is taken under Seller Application on and after August 15, 2024, the Title Insurance Underwriter must directly perform all escrow and settlement functions for both the Mortgage transaction and the acquisition of the Property (i.e., the Title Insurance Underwriter must receive and disburse all funds from all sources related to the acquisition and prepare the settlement statement for the acquisition of the Property and the acquisition financing). The settlement statement must be delivered to the

Seller/Servicer or the Seller/Servicer's counsel directly by the Title Insurance Underwriter. (See Section 32.3(c) for additional settlement statement requirements.)

Chapter 32 for Final Delivery Requirements, reiterates what the Guide says in Chapter 2:

■ As provided in Sections 29.1 and 29SBL.1, the settlement statement(s) must be delivered to the Seller/Servicer or the Seller/Servicer's counsel directly by the Title Insurance Underwriter.

Meanwhile, according to Fannie Mae's [Lender Letter 24-05](#), title companies and escrow agents must provide a receipts and disbursements ledger for transactions—or other written evidence—showing:

- the source of all funds deposited (with federal funds wires and full entity names) into the closing escrow (including good faith deposits and all other funds required for acquisition or cash-in refinance, if applicable)
- the flow of all funds disbursed from the closing escrow for the mortgage loan (and any acquisition or assumption, if applicable), whether by check or federal funds wires (with full entity names)

The delivery requirement document may be used immediately and must be used for all mortgage loans with a confirmed commitment date on or after Sept. 24, 2024.

ALTA is closely monitoring this issue and will be communicating with the government sponsored enterprises on developments in this area.



1984-85 ALTA President Jack Rattikin Jr. Passes Away

Jack Rattikin Jr., who served as the 1984-85 ALTA president, died peacefully in his sleep at the age of 90. The title insurance industry icon will be remembered as a devoted family man, attorney, explorer, dreamer, boater, astronomer, driven businessman and Texas Longhorn supporter.

Rattikin Jr. is part of a family legacy in the title insurance industry as his father and son also served as ALTA presidents. Rattikin Jr.'s son, Jack Rattikin III served as ALTA's 2022-23 president, while his father, Jack Rattikin Sr., was ALTA's 1939-40 president.

Jack Rattikin Sr. formed Rattikin Title in 1944. Rattikin Jr. served as president and CEO of the title company from 1969 to 2004. He continued to serve as chair of Rattikin Title's board.

"The Rattikin family is deeply saddened to announce the loss of our beloved father and Rattikin Title Chairman of the Board, Jack Rattikin Jr, who died peacefully in his sleep surrounded by loved ones earlier today. There's so much that can be said about him and his legacy, yet words don't come easily at the moment. We will all miss him more than words can express," the Rattikin family said in a statement.

Rattikin Jr. served in the ROTC while attending the University of Texas. He graduated from Texas in 1956 with a bachelor's degree in business administration and a Bachelor of Law and Doctor of Jurisprudence in 1957. Though he was protected from the draft during law school, Rattikin Jr. joined the army and achieved the rank of captain while overseeing railroad operations for the Transportation Corps in Virginia.

After his service, Rattikin Jr. returned to Texas where he practiced criminal law before joining Rattikin Title in 1969. With over 55 years of professional title insurance experience, he served as president of the Texas Land and Title Association (TLTA) from 1974-1975. He was named the TLTA Title Man of the Year in 1964.

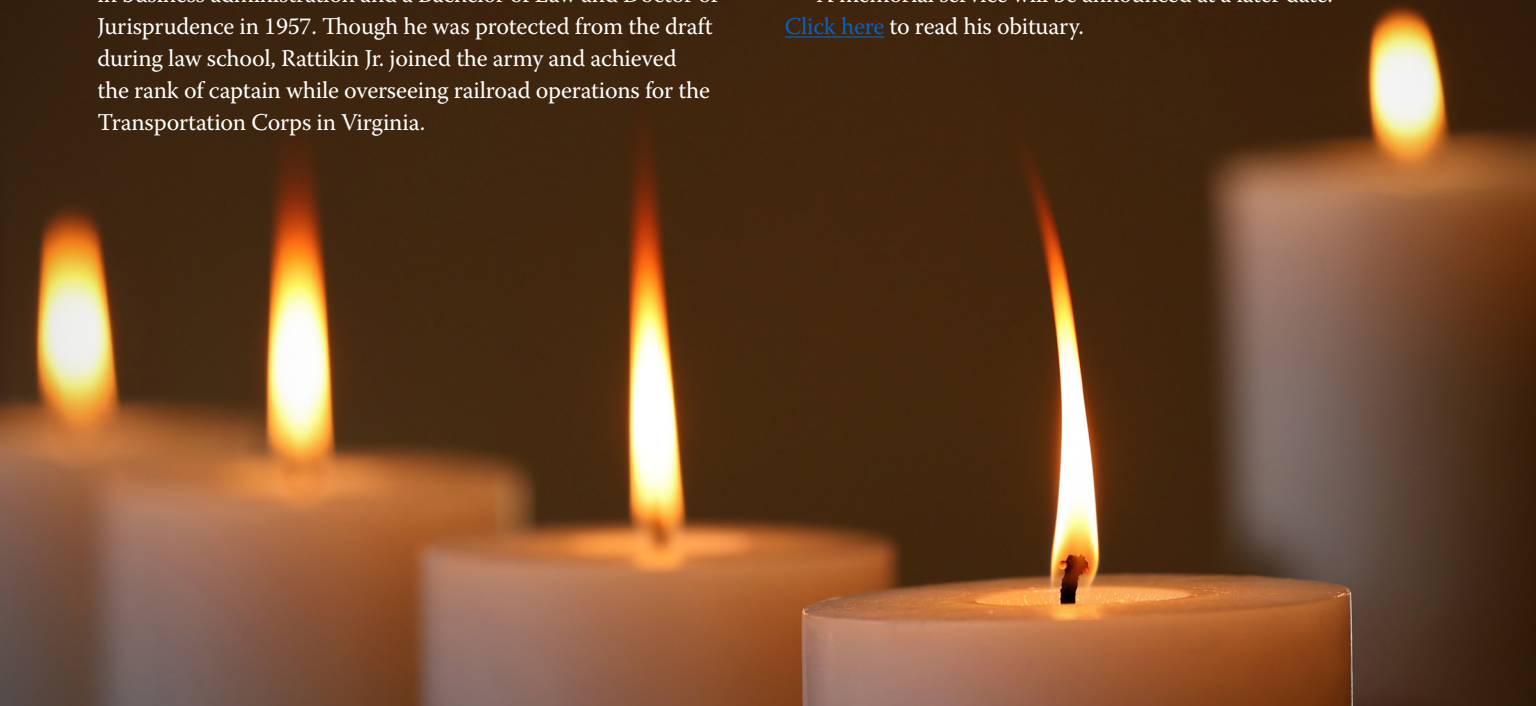
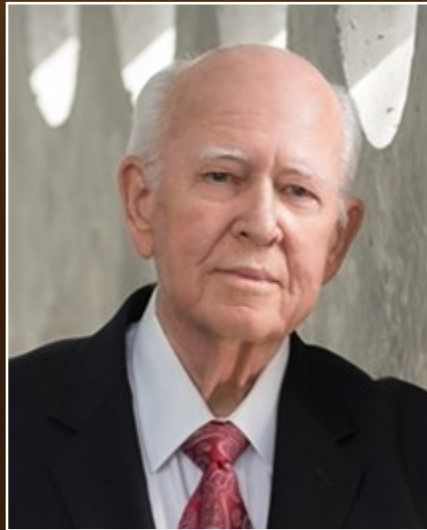
Rattikin Jr. lived his life dedicated to making a difference and improving his community.

"Instead of measuring ourselves on the basis of how much money we have made, how popular we have been, honors we have received, or how busy we have been, perhaps a more pertinent question to ask ourselves is, 'What difference did we make in our community?'" Rattikin Jr. said in a 1985 TitleNews article.

Rattikin Jr. also greatly cherished the memories and tradition of vacations, whether it was visiting beaches or driving his family by motorhome to countless national parks and historical sites.

"The lessons learned, and immense appreciation for God's amazing natural creation that emanated from these family trips, has had a profound impact on all of his children, and now their children. Family time meant everything to Jack, and he made sure that the love of God and family were of primary importance to all," his obituary read.

A memorial service will be announced at a later date. [Click here](#) to read his obituary.





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Title Companies Settle Kickback Allegations With D.C. Attorney General

Four title companies operating in Washington, D.C., reached separate settlements with the attorney general to resolve allegations of illegal kickback schemes.

Allied Title & Escrow LLC, KVS Title LLC, Modern Settlements LLC and Union Settlements LLC will pay a combined \$3,290,000 to settle the allegations.

All four companies agreed to end the practice of giving real estate agents consideration for the referral of title insurance business and will either cease their title insurance operations in the District or divest real estate agents from their ownership interests in the shell companies. In reaching the agreements, the title companies did not admit to any wrongdoing.

Under the terms of the agreements:

- [Allied](#) will pay \$1.9 million to the district.
- [KVS](#) will pay \$1 million to the district.
- [Union](#) will pay \$325,000 to the district.
- [Modern](#) will pay \$65,000 to the district.

According to the attorney general's



investigation, the title companies violated D.C.'s Consumer Protection Procedures Act (CPPA) by "providing real estate agents exclusive, lucrative and discounted investment opportunities either in the companies themselves or in shell entities they created to induce the real estate

agents to make business referrals that generated increased revenues for the companies. In return for the referrals, the agents received kickbacks in the form of a split of the profits."

Texas Federal Court Halts FTC Noncompete Rule

A federal court in Texas issued an order Aug. 20 stopping the Federal Trade Commission (FTC) from enforcing a nationwide ban on noncompete agreements.

A Texas employer, the U.S. Chamber of Commerce and a handful of other business organizations sued the FTC seeking to block the rule from taking effect Sept. 4. Under the [proposal](#), existing noncompetes for the vast majority of workers would no longer have been enforceable.

The FTC said it is considering an appeal. The agency said the decision does not prevent it from addressing noncompetes through case-by-case enforcement actions.

CATIC Begins Operations in Texas

CATIC is now licensed and operating in Texas. Patrick Opela, vice president and state manager for Texas, and Fred Schraub, vice president and Texas state counsel, will spearhead CATIC's efforts in the state.

"Both Patrick and Fred are long-time Texans and are highly respected industry leaders, with deep agent relationships, making them the perfect team to jump-start our Texas operations," said Kyle Rank, senior vice president and national agency manager for CATIC.

In business for more than 50 years, the CATIC Family of Companies is currently doing business through an independent agent network in 25 states. Its sister company, CATIC Title

Insurance Co., issues policies in New York, New Jersey and Pennsylvania.

“Operationalizing Texas has been a long-term, key strategic objective for the company,” said James M. Czapiga, CATIC Financial’s CEO. “CATIC is a company founded on the fundamental principle of servicing the independent agent exclusively. CATIC does not compete with its agents. It does not have any direct agency operations or any affiliated businesses. It has only one objective, to serve the independent agent, and we are looking forward to now being able to help the great independent agents of Texas grow their business and preserve their important role in the real estate ecosystem.”

American Eagle Title Obtains Title Plant License in Garfield County, Okla.

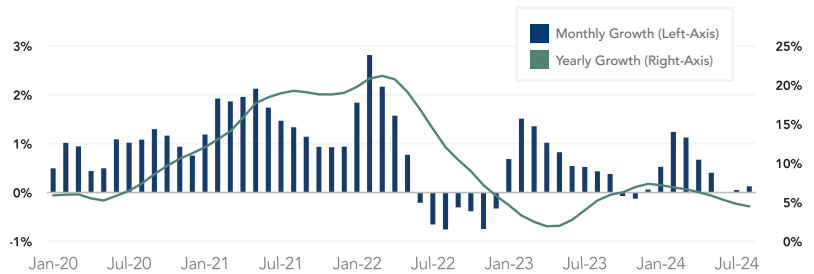
American Eagle Title Insurance Co. (AETIC) has obtained a title plant license in Garfield County, Okla. This milestone marks the company’s continued expansion and commitment to providing comprehensive title insurance services across the state. The new title plant licenses allow AETIC to offer digital title services in Garfield County. With this development, the company is better equipped to serve the needs of property owners, lenders and real estate professionals in the area.

Recent Integrations

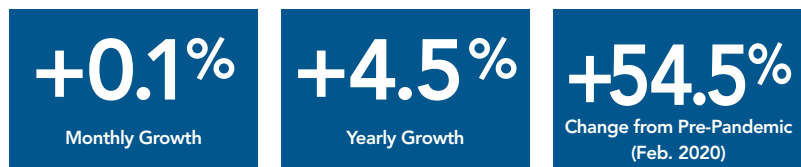
■ **RamQuest’s Closing Market** digital network is now integrated with **American Eagle Title Insurance Co.** The integration with RamQuest allows customers to access American Eagle Title’s underwriter services with just a few clicks from within their title production solution and minimize open windows.

House Price and Buying Power Snapshot

First American Data & Analytics National House Price Index, August 2024



Source: First American Data & Analytics, Aug. 2024



*The First American Data & Analytics HPI report measures single-family home prices, including distressed sales, with indices updated monthly beginning in 1980 through the month of the current report.

National Consumer House-Buying Power

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

August 2024

\$384,366
House-Buying Power

+9.3%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

- | | |
|--|---|
| 1 New Jersey
\$515,717 | 1 San Jose, CA
\$795,297 |
| 2 Hawaii
\$500,992 | 2 San Francisco, CA
\$668,506 |
| 3 Massachusetts
\$495,262 | 3 Washington, DC
\$615,416 |
| 4 Maryland
\$475,447 | 4 Salt Lake City, UT
\$526,013 |
| 5 Rhode Island
\$474,553 | 5 Denver, CO
\$524,664 |

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

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Lessack

Stewart Group President to Retire

Stewart Information Services Corp. announced that Steve Lessack will retire as group president at the end of the year. Lessack joined Stewart in 1995, serving as group president since 2019.

“When I joined Stewart in 2019, I asked Steve to stay on to lead our direct operations, national commercial services and international operations,” said Fred Eppinger, CEO of Stewart. “Over the past five years I have leaned on Steve’s experience as he has been a steady and reliable cornerstone to our largest revenue generating operations. Under his guidance and leadership, we have brought in top-tier talent to help lead each of these endeavors, strengthening Stewart across these business lines.”

In April 2023, Stewart announced Ryan Swed had been promoted to the role of head of U.S. direct operations, taking over the company’s largest business operation, and Erin Sheckler had been promoted to the role of head of national commercial services. Both report up through Lessack.

Doma Title Appoints Agency Manager for Pennsylvania, New Jersey

Doma Title Insurance Inc. has appointed Theresa Kane-Mackenzie as state agency manager for New Jersey and Pennsylvania. In this position, she will provide resources, education and support for Doma agents across the spectrum of operations, technology and production management. Kane-Mackenzie brings more than two decades of title insurance sales and agency management experience, serving territories that encompass Delaware, New Jersey and Pennsylvania. Most recently, Kane-Mackenzie served as assistant vice president and state agency manager in Pennsylvania and New Jersey for a national title insurance company.

First National Title Hires Agency Director

First National Title Insurance Co. (FNTI) named Suzanne Tinsley as executive vice president and

agency director. Tinsley has over 20 years of sales experience in the title industry. She previously worked with FNTI in the Texas market from 2015 to 2019. She rejoined the team after serving in a variety of sales roles over the years with increased responsibilities and leadership opportunities. Tinsley joined FNTI’s parent organization, Shaddock Companies, last October. Since then, she has worked with the family of companies and their sales teams, consulting on different strategies to increase sales and their overall business relationships. She will focus those skills and strategies now in an expanded role with FNTI and its agency team.

CATIC Bolsters Underwriting Team in Connecticut

CATIC recently added Christina M. Colbert to the company’s underwriting team in Connecticut as vice president and senior title counsel. Colbert has experience handling commercial and residential transactions. Most recently, she worked for a national title insurance company as senior title counsel and manager in Connecticut.

Doma Names Agency Manager for Texas

Doma Title Insurance Inc. has appointed Dan Hamilton as agency manager for its Texas region. In this position, he will work with independent title agents to maximize their use of Doma’s technology offerings, improve production times and increase outreach to new clients through educational offerings. Hamilton brings more than three decades of experience in real estate and title insurance. After launching his career in real estate as a broker in 1989, he went on to build his own brokerage firm. In 2013, Hamilton took a position as Texas agency director for a national title company and was later appointed as the company’s regional education director, where he managed the education division for the Southwest region.



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Combating Seller Impersonation

UNFORTUNATELY, WITH ALL THE DATA BREACHES THE PAST FEW YEARS,

the running joke is that all of our Social Security numbers have already been compromised. Then, in August, it was reported that almost 2.7 billion records of personal information for people in the United States were leaked on a hacking forum, exposing names, SSNs, all known physical addresses and possible aliases. The data allegedly comes from National Public Data, a company that collects and sells access to personal information.

It's no coincidence that with the data breaches, seller impersonation fraud continues to increase. This has quickly become a serious problem to the industry and consumers. According to a [study](#) by ALTA and ndp | analytics, seller impersonation fraud attempts continue to increase as 28% of title companies experienced at least one of these incidents in 2023.

The surge in seller ID fraud has also resulted in higher title claims. According to [recent analysis](#) conducted by global consulting and actuarial firm Milliman, fraud and forgery claims represent 21% of the total dollars spent by title insurers on claims expense and losses.

The analysis examined nearly 130,000 title claims from 2013 to 2022, finding that fraud and forgery claims were two of the top three leading causes of loss. The study also concluded that claims of this nature are five times more costly—averaging more than \$143,000 in total cost per claim—than all other claims.

In a new twist, criminals now are impersonating title companies by purchasing fake website domains that are similar to title company website domains (Example: [www.titlecollc.com](#) vs. [www.titleco.com](#)). Under this emerging scheme, a fraudster posing as a real property owner, directs the Realtor(s) and buyer to the website of the fake title company. After the criminal provides the wire instructions, the buyer unwittingly sends their funds to purchase the property to a fraudulent bank account. Recently ALTA member company Knight Barry Title worked with the U.S. Secret Service to help the agency update a memo it issued in 2022 to include reference to this new tactic.

We know title companies play an important role on the front lines of real estate and mortgage transactions, doing what we can to prevent all kinds of fraud. As the cover article of this edition discusses, the title industry is implementing various tools to help identify and foil these scams. Helping prevent fraud is one of the many additional services our industry provides to innocent homebuyers and sellers.

ALTA has created several handouts to help educate the industry about the red flags and raise awareness about the threat to consumers. You can access the resources [here](#).

Together, we will continue to combat all frauds that harm consumers and the industry.



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ALTA president

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