**MINUTES OF THE MEETING**

**BOARD OF GOVERNORS**

**AMERICAN LAND TITLE ASSOCIATION**

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| June 6, 2019  9:00 a.m. ET | The Greystone Inn  Lake Toxaway, NC |

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| GOVERNORS PARTICIPATING:  Cynthia Durham Blair, NTP, President  William Burding, Jr., NTP  Steven G. Day, NTP  Don Kennedy  Mary O’Donnell  Maureen Pfaff, WTP, NTP  Jack Rattikin III  David Townsend, MTP, NTP  Richard H. Welshons  Daniel M. Wold  GOVERNORS NOT PARTICIPATING:  None  ALSO PARTICIPATING:  Cornelia M. Horner, CMP, Interim CEO  Justin Ailes  Elizabeth Blosser  Steve Gottheim  Kelly Lyn Romeo, CAE  Jeremy Yohe | Columbia, SC  Santa Ana, CA  Jacksonville, FL  Santa Ana, CA  Maitland, FL  Port Angeles, WA  Ft. Worth, TX  Columbia, MO  Hastings, MN  Minneapolis, MN  Washington, DC  Washington, DC  Washington, DC  Washington, DC  Washington, DC  Washington, DC |
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1. Call to Order

President Cynthia Durham Blair called the meeting to order at 9:05 a.m. ET.

2. Approval of Minutes

**A motion was made and seconded** to approve minutes of the Board as presented for the following meetings:

* February 21, 2019
* March 18, 2019

**Motion carried.**

3. President’s Report

President Cynthia Durham Blair welcomed the Board and focused the President’s Report on the Digital Closing Committee’s work. Four workgroups have been established to do the work of the committee:

* Legislative (to track legislation and support state land title associations)
* On-Ramp (to help create introductory information about digital closing concepts)
* Roadshow (to develop 3 road show events in partnership with the Mortgage Bankers Association)
* Technology (to identify vendors and develop resources to help members shop for digital closing solutions)

Remote Online Notary (RON) legislation has been passed in 22 states. The conversation about data privacy within the Remote Online Notary space continues.

The Coalition to Stop Real Estate Wire Fraud is ramping up very quickly to inform, educate and empower homebuyers and to provide influencers with tools to reach homebuyers. The launch of the Coalition is expected on June 25th, with a website and media push to 3 test markets which are the top current markets for first time homebuyers (Birmingham, AL; Pittsburgh, PA; and Virginia Beach, VA).

4. Abstracters & Title Insurance Agents Section

Chair Bill Burding reported on several topics of interest to the Agents Section.

New FASB Rules mandate that outstanding leases be included with debt and impact a company’s bottom line. This could change profitability and net worth status for a number of ALTA member companies. Only California has codified this requirement to date but there are potential implications in other states as well, especially when title agent reporting to state insurance departments begins to happen in March of 2020. The California Land Title Association is working with legislation modeled on the Independent Escrow Agents’ legislation. Communication and awareness for the states and regulators would be helpful. This could also be a topic for the Large Agent group.

The California Consumer Protection Act (CCPA) takes effect on January 1, 2020 (with a one-year lookback). The legislation continues to be a concern as data privacy and protection legislation sweeps across the country. CCPA is also a concern to companies domiciled in other states which do business in California or with businesses doing business in California.

5. Title Insurance Underwriters Section

Chair Dan Wold reported on the priorities of the Section:

* Promote and assist the data and analytics work group in collecting member survey data.
  + Cyber Survey continues to collect results (700+ responses collected to date)
    - 44% of responding Agents have never reported to IC3.gov
    - Another 14% of responding Agents did not know about IC3.gov
  + Curative Work Survey is expected in September
* Monitor and support the work of the GSE Engagement Council.
  + Review of proposed revisions to the standard ALTA Policy Forms is in progress; comments are expected in August
* Assist in the further adoption of the ALTA Registry by title companies.
  + The Section has lots of ideas about how to encourage agents to establish registry listings including touchpoints at initial agent onboarding, check-ins, and audits.
* Monitor technology innovations and gather information to share with membership.
* Work with the Agents section on RESPA guidance.

Reinsurance is a topic of interest from the Mid-Cap Underwriter group and there is an interest in revisiting the rules to enable all underwriters to secure reinsurance from global markets.

6. Old Business

None.

7. New Business

**A motion was made and seconded** to Amend ALTA Title Insurance & Settlement Company Best Practices Framework and Assessment Procedures under Pillar 2 to include the following addition, accompanied by an information and awareness campaign to help agents prepare to comply with the amendment and that, following the customary comment period, the effective date for these amendments, if ratified by the Board, will be January 2, 2020:

* A written wire transfer procedure is in place and tested at least annually.
  + For outgoing wire transfers, this includes a procedure to verify wire transfer instructions independent of the initial communication.
  + For incoming wire transfers, this includes a procedure to alert consumers regarding the risks of wire fraud and guidelines to mitigate losses.
* A written wire fraud response procedure, which includes the recommendations of the ALTA Rapid Response Plan, is in place and is updated at least annually.

**Motion carried.**

**A motion was made and seconded** to Amend ALTA Title Insurance & Settlement Company Best Practices Framework and Assessment Procedures under Pillar 3 to include the following additions, accompanied by an information and awareness campaign to help agents prepare to comply with the amendment and that, following the customary comment period, the effective date for these amendments, if ratified by the Board, will be January 2, 2020:

* Establish a written information security plan designed to protect nonpublic personal information in the Company’s possession and detect loss of nonpublic personal information based on the size and complexity of the Company’s operations.
* Establish a written incident response plan designed to promptly respond to, and recover from, a breach that compromises the confidentiality, integrity, or availability of non-public personal information in the Company’s possession.
  + Establish internal and service provider processes for determining the size, nature and scope of any incident.
  + Establish document and reporting procedures for actions taken to respond to an incident.
  + Notification of security breaches to customers and law enforcement in accordance with applicable federal and state law.
* Utilize multifactor authentication for all remotely-hosted or remotely accessible systems storing, transmitting or transferring non-public personal information.

**Motion carried.**

**A motion was made and seconded** to Amend ALTA Title Insurance & Settlement Company Best Practices Framework and Assessment Procedures under Pillar 6 to include the following additional provision and remove “professional liability” from the Pillar, accompanied by an information and awareness campaign to help agents prepare to comply with the amendment and that, following the customary comment period, the effective date for these amendments, if ratified by the Board, will be January 2, 2020:

1. **Best Practice: Maintain appropriate ~~professional liability~~ insurance and fidelity coverage~~s~~.**

**Purpose**: Appropriate levels of professional liability insurance or errors and omissions insurance to help ensure title agencies and settlement companies maintain the financial capacity to stand behind their professional services. In addition, state law and title insurance underwriting agreements may require a company to maintain professional liability insurance or errors and omissions insurance, fidelity coverage or surety bonds. Cyber liability insurance and crime coverage is highly recommended as additional protection.

* A Company is recommended to obtain cyber liability insurance and crime coverage in amounts appropriate to the company size and settlement volume.

**Motion carried.**

**A motion was made and seconded** to establish an Our Values Committee with a purpose and scope as follows:

* Promote the industry’s values of We Lead, We Deliver, We Protect.
* Identify and share stories of the industry’s and ALTA members’ values and culture in action for ALTA’s publications.
* Develop tools and education to assist ALTA members work on their company values and culture.

**Motion carried.**

**A motion was made and seconded** to approve San Diego, CA, as the location of ALTA ONE in 2022 and Orlando, FL, as the location of ALTA ONE in 2024.

**Motion carried.**

**A motion was made and seconded** to appoint Diane Tomb as Chief Executive Officer of the Association effective July 1, 2019, with a term lasting until the adjournment of the 2019 Annual Convention.

**Motion carried.**

8. Association Report

Interim CEO Cornelia Horner provided an update to the report submitted in the Board Agenda Book.

Membership & Financial Overview:

The Association’s financials are very strong. Membership numbers are on pace for record membership for the 10th consecutive year and dues are ahead of budget. Expenses to date are in line with budgets.

MERS has contacted ALTA about a payment which ALTA should expect to receive later in 2019.

Advocacy:

The appropriations language which funds conversations about and improvements to IC3.gov is an unusually big win for ALTA.

The expansion of HOP materials to support presentations to regulators is a significant new use of the materials and will help the ongoing effort and relationships with the NAIC.

Strategic Priorities:

In numbers of note, the ALTA Marketplace includes profiles for 61 companies and the ALTA Compensation Index is active with completed data for 40 companies.

9. GSE Engagement Council Report

Chairs Bill Burding & Mary O’Donnell reported that the Council’s relationship with the GSEs has matured to position ALTA as a resource the GSEs call on to discuss a number of industry initiatives and issues. The pilot programs which launched the need for the Council have shifted from disintermediation of title insurance to a focus on other types of title insurance. The Council is not slowing its efforts as pilot programs have changed – rather, the Council is determined to maintain and expand relationships across the GSEs and FHFA.

10. Strategic Conversation – What is the role of the Association in promoting diversity in the industry?

The Board agreed that there is a role for the Association to help members understand these issues and think about how they represent the communities they serve.

**No Action Was Taken**

11. Strategic Conversation – Is the industry selling the products that customers want to buy?

The Board agreed that there is a role for the Association to provide examples, information, and good anti-trust counsel, rather than building a product. It’s a benefit to the industry and to customers to help standardize products offered by members.

**No Action Was Taken**

12. Strategic Conversation – What tools do our members need to comply with data privacy laws?

The Board engaged in a discussion of options to help members understand data privacy issues, laws, and compliance.

**A motion was made and seconded** to create a Data Privacy Executive Committee and Task Force to address both the need to help ALTA members comply, if required, with the California Consumer Privacy Act (CCPA) and the need to develop guiding principles for privacy legislation applicable to either federal or state legislation so that any attempts by legislatures to address data privacy do so in a comprehensive manner.

**Motion carried.**

13. The meeting was adjourned at 4:00 p.m. ET.