

ALTA BEST PRACTICES MATURITY MODEL EXPLAINER



AMERICAN

LAND TITLE

ASSOCIATION



Background:

What is a maturity model?

A: *A maturity model is a business tool that measures a company's procedures against an established standard, such as the ALTA Best Practices. The term "maturity" refers to the strength of a company's procedures and whether they are followed consistently. There are several levels that benchmark a company's maturity.*

Are maturity models used in other industries?

A: *Yes. Maturity models have been used for decades in a number of industries, including technology and lending. Regulators, including the Consumer Financial Protection Bureau, use them in their compliance assessments.*

Why did ALTA create the Best Practices Maturity Model?

A: *ALTA constantly strives to produce valuable tools to help the title and settlement industry implement Best Practices. This new Maturity Model provides an alternative way of determining how a company's procedures measure against the Best Practices.*

Using the Maturity Model:

How does my company use the Maturity Model?

A: *Your company can use the Maturity Model as an internal tool for identifying progress toward complying with the Best Practices. The results are shown in a summary similar to a report card.*

How does the Maturity Model help my company improve its compliance with the Best Practices?

A: *The Maturity Model features benchmark compliance levels that measure against your company's practices to determine where they lie on a compliance spectrum. The features of higher benchmark levels provide ways to enhance your procedures and move up the spectrum.*

For more information about the Best Practices, please visit www.alta.org/bestpractices

Does completing the Maturity Model mean my company complies with the Best Practices?

A: *Along with other tools from ALTA, the Maturity Model will help you identify ways to comply with the ALTA Best Practices. A company complies with the Best Practices when its procedures achieve the highest level of maturity.*

A lender has requested a copy of my company's Best Practices certification. Can I use the Maturity Model to show the procedures my company has in place to comply with the Best Practices?

A: *You should ask your lender about what type of compliance documentation it would like to see and whether they have a preference about who performs the assessment. Some lenders may require specific types of assessments or responses. ALTA recommends that you undergo a Best Practices assessment every 24 months.*

Assessments:

Does the Maturity Model change the Best Practices or the assessment process?

A: *No. The Maturity Model does not alter the ALTA Best Practices, nor does it change the required testing for an assessment. All assessments should be performed using the Best Practices Assessment Procedures.*

Does ALTA provide any guidance on how to undergo a Best Practices assessment?

A: *Yes. If you would like more information about how to prepare for and undergo a Best Practices assessment, please refer to [ALTA's Assessment Guide and FAQ Resource](#).*

My company already underwent a Best Practices assessment and has a compliance report. Do I need to undergo an additional assessment using the Maturity Model?

A: *The Maturity Model does not change or invalidate any assessment your company previously obtained. If your company is fully compliant with the Best Practices, you should be in the "Optimized" category of the Maturity Model for each Best Practice.*

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How to Complete the Maturity Model:

How do I complete the Maturity Model for my company?

A: To use the Maturity Model, follow the steps below:

1. Undergo a Best Practices assessment following the [Best Practices Assessment Procedures](#)
2. Match the results to the benchmark compliance level within the Maturity Model
3. Mark with an “X” the benchmark compliance level for each Best Practice within the Maturity Model Summary
4. In the Progress Plan section of the Maturity Model Summary, list the steps, if any, your company is taking to reach a higher benchmark compliance level

What are “benchmark compliance levels”?

A: The Maturity Model matches your company’s procedures against five benchmark levels of Best Practices compliance. These levels are based on the strength of your company’s procedures and the extent to which they are followed.

The five benchmark levels of Best Practices compliance featured in the Maturity Model are:

- **Ad Hoc:** company has not yet established any policies or procedures
- **Planning:** company is developing compliance. It has either established but not yet implemented written policies and procedures, or it follows policies and procedures, but has not yet written them in a manual
- **Defined:** company is partially compliant with the Best Practices
- **Managed:** company is substantially compliant with the Best Practices
- **Optimized:** company is fully compliant with the Best Practices

Why do some Best Practices not have standards for each benchmark compliance level?

A: Some of the Best Practices do not have defined standards for each of the benchmark compliance levels. For example in Pillar 1, either a company has the proper licenses or it does not. Thus, a company would fall in either the “Optimized” or “Ad hoc” category. Undefined benchmark compliance levels are empty on the Maturity Model and are shown as black boxes on the Maturity Model Summary.

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