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# ALTA COVID-19 Update

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How is the Pandemic Impacting the Industry

March 30, 2020

# Speakers

**Diane Tomb**, ALTA Chief Executive Officer

**Mary O'Donnell**, ALTA President

**Elizabeth Blosser**, ALTA Senior Director of Government Affairs

**Emily Tryon**, ALTA Director of Policy

**Steve Gottheim**, ALTA Senior Counsel



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# Today's Topics

**Federal Update**

**Remote Online Notarization**

**Recording Jurisdiction Closures**

**Essential vs. Non-essential**

**ALTA Events**

**Resources**



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# 1. FEDERAL UPDATE

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# Federal Response (so far)

- Phase 1: \$8.3 billion in funds for health care and medicine/vaccine development
- Phase 2: Families First Coronavirus Response Act
  - Expanded FMLA
  - Paid Sick Leave
- Phase 3: \$2 trillion stimulus (CARES Act)
  - Direct cash payments
  - Small business loans
  - Increase unemployment insurance payments
  - Support for distressed sectors of economy

## Federal Action (expected)

- **Phase 4:** Aid to state and local governments
- **Phase 5:** Aid for industry

# What Every Title Agent Needs to Know about the Stimulus

- \$350b in SBA loans for payroll protection
  - Up to \$10m for a company
  - Eligible businesses 500 employees or less
- Direct payments of up to \$1,200/adult and \$500/child
  - Americans making \$75,000, \$112,500 head of household, joint \$150,000
- Increased UI payments up to \$600 a week
- Mortgage forbearance for up to 360 days
- \$425 billion exchange stabilization fund to support Fed commercial paper lending facility

## 2. REMOTE ONLINE NOTARIZATION

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# Federal Remote Online Notarization Bill

- **Securing and Enabling Commerce Using Remote and Electronic Notarization Act of 2020 (S. 3533) (HR 6364)**
  - Permits immediate nationwide use of remote online notarization (RON) with minimum standards
  - Provide certainty for the interstate recognition of RON
  - Looking at options to get added to next stimulus bill
  - **ALTA.ORG/RON**

# States Issue RON Orders

- **Colorado, Connecticut, Georgia, Iowa, N.H., N.Y., N.D., Pennsylvania, Vermont, Washington, Wisconsin and Wyoming**
  - Allow for immediate use of RON using audio-video technology
  - Some orders provide better consumer protections and anti-fraud measures
- **Issues With Public-facing Technologies**
  - Identity confirmation
  - Recordation of signing
  - Provide a signing or notarization feature
  - Tamper Evident
  - Secure NPI

# GSE Requirements

- Seller/Service providers may currently take full advantage of Electronic Records and Signatures in connection with their origination processes – both with Borrowers and with related third parties... This includes the use of Electronic real estate purchase and sale agreements, as well as Electronic initial and final disclosures often provided at closing.
- Seller/Service providers [can] use Electronic Signatures and Records as part of the closing process, and, in many instances, to conduct Electronic closings in which even the Note is created and signed electronically (i.e., "eMortgage" closings).
- In order for eMortgages to be eligible for sale to Freddie Mac, there is a specific approval process the Seller/Service provider must follow, but in most instances such approvals are forthcoming within a week after Seller/Service provider integration with approved systems and the MERS® eRegistry.

# Power of Attorney

- ALTA working closely with GSEs
- Fannie and FHA (but not Freddie) allows closing agent to execute under POA
  - In refinances
  - With explicit authorization in POA
  - Borrower confirmation of POA in recorded, interactive session conducted via the Internet

# 3. RECORDING JURISDICTION CLOSURES

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# Operating Status of Recording Jurisdictions

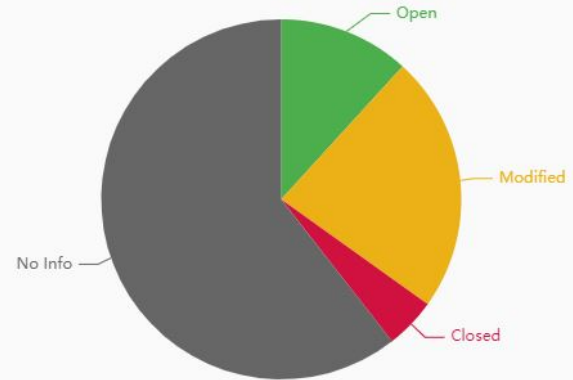
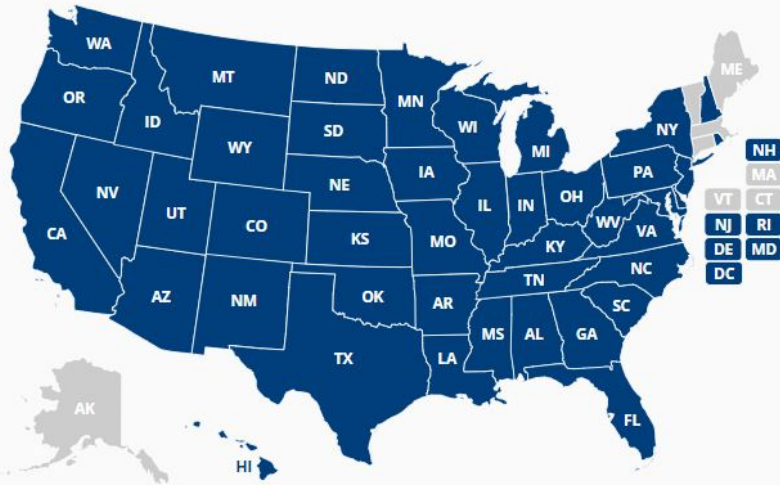
[View All States at Once](#)

Click any State to View

[Refresh National](#)

National Picture

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# Who Is Essential?

- **U.S. Department of Homeland Security**
  - Updated guidance: County recorders “essential”
  - Functions that fall under the financial services sector deemed essential
    - Includes title and settlement & county recorders
- **Treasury Statement**
  - Mnuchin: “State and local governments must ensure the continuity of critical financial sector functions.”
- **State LTAs urge Governments to Keep County Jurisdictions Open**
  - Ohio victory



# GAP Issues

- Covered Risk 14 (ALTA LP): Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.
- ALTA Commitment: [Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.]

# GSE Requirement

- We understand that land record recording offices are closed in many areas due to public health directives associated with COVID-19 and that such closures present challenges for Sellers to comply with title requirements ... We are working to address these challenges, but in the meantime, we want to remind Sellers that the 2006 ALTA Loan Policy or an equivalent title product, which we require to be delivered with every Mortgage, contains a "Covered Risk #14" that covers matters arising between closing and recordation of the Security Instrument. So long as there is no exception for this coverage under Schedule B of the policy, we will accept it.

# 5. ALTA EVENTS



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# ALTA Events

- **Digital Closing & eMortgage Boot Camp**
  - April 8-9 in Atlanta
- **HOP Leader Training**
  - April 8 in Atlanta
- **ALTA Advocacy Summit**
  - May 11-13 in Washington D.C.
- **Commercial Network**
  - June 1-3 in Minneapolis

# 6. RESOURCES

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# Resources

- **ALTA Website: ALTA.ORG/CORONAVIRUS**
- **Daily Email With Updates**
  - Want to get the updates?
    - Create an account at [alta.org/portaltools/newuser/index.cfm](https://alta.org/portaltools/newuser/index.cfm)
- **Share Your Story**
  - [communications@alta.org](mailto:communications@alta.org)

# QUESTIONS?



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