



Nuts and Bolts of Title Plants: Why They're Important and Trends in the Business

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David Floyd - SKLD Title Services

Andrew Wells - Black Knight Financial Services Data & Analytics



Nuts and Bolts of Title Plants

- **Today's Discussion**
 - Historical Overview
 - What is a Title Plant?
 - Why do we need them?
 - Key Title Plant Features and Functionalities
 - Trends and Opportunities



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- **Historical Perspective**

- Public land records are fundamental to our democracy and economy
- U.S. Land Survey System: How and Why?
- Constructive Notice: Why is it necessary?
- The role of Title Insurance
 - Validate and enhance the public land record
 - Correct the land record



Nuts and Bolts of Title Plants

What is a Title Plant?

What most think of:



What it actually looks like:





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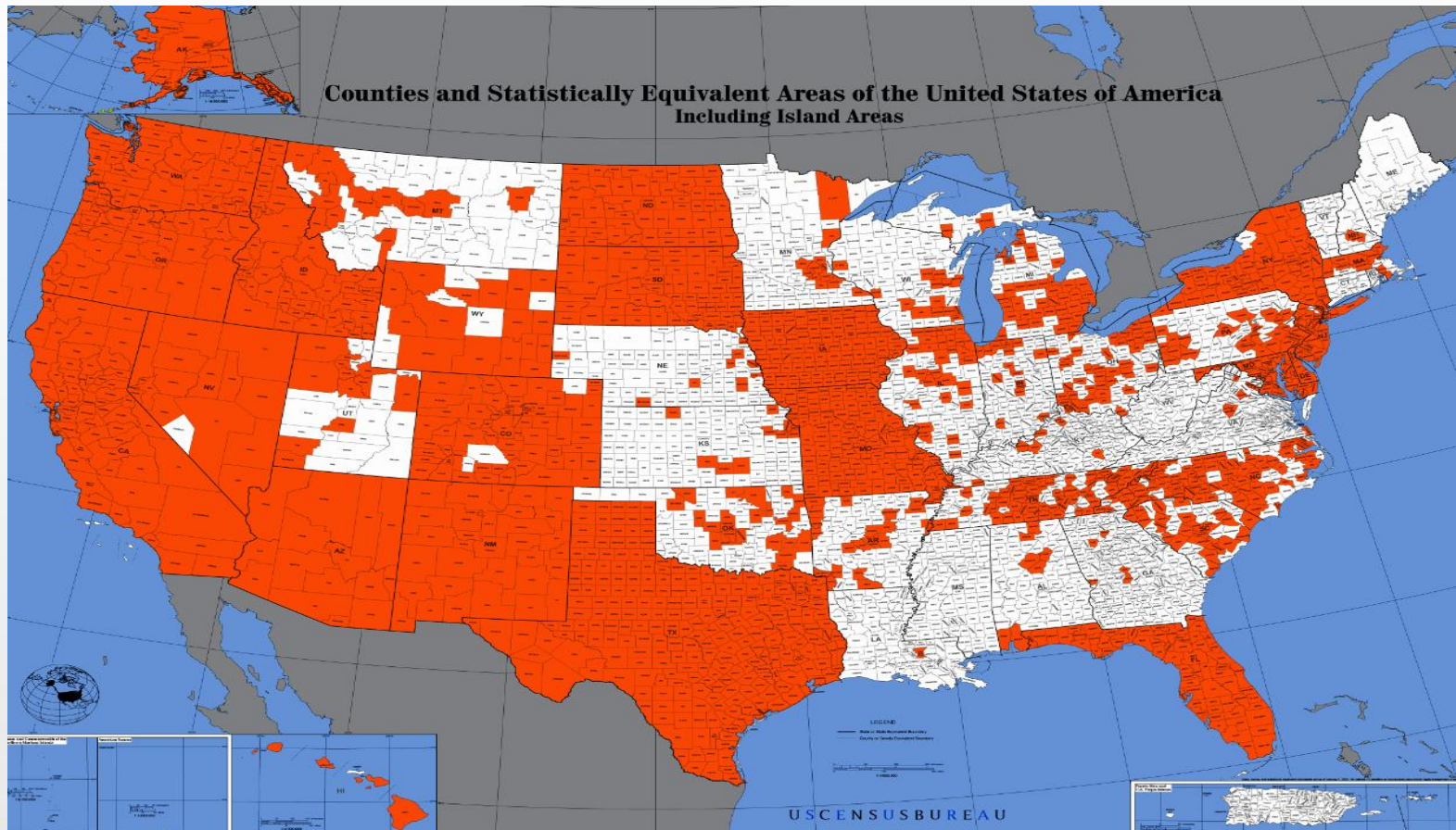
- **Definition of a Title Plant**

- A compilation of all instruments of record, usually geographically indexed, which may impact title to real property, consisting of any or all of the following:
 - Indices and images of all instruments filed with the Jurisdiction
 - Tax records
 - Court records consisting of Probate, Civil, Bankruptcy
 - Maps / Plats
 - Starter Files, prior abstracts and/or attorney opinions



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- **Where are Title Plants?**





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- **Why are Title Plants Necessary?**
 1. **They Benefit Consumers by Reducing the Cost to Produce Title Insurance.**
 - Lower Operating Costs for Title Companies
 - Geographic searching efficiency
 - Standardized single platform search processes
 - Starter files
 - Reduced Risk and Claims Experience
 - Enhanced data aggregation and validation
 - Underwriters assume risk and maintain title plants to minimize exposure



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- **Why are Title Plants Necessary?**

- 2. Statutory Requirements**

- 12 states have some level of statutory title plant requirements: (AK, AZ, CA, ID, IA, MO, NM, ND, OR, SD, TX and WA)
 - 15 states have marketable title statutes defining search requirements from 20 - 60 years
 - Only 11 states and DC have no statutory requirements
 - Remaining states have some statutory search guidelines, but they are general in nature.



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- **Key Title Plant Features**

- 1. **Enhanced Data Aggregation**

- Multiple Indices
 - Geographic
 - Name
 - Mapping / Map Edits
 - Subdivision and Parcels
 - ARBing – Unique parcel identifier for Section Land (commonly referred to as metes and bounds)



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- **Key Title Plant Features (cont.)**

- 2. Data Integration and Standardization**

- Internal data entry from source images
 - Recorder indices
 - Assessor data
 - Bankruptcy/ Court records

- 3. In Depth Validation / Verification**

- Double and triple blind keying
 - Cross referencing and comparison of multiple data sets
 - Parcel validation from Map Edits



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- **Key Title Plant Features (cont.)**

- 4. Enhanced Search Processes**

- Individual Searches by Title Order
 - Searching across multiple counties
 - Title chains
 - Date Downs
 - Automation and integration of data flows with title production systems.



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- **Key Title Plant Features (cont.)**

- 5. **Other Unique Features and Services**

- Mining Claims
 - Acreage Tracking
 - Mineral Rights
 - Terrorist Watch List
 - Fraud Alerts
 - Error Reporting to Users
 - Title Evidence Audit for Underwriters



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- **Search Process: Plant Statistics**

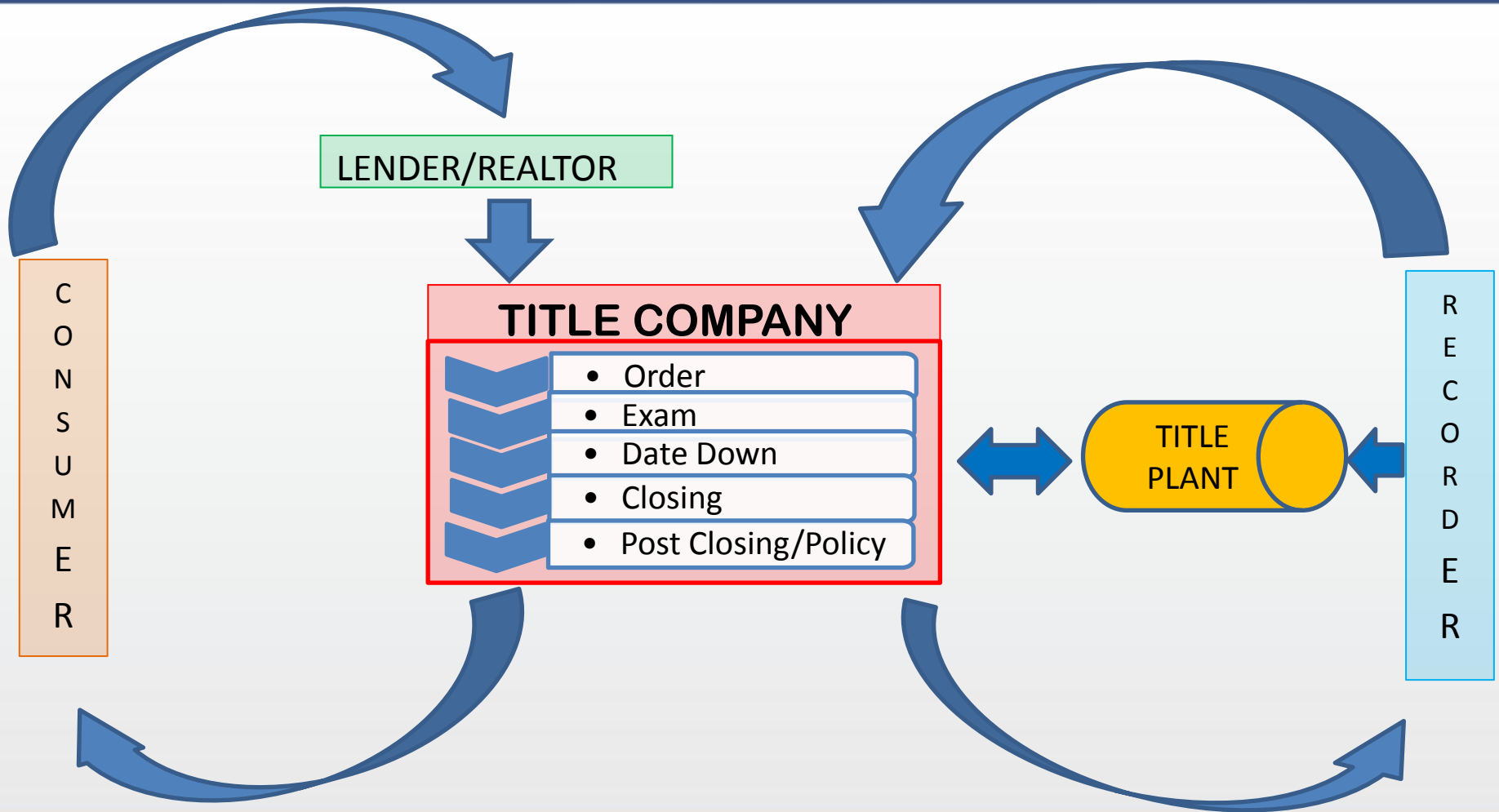
- Avg. Time to Complete Title Searches

(Compiled over several thousand orders)

Order Type	Avg. Online County Search (minutes)	Avg. Plant Search (minutes)	% Efficiency Gain
Current Owner	31	14.7	111%
2 Owner	40	18	122%
Full Search	119	41	190%



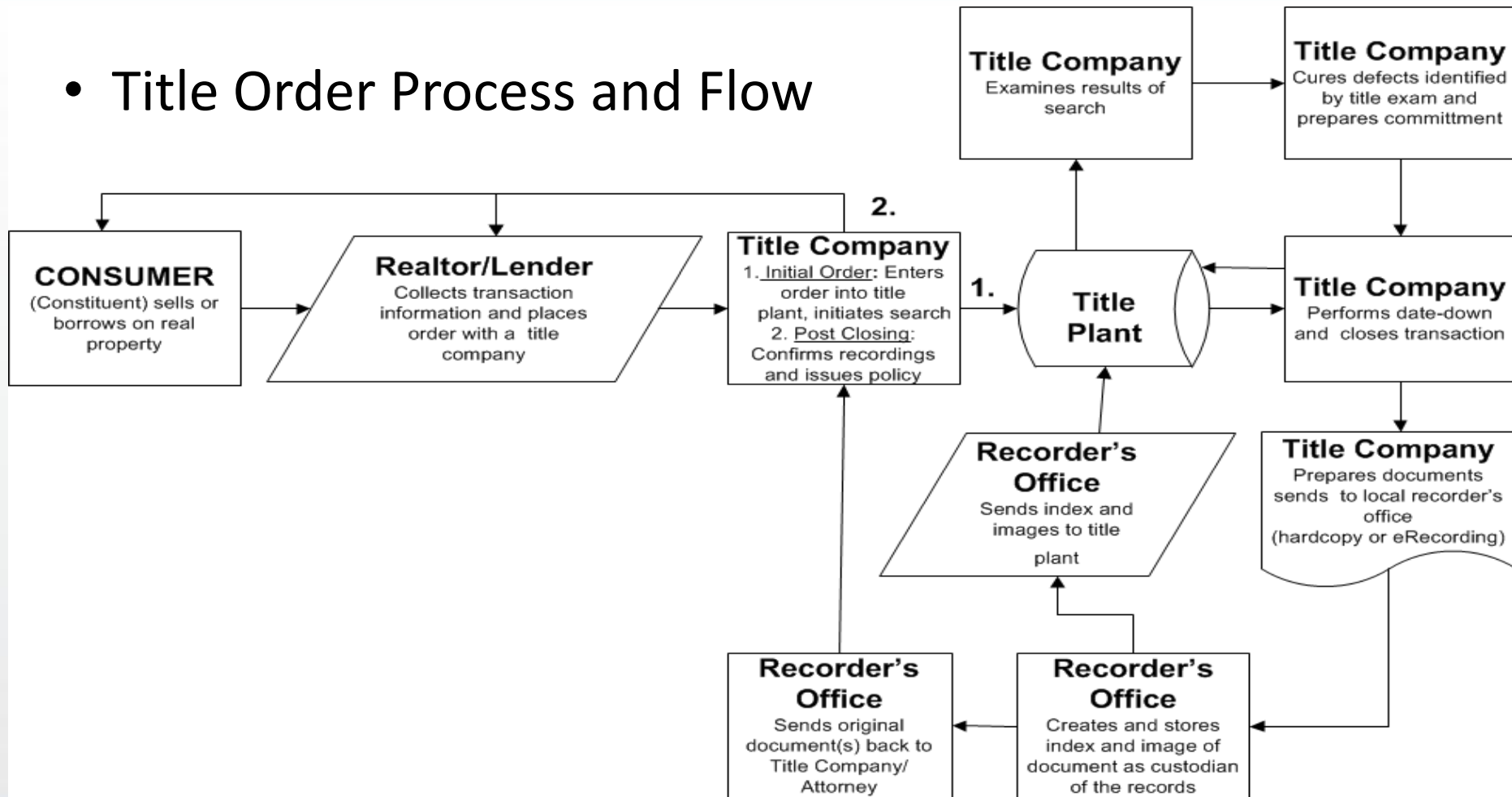
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• Title Order Process and Flow





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- **Other Benefits**

- **Public Record Validation and Correction**

- According to ALTA, the title industry spent \$225M correcting public records in 2006

- **Reduced Impact on County Infrastructure**

- The highest volume users reduce foot traffic in office and do not need to tie up server usage and internet bandwidth usage



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- **Types of Title Plants**

- **National**

- Consolidated plant operations reduce expense
 - Nationwide plant networks support national lenders and banks

- **Regional or Local**

- Joint Plants
 - Share cost of more expensive geographic plant maintenance
 - Many operate on a not-for-profit basis

- **Agent Plants / Single County**



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- **Trends in the Business**
 - **Lender and consumer pressure to reduce turn around times and cost**
 - More consolidation, automation and integration of title production
 - **Restricting Access to Public Records**
 - Copywriting, Water Marks
 - Escalating costs for access to bulk records
 - **Privacy Concerns**
 - Redaction and Expunging
 - ALTA Best Practice Compliance (Non-Public Information)



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- **Summary**

- Title plants are a critical component of the title insurance industry
- Benefit consumers by reducing costs through operational efficiencies and risk management
- Work as a partner with local Recording Jurisdictions for the benefit of the consumer/constituent



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- **Questions?**



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- **Contact Information**

- **David Floyd**, dfloyd@skld.com, 303-695-3896
- **Andrew Wells**, Andrew.Wells@propertyinsight.biz, 407-353-7186
- **Jeremy Yohe**, jyohe@alta.org, 202-261-2938

www.alta.org/titletopics