

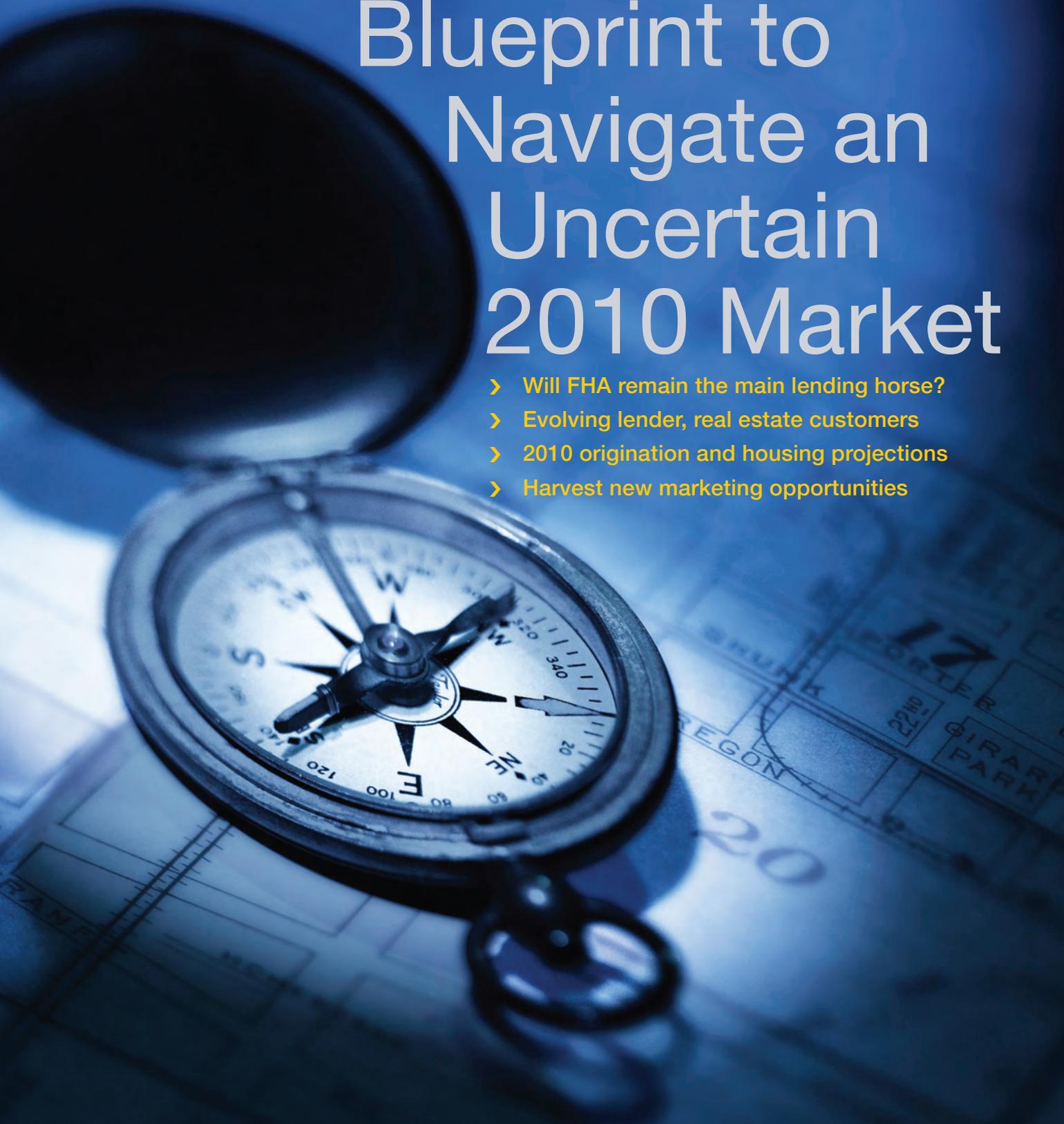
January 2010

Official Publication of the  
American Land Title Association

# TitleNews

## Blueprint to Navigate an Uncertain 2010 Market

- › Will FHA remain the main lending horse?
- › Evolving lender, real estate customers
- › 2010 origination and housing projections
- › Harvest new marketing opportunities



Change



Opportunity

***Where others saw only a form change,  
RamQuest saw an opportunity.***

**An opportunity to set a new standard, to educate both customers and the industry and to help RamQuest title companies define themselves as market leaders.** RamQuest's 2010 solution not only gives the capability to easily produce a 2010 HUD-1, it also enables users to better understand the regulation itself. And, as a result, RamQuest customers are able to work beyond the 2010 challenges and take maximum advantage of every opportunity, positioning themselves with their customers as RESPA Ready, leading in their markets and successfully moving forward in this 2010 world.

If your 2010 solution leaves you looking for more, it's time to take a closer look at RamQuest's 2010 HUD-1. Join us for a free Webinar on Thursday, January 21st to see the only 2010 solution in the industry that goes beyond mere compliance; it helps train staff and reduces costly mistakes as it anticipates and compensates for common 2010 pitfalls. Register today at [ramquest.com/freeresources](http://ramquest.com/freeresources).

Contact RamQuest if you are ready to start taking advantage of all of the 2010 opportunities coming your way.

**Take a closer look...  
visit [ramquest.com](http://ramquest.com)  
or call 800.542.5503.**



# > contents

TitleNews • Volume 89, Number 1



10

Cover Story

## Blueprint to Navigate an Uncertain 2010 Market

By Jeremy Yohe

After surviving the past few years, the title industry is poised to capitalize on signals the market is rebounding.

## Features

8

INSIDE ALTA

### A Training Investment That Pays Dividends

By Bill Ronhaar

LTT's Title Triumph board game offers a fresh way to educate staff

19

RUNNING YOUR BUSINESS

### With Careful Preparation, Title Agents Can Tackle 2010 Obstacles

By Jeremy Yohe

Innovative companies can overcome new HUD rules and poor economy by seeking to harvest markets of opportunity.

22

RUNNING YOUR BUSINESS

### The Value of Embracing Change in the Midst of an Uncertain Economy

By Phillip Van Hooser

Getting started in the process of changing, especially something that you've been comfortable with for an extended period of time, is going to be difficult initially.

## Departments

4

Calendar of Events

5

From the Editor's Desk

6

ALTA News

24

Industry News

25

People on the Move

26

New Members

30

The Last Word

# calendar

## ALTA EVENTS

February 28 -  
March 3

2010 Federal  
Conference  
& Lobby Day  
Washington, DC

May 2-4

Business Strategies  
Conference  
St. Louis, MO

October 13-16

2010 Annual  
Convention  
San Diego, CA

## ALTA CONVENTIONS

January 19

Hawaii Land Title  
Association

March 4 - 6

Alaska Land Title  
Association

March 17 - 18

South Carolina  
(Palmetto Land Title)

April 15 - 18

Oklahoma Land Title  
Association



## Protecting the Title Insurance Industry's "Gold Standard"

### The Basics

- This license will be provided at no additional cost to ALTA members who have long supported the creation and maintenance of the policy forms and the work of the association.
- Title agencies that don't wish to become an ALTA member may purchase an annual license for \$195 to write on the ALTA Policy Forms.

To learn more about this initiative,  
go to [www.alta.org](http://www.alta.org).

# TitleNews

PUBLISHER  
**Kurt Pfothauer**

EDITOR IN CHIEF  
**Jeremy Yohe**

DESIGN/ELECTRONIC  
PRODUCTION MANAGER  
**Shawn Sullivan**

## ASSOCIATION OFFICERS

PRESIDENT  
**Mark E. Winter**  
Stewart Title Guaranty  
Washington, DC

PRESIDENT-ELECT  
**Anne L. Anastasi, CLTP**  
Genesis Abstract, Inc.  
Hatboro, PA

TREASURER  
**John Hollenbeck**  
First American Title Insurance Co.  
Santa Ana, CA

CHAIR, FINANCE COMMITTEE  
**Diane Evans**  
Land Title Guarantee Company  
Denver, CO

CHAIR, TITLE INSURANCE  
UNDERWRITERS SECTION  
**Christopher Abbinante**  
Fidelity National Title Group  
Jacksonville, FL

BOARD REPRESENTATIVES,  
TITLE INSURANCE  
UNDERWRITERS SECTION  
**Peter Birnbaum**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago, IL

**Robert Chapman**  
Old Republic National Title Insurance Co.  
Minneapolis, MN

CHAIR, ABSTRACTERS AND TITLE  
INSURANCE AGENTS SECTION  
**Frank Pellegrini**  
Prairie Title, Inc.  
Oak Park, IL

BOARD REPRESENTATIVES,  
ABSTRACTERS AND TITLE AGENTS  
SECTION  
**Herschel Beard**  
Marshall County Abstract Co.  
Madill, OK

**Jack Rattikin, III**  
Rattikin Title Company  
Fort Worth, TX

IMMEDIATE PAST PRESIDENT  
**Michael B. Pryor**  
Lenders Title Company  
Little Rock, AR

## ASSOCIATION STAFF

CHIEF EXECUTIVE OFFICER  
**Kurt Pfothauer**

SENIOR VICE PRESIDENT  
AND CHIEF OF STAFF  
**Michelle L. Korsmo**

DIRECTOR OF COMMUNICATIONS  
**Jeremy Yohe**

DIRECTOR OF EDUCATION  
& TECHNOLOGY  
**Kelly Romeo, CAE**

DIRECTOR OF GOVERNMENT AFFAIRS (STATE)  
**Justin Ailes**

DIRECTOR OF GOVERNMENT AFFAIRS (TIPAC)  
**Alyssa Marois**

DIRECTOR OF MEETINGS  
**Cornelia Horner, CMP**

TitleNews is published monthly by the  
American Land Title Association,

Send address changes to TitleNews,  
American Land Title Association, 1828 L  
Street, N.W., Suite 705, Washington, DC  
20036.

Anyone is invited to contribute articles,  
reports and photographs concerning issues  
in the title industry. The association, however,  
reserves the right to edit all material submit-  
ted. Editorials and articles are not statements  
of ALTA policy and do not necessarily reflect  
the opinions of the editor or the ALTA.

Reprints: Apply to the editor for permission  
to reprint any part of the magazine. Articles  
reprinted with permission must carry the fol-  
lowing credit line: "Reprinted from TitleNews,  
the monthly magazine of the American Land  
Title Association."

©2010 American Land Title Association

AMERICAN  
LAND TITLE  
ASSOCIATION



Members Call Toll Free: 800-787-ALTA • Members Fax Toll Free: 888-FAX-ALTA  
Visit ALTA Home Page: [www.alta.org](http://www.alta.org) • E-mail Feedback to: [service@alta.org](mailto:service@alta.org)

## Resolve to Make This Industry Better

**A**s this edition of TitleNews hits the streets, the industry will be operating with a new set of regulations and GFE/HUD-1 forms. While the U.S. Department of Housing and Urban Development said it would exercise restraint in enforcing the new regulatory requirements under the RESPA rule for the first four months of 2010, there will no doubt be issues that arise and deals that get delayed or cancelled.

In the face of adversity, remember that the title industry is at the front lines of implementation and is the critical consumer interface carrying the ultimate burden of making the new settlement statement a success in the marketplace. Make it your resolution to help the industry shine during this trying time.

As a reminder, ALTA and its RESPA Implementation Taskforce have produced a training CD that provides a detailed, line-by-line examination of the new HUD-1 and GFE. The CD provides more than 70 minutes of critical information that all closers need to understand, including new concepts introduced by the Final RESPA Rule, a line-by-line walk through of the GFE and HUD-1 and resources for learning more and keeping current on best practices.

There has been much debate on what will happen if there is a violation of the 10 percent tolerance. Will loan originators pressure settlement agents to reduce their charges in order to bring the costs into compliance? Title agents have voiced concern that this has been a practice in the past and are worried this may continue to happen.

The title industry needs to be clear that asking to lower fees to get deals closed will no longer be an option. If you quote a fee, stand by it. Don't change it. If a loan originator pressures a settlement agent to reduce their charges to cover the difference and bring the costs into compliance with the tolerances as a condition of receiving future referrals, it may be considered a potential violation of RESPA Section 8(a). HUD urges anyone who feels they are being forced to reduce fees to contact the Office of RESPA and Interstate Land Sales and file a complaint.

To wrap up this message, I ask every ALTA member to make a New Year's resolution to employ higher ethical standards in your operations. To help you renew your dedication to doing things right, ALTA's Land Title Institute is offering a self-study correspondence course titled "Ethics in the Title Industry." All title industry professionals, from closers to legal counsel and from owners to administrative assistants, will benefit from taking this course.

2010 poses challenges, but a strong, unified industry following high-standards will emerge stronger. Happy New Year everyone.



## American Land Title Association Reports 3Q Title Insurance Premiums

The American Land Title Association reported title insurance premiums written during the third quarter of 2009 increased for the first time in more than three years when compared to equivalent prior year quarters.

According to ALTA's preliminary Third-Quarter Market Share Report, the title insurance industry generated \$2.51 billion in premiums during the quarter. This is a 1.4 percent increase compared to the \$2.48 billion generated during the third quarter of 2008. The industry had endured 13 consecutive quarters in which title premiums written declined from the prior year's equivalent quarter.

"While we are in no way calling this a recovery, this is a strong signal that market conditions are beginning to improve," said Kurt Pfothenauer, chief executive officer of ALTA. "The various tax incentives and federal stimulus efforts have brought more homebuyers to the table. Hopefully, the extension and expansion of the homebuyer tax credit will keep this momentum going through 2010 and begin to drive activity beyond the first-time buyer market."

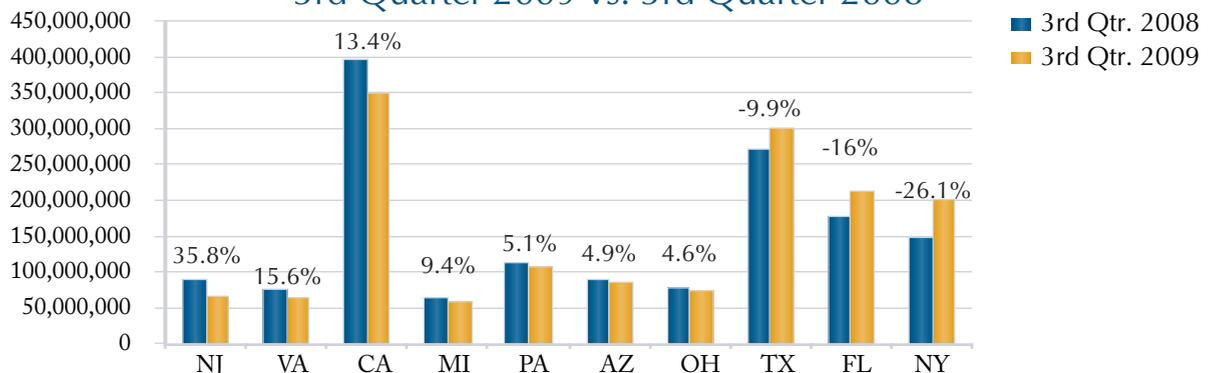
During the third quarter, 32 states experienced increases in title insurance premiums, compared to the same period last year. In the quarter, California generated the most title insurance premiums with \$396.3 million, compared to \$349.6 million during the third quarter of 2008. Other top producing states include Texas (\$270.7 million, down 9.9

percent from the same period a year ago); Florida (\$178.5 million, down 16 percent); New York (\$148.7 million, down 26.1 percent); and Pennsylvania (\$112.7 million, up 5.1 percent).

States in several regions of the country experienced significant increases in title insurance premiums. Alaska enjoyed a 77 percent spike as premiums improved to \$11.6 million during the third quarter of this year, compared to \$6.6 million during the same quarter last year. On the East Coast, Rhode Island and New Jersey each experienced large increases. New Jersey's title insurance premiums improved 36 percent to \$90 million during the third quarter of 2009 compared to last year's third quarter, while Rhode Island experienced a 57 percent increase to \$8.5 million. In the Great Plains, Colorado's title insurance premiums increased 40 percent to \$54 million from third-quarter 2008 to third-quarter 2009, while North Dakota improved 31 percent to \$2.5 million.

"The scattered improvements illustrate how each market reacts differently to economic conditions," Pfothenauer said. "The cyclical nature of the industry is something legislators and regulators must keep in mind when considering changes to the title insurance industry, including new regulations, laws and rate structures."

3rd Quarter 2009 vs. 3rd Quarter 2008



## HUD Offers Latitude with RESPA Enforcement

The U.S. Department of Housing and Urban Development will exercise restraint in enforcing the new regulatory requirements under the RESPA rule for the first four months of 2010.

The Mortgagee Review Board (MRB) instructed its staff to exercise restraint in considering an action against FHA-approved lenders who have demonstrated that they are making a good faith effort to comply with RESPA's new requirements. In addition, HUD asked other federal and relevant state enforcement agencies to exercise the same 120-day restraint in enforcement for non-FHA originators and other settlement service providers who demonstrate the good faith effort to implement RESPA's new rules.

The American Land Title Association complimented HUD's decision, calling it a good balance that does not punish those who have been working to prepare for the new regulations while not punishing those who come up with situations not addressed by HUD's guidance.

"We are at the front lines of implementation, the critical consumer interface,

and will carry the ultimate burden for making the new settlement statement a success in the marketplace," said Kurt Pfothenauer, ALTA's chief executive officer. "We will continue to work with HUD to seek clarity regarding some of the rules and welcome HUD's extension of the same restraint in enforcing the rules to settlement agents regarding tolerance cure payments to borrowers."

In determining whether a mortgagee has made a good faith effort, MRB staff will consider whether the mortgagee has relied on the new RESPA rule and other written guidance issued by the department, and the extent to which the mortgagee has made sufficient investment and commitment in technology, training, and quality control designed to comply with the new rule.

"We will work with those who are making an honest effort to work with us as we implement these important new consumer protections," said HUD Secretary Shaun Donovan.

## Freddie Mac Announces 2010 Loan Limits

Freddie Mac's conforming loan purchase limits for 2010 are unchanged from those in effect for 2009 for all areas of the United States, according to the Federal Housing Finance Agency (FHFA). The loan limits set the maximum original loan amounts allowed on single-family conventional mortgages Freddie Mac can purchase, with the exception of high-cost areas. The loan limits for first mortgages are:

- \$417,000 for mortgages secured by one-unit properties;
- \$533,850 for mortgages secured by two-unit properties;
- \$645,300 for mortgages secured by three-unit properties; and
- \$801,950 for mortgages secured by four-unit properties.

The loan limit for subordinate lien mortgage loans remains at half of the one-unit loan limit for first mortgages, or \$208,500. FHFA has also extended the high-cost loan limits for mortgages originated in certain high cost areas, up to a maximum of \$729,750 in the contiguous United States through 2010, pursuant to a Continuing Resolution passed by Congress and signed by President Obama on October 30, 2009.

The loan limit for first mortgages will be 50 percent higher in Alaska, Hawaii, Guam and the U.S. Virgin Islands. This means the maximum in these states and territories will be \$625,500 for mortgages secured by one-unit properties, with slightly higher limits in designated high-cost counties.

## Dues Notices in Mail

By this time, you should have received your 2010 ALTA dues invoice. Dues are due January 31, 2010. If you have not received an invoice, please contact Taylor Morris at [tmorris@alta.org](mailto:tmorris@alta.org). Please be sure to renew your membership so that your

benefits will not be interrupted. Visit our website at [www.alta.org/membership](http://www.alta.org/membership) to learn more about the many benefits and services available to you as an association member. You may also renew your membership at [www.alta.org](http://www.alta.org).

# A Training Investment that Pays Dividends

LTI's Title Triumph board game offers a fresh way to educate staff

BY BILL RONHAAR

The number of people employed in the title insurance industry has been drastically reduced in the past few years, largely due to the economy. However, we know that the economy will not be like this forever. When business starts to pick up again, it is the wise supervisor who will find innovative ways to train new employees. LTI has a vast array of educational tools waiting to fulfill those needs, and the Title Triumph board game, introduced in 2003, is a great addition to any company's training library.

Title Triumph was originally created to make learning about title insurance an enjoyable experience. One of the concerns addressed by the ALTA Education Committee during the game's development was how to take technically-oriented industry questions and make them fun. We have to face facts: our industry deals in precision and exactness, in know-

ing and following the law in an effort to eliminate risk of loss. This is not something that generally strikes a humorous chord in most people.

In the original game, the committee developed 200 questions, the majority of which were found in LTI's Title 101 (a.k.a. Course 1). Committee volunteers then re-wrote each question to make sure that all levels of potential players would understand them. The questions cover three different aspects of our business: closing and escrow, search and exam, and commitments and policies. In covering all three categories, the game provides opportunities for players to hone their skills in an area they are currently working in; familiarize themselves with an area that they hope to grow into; and learn about areas that may not be in their future, but are an integral part of the industry as a whole. In short, the ques-

tions cover the entire breadth of our industry from a technical basis.

You can play with up to six individuals, or form teams. When playing the game in a team setting, you would be wise to consider employing a strategy in choosing whom your teammates should be. Given the three different categories that the questions are taken from, sharp players select team members based on their expertise in those fields. Title Triumph Tournaments have

## How Will You Play Title Triumph?

How about a Lunch & Learn Title Triumph Tournament? LTI is ready to help with games, medals for the winners, and ideas about how you can make your tournament a success. Visit LTI on the ALTA Web site at [www.alta.org/lti](http://www.alta.org/lti) or contact staff via e-mail at [education@alta.org](mailto:education@alta.org) or telephone at 800-787-2582.



frequently been held during ALTA annual conventions and the most successful teams attempted to select members based on both their fields of expertise and their regional diversity, since local customs often differ from coast-to-coast and North to South.

Title Triumph has become popular in a number of different environments and formats. Some companies and state land title associations have used the questions to create their own game format.

### The Agency Experience

Len Karmel, president of Advance Abstract Corp. in Great Neck, N.Y., whose idea triggered development of Title Triumph, has used the game in a single office environment. He caters lunch for his staff as they play the game, with the winning team receiving paid time off from work or gift certificates to a favorite restaurant in the area.

“The important thing is that they have fun while they are learning,” Karmel said. “Then it’s a win-win for both of us. My people get trained and they receive a reward for their knowledge.”

### The Underwriter Experience

Stewart Title has hosted Title Triumph Tournaments at manager’s meetings and promoted small group play as well. Natalie Lancaster, vice president and director of training for Stewart Title Guaranty Company, and vice chair of the Education Committee, said her company encouraged employees to play the game and hosted a tournament that lasted several rounds during a manager’s meeting.

“At first, the managers seemed reluctant to play, but as the tourna-



**A** American Land Title Association members sharpen their industry knowledge by playing the board game Title Triumph during the 2008 ALTA Annual Convention in Hawaii.

ment wore on, the excitement grew exponentially,” she said. “By the end of the first round, they were all fired up and very driven to win. The game really lends itself to teachable title moments that ignite discussion about escrow, title and underwriting issues.”

### The State Association Experience

Title Triumph has also become a fixture at state land title association events. Maryland, Indiana and Oklahoma have sponsored Title Triumph Tournaments, lasting from several hours to an entire day. Some of these events have been approved by state regulators for Continuing Education credits.

While the board game is a great training tool as originally designed, the Maryland and Oklahoma Land Title Associations have been very creative, using the questions to create game shows and even a Casino Night.

The Oklahoma Land Title Association hosted a “Hollywood Squares” style event using the Title Triumph questions. As in the television game

show, players depend on the “star” in the square to provide the right answer – deciding whether to agree with the star’s guess.

Ruth Kohl, co-chair of the Maryland Land Title Association’s Education Committee, said it can sometimes become monotonous obtaining continuing education. She said Title Triumph offers a fresh way to keep members involved, not only by answering questions, but by the conversations that arise from being in small groups.

“While most people will not ask questions in a large group, they are more likely to do so or to admit they don’t know the answer in the setting that is created when playing this game,” she said. “This gives the instructor an opportunity to provide additional information and to really educate the players.”



**Bill Ronhaar** is corporate manager for Land Title and Escrow Company of Skagit and Island County, Wash.

# Blueprint to Navigate an Uncertain 2010 Market

After surviving the past few years, the title insurance industry is poised to capitalize on signals the economy is rebounding.

**A**fter hunkering down the past couple of years and simply attempting to survive, many title agencies are poised to capitalize on signals the market could begin to rebound in 2010.

There are signs across the country of agents rolling the dice, expanding their geographic footprint and hoping to grow market share. While unemployment and intensifying foreclosures and delinquencies will dampen the economic recovery, origination volume should hold steady after two years of decline, and home sales and prices should rebound this year as surplus inventory is eliminated. >>

by Jeremy Yohe



The Mortgage Bankers Association expects economic growth to slow in the first half of 2010. Unemployment is expected to climb to 10.2 percent by the middle of 2010 before beginning to moderate as economic growth resumes sustained growth in the second half of the year.

“The recession is behind us but the effects of the recession will linger for some time in the form of higher unemployment, and lower levels of business investment and home construction,” said Jay Brinkmann, MBA’s chief economist and senior vice president for research and economics. “One of the big ques-

unemployment, reduced employment and the fear of unemployment have constrained consumer spending.”

Overall, the MBA predicts mortgage originations should reach \$1.5 trillion in 2010. Modest increases in home sales should drive purchase originations but refinance originations are expected to decline as mortgage rates rise. The timing of the economic recovery will be tied to the growth in consumer spending. In addition, the effect of the bulk of the federal stimulus package, particularly the construction components, is not expected to be felt until 2010.

“Perhaps the biggest unknown is

■ “Title agents ... should continue to go after correspondent lenders such as smaller banks and credit unions, who are likely to be a major force in mortgage lending in 2010.”

tions regarding growth will be the behavior of consumers. The large losses of consumer wealth in the form of reduced home values and stock market losses, as well as the absolute losses of income resulting from

the level and volatility of interest rates,” Brinkmann said. “While the lack of inflation, high unemployment and excess capacity in the economy should hold interest rates down, there is a lot of uncertainty regard-



ing rates immediately following the termination of the Federal Reserve’s purchase of mortgage-backed securities. No doubt the Fed will do its best to minimize adverse effects, but the elimination of these purchases will put upward pressure on all long-term rates as well as the spread between mortgage rates and Treasuries. The size of any resulting rate move will largely determine the size of the refinance market.”

### FHA Remains Lending Horse

Guy Cecala, president of Inside Mortgage Finance, expects FHA

## Key Projections for 2010

- Purchase originations for 2009 will be \$718 billion, about 2 percent below the 2008 level of \$731 billion. Purchase originations should rise about 12 percent to \$804 billion in 2010, as existing home sales recover and home prices stabilize.
- Refinance originations will end 2009 at \$1.245 trillion, up about 60 percent from \$777 billion in 2008. Refinance activity will likely decrease in 2010 to about \$745 billion as mortgage rates increase.
- The unemployment rate will continue to increase and peak at 10.2 percent in the second quarter of 2010, before declining slowly through 2011.
- Fixed mortgage rates are expected to increase to 5.6 percent by the end of 2010.

lending to remain high in 2010 despite the agency's capital reserve issues because first-time buyers will continue to drive sales. He said FHA should continue to account for 25 to 30 percent of total originations, translating into \$375-400 billion in volume.

"I think it is extremely unlikely Congress or the administration will do anything to tighten FHA underwriting or increase FHA fees since doing so would hurt the housing market and a housing recovery," Cecala said.

Title agents may see lenders begin to offer more jumbo loans in 2010. Cecala predicted this channel will expand next year. He remains, however, doubtful lenders will sway from their retail-focused distribution channel. In 2006, brokers accounted for about 70 percent of all loans. Now, lenders continue to push as much business as possible through retail offices. Inside Mortgage Finance's quarterly survey reported mortgage broker share of originations fell to a record low of just 12 percent in third-quarter 2009. Retail, meanwhile, climbed to 51 percent.

"Title agents need to find new ways – perhaps joint ventures – to promote their services to big retail lenders,"

Cecala said. "Separately, they should continue to go after correspondent lenders such as smaller banks and credit unions, who are likely to be a major force in mortgage lending in 2010."

In the coming year, the bulk of loans will continue to be GSE, FHA and VA type products. There won't be another wave of "exotic" loans emerging anytime soon.

"The lessons of nonprime lending are still too fresh in everybody's minds," Cecala said. "Recovery in the non-agency mortgage space will have to come from plain vanilla, very safe mortgages – like conservatively underwritten jumbo loans made to very prime borrowers. The mortgage market will have to prove to investors and the rest of the world that it knows how to make profitable and safe mortgages – without the benefit of government guarantees – before it can even consider more exotic products."

### Real Estate Players

While the title industry's lender partners continue to evolve, a variety of new models of real estate companies are emerging throughout the country. Brokerage composition continues to undergo a transformation as small

and medium-sized firms are being consolidated into stronger companies.

Steve Murray, who has served as editor of Real Trends since the company's founding in 1987, agreed that medium-sized brokerages – those with 20 to 100 sales agents – are shrinking rapidly, smaller brokerages – those with less than 20 sales agents – are holding firm.

"It is really the middle part of the market that is getting hit the most," he added.

Murray said a new breed of brokerages called "Freedom Shops" is experiencing rapid growth. These firms have no office space, and no franchise and marketing fees.

"These brokerages have very low costs and don't offer the bells and whistles," Murray said. "There are several now with more than 1,000 sales agents."

Established brokerages already have long-standing relationships with title companies, and emerging agents often get ignored because they don't have the volume. Murray said there are three groups title agents should focus on to get new business.

The first group title agents should be marketing to include agents that are younger than 30 years of age who have done five or more deals in the

- Total existing home sales for 2009 will end up about 2 percent higher than those for 2008. Existing home sales are projected to increase further in 2010, increasing by about 11.2 percent.
- New home sales for 2009 will be down by about 18 percent relative to 2008. Sales seemed to have

bottomed in the first quarter of 2009 and have been rebounding modestly since. For all of 2010, new home sales should post an increase of about 21 percent from 2009's very low levels.

- National average home price declines should abate by early 2010, but will vary by state and home

value. The demand will be highest for entry-level homes.

- Real GDP growth was negative in 2009, with the economy contracting by around 0.5 percent, resulting from sharp drops in the first half of the year followed by growth in the second half. Growth is expected to be about 3 percent in 2010.

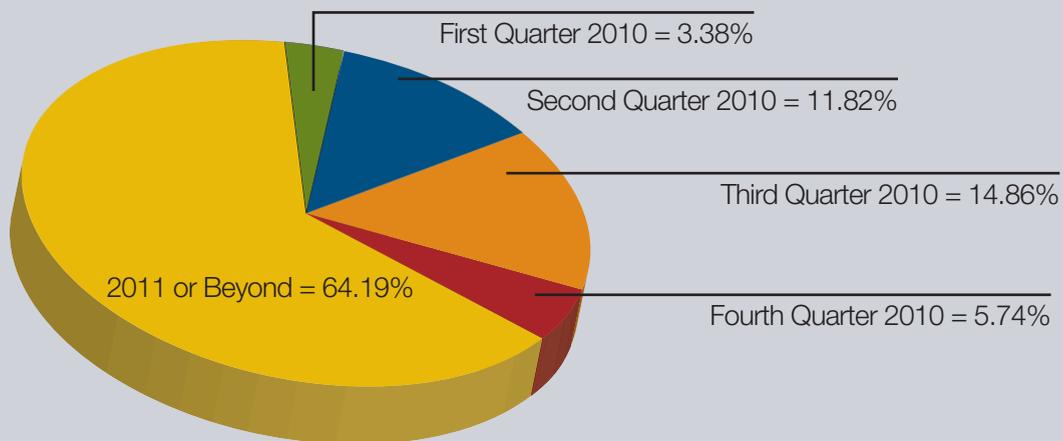
## Majority of Title Professionals Point to 2011 for Recovery

While many economists predict 2010 will prove to be the beginning of an economic recovery, the majority of title insurance professionals are less optimistic.

According to an unscientific poll conducted by the American Land Title Association, 64 percent of more than 300 polled believe there won't be a full recovery of the real estate and mortgage markets until 2011 or beyond.

Roughly 21 percent believe the market will recover during the second half of 2010, while only about 15 percent think there will be a recovery during the first half of 2010.

**When do you expect the real estate and mortgage markets to make a full recovery?**



### Here's a glimpse at comments left by those who took ALTA's market recovery poll:

- The market will recover in 2013 at the earliest. The Fed has been subsidizing our pain thus far. It will be a very slow road as the pain works through the system and before we earn the trust of the secondary market again.
- There's no way this administration will get things moving and keep them moving in the right direction. I see false starts and stutter steps hindering the recovery
- Too many mortgage resets still to come.
- A recovery is well beyond 2010 – new construction won't see a full recovery for five to eight years.
- A full recovery would need to include cleaning up all REO and Short Sale transactions.
- The stimulus bills will create short-term bumps in the market, followed by drops which will take time to work through.
- I do not think we will ever see it the way it was several year ago, but I think it is trying to come back to the way it was before the boom.
- Interest rates and home prices can only go up from here. Even if it's only a minor increase at a time, people hear the word "increase."
- I think following the recession, we will see significant inflation, which will degrade the real estate market.
- I'm in Michigan. What we're going through isn't the usual cycle but a change in the fundamental economy of the state. It will take a restructuring of the economy before we see recovery.
- The residential market in my area has already turned for the better, however, the commercial arena is still slipping. I think a "full" recovery isn't likely for a while although improvement is on the horizon, provided we don't have further negative economic influences. If that happens, all bets are off.
- Truthfully, I don't think there ever will be a full recovery, and the depth of the economy's decline will bring this country to its knees.

## Commercial Market Outlook for 2010

While the housing market may be turning the corner, the commercial market traditionally lags behind in recovering. According to Lawrence Yun, NAR's chief economist, commercial vacancy rates are rising and rents are declining. "Credit availability needs to significantly rebound for any hope of a meaningful commercial recovery in 2010," he said.

### Office Market

Vacancy rates in the office sector are expected to rise from 16.1 percent in the third quarter to 18.5 percent in the third quarter of 2010, with job losses continuing to dampen the market. Annual office rent should fall by 12.1 percent this year and decline another 8.5 percent in 2010. In 57 markets tracked, net absorption of office space, which includes the leasing of new space coming on the market as well as space in existing properties, is seen at a negative 56.1 million square feet in 2009 and a negative 43.3 million next year.

### Industrial Market

Industrial vacancy rates are forecasted to rise from 13.5 percent in the third quarter of this year to 15.4 percent in the third quarter of 2010.

Annual industrial rent is projected to fall 10.8 percent this year and another 11.5 percent in 2010. Net absorption of industrial space in 58 markets tracked is likely to be a negative 298.7 million square feet this year, and a negative 140.5 million in 2010.

### Retail Market

Retail vacancy rates will probably rise from 12.2 percent in the third quarter to 13.0 percent in the third quarter of 2010. Average retail rent should decline 1.3 percent in 2009 and 3.0 percent next year. Net absorption of retail space in 53 tracked markets is forecast at a negative 21.9 million square feet this year and a negative 4.7 million in 2010.

### Multifamily Market

The apartment rental market – multifamily housing – is impacted by higher home sales to first-time home buyers. Multifamily vacancy rates are projected to be fairly steady, edging up from 7.3 percent in the third quarter of 2009 to 7.4 percent in the third quarter of next year.

last 12 months. Murray calls this group the "up and comers."

The second group consists of Asian/Hispanic agents who are specialized in a particular area or neighborhood. The final group of real estate agents that title agents should

pay attention to include those doing the bulk of the REOs in the market.

"These three segments show the most promise for the next few years and are generally the ones with smaller firms," Murray said.

To get these real estate agents' business, Murray said title agents need to provide services that help real estate agents meet their clients' needs. With RESPA watching so closely to everything that is going on between title and real estate brokerages, one must be careful, of course, but anything that has to do with market information is highly valued by most agents, he added.

"The more data analytics that an agent can provide the better," he said.

### Housing Market Booster Shot

The housing outlook received an additional salve with the extension and expansion of the homebuyer tax credit through June 30, 2010.

Lawrence Yun, chief economist for the National Association of Realtors, said the tax credit will help absorb inventory and stabilize home prices. According to NAR, the tax credit brought nearly 2.4 million first-time buyers to the market. A consumer study, the 2009 National Association of Realtors Profile of Home Buyers and Sellers, shows first-time buyers accounted for a record 47 percent share of home sales over the past year, up from 41 percent in the 2008 survey. The share has risen steadily since a cyclical low of 36 percent in 2006.

Existing home sales are expected to total 5.01 million in 2009, a gain of 2.0 percent over last year, and then are forecast to rise 13.6 percent to 5.69 million in 2010. New-home sales are projected at 397,000 this year, recovering to 549,000 in 2010. Housing starts, including multifamily units, should total 564,000 units this year but grow to 752,000 in 2010.

"We've seen a steady downtrend in housing inventory for well over a year and home prices appear to be in the

## MBA Economic Forecast

November 10, 2009

	2008				2009				2010				2011				Q4-over-Q4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2008	2009	2010	2011
<i>Percent Change, Annual Rate</i>																				
Real Gross Domestic Product	-0.7	1.5	-2.7	-5.4	-6.4	-0.7	3.5	2.9	2.6	2.4	2.8	3.3	4.0	4.2	4.2	4.3	-1.9	-0.3	2.8	4.2
Personal Consumption Expenditures	-0.6	0.1	-3.5	-3.1	0.6	-0.9	3.4	1.4	2.0	1.3	1.8	2.4	3.3	3.0	2.9	3.4	-1.8	1.1	1.9	3.2
Business Fixed Investment	1.9	1.4	-6.1	-19.5	-39.2	-9.6	-2.5	-0.9	0.2	1.2	5.6	8.3	10.2	11.8	11.9	14.0	-6.0	-14.6	3.8	12.0
Residential Investment	-28.2	-15.8	-15.9	-23.2	-38.2	-23.3	23.4	12.1	7.3	8.3	14.6	14.4	16.4	22.0	25.2	20.5	-21.0	-10.0	11.1	21.0
Govt. Consumption & Investment	2.6	3.6	4.8	1.2	-2.6	6.7	2.3	2.0	2.0	0.7	0.9	1.0	0.3	0.1	-0.3	-2.2	3.0	2.1	1.2	-0.5
Net Exports (Bil. Chain 2005\$)	-551	-476	-479	-471	-387	-330	-348	-364	-367	-372	-378	-382	-381	-378	-375	-370	-494	-357	-375	-376
Inventory Investment (Bil. Chain 2005\$)	1	-37	-30	-37	-114	-160	-131	-76	-52	-19	3	15	22	31	41	52	-26	-120	-13	36
Consumer Prices	4.5	4.5	6.2	-8.3	-2.4	1.3	3.6	2.3	0.6	1.4	1.7	1.1	1.0	1.0	0.6	0.6	1.5	1.2	1.2	0.8
<i>Percent</i>																				
Unemployment Rate	4.9	5.4	6.0	6.9	8.1	9.2	9.6	10.2	10.3	10.2	10.1	10.0	10.0	9.8	9.5	9.2	5.8	9.3	10.1	9.6
Federal Funds Rate	3.2	2.1	1.9	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.5	0.8	1.0	1.9	0.2	0.2	0.6
10-Year Treasury Bond Rate	3.7	3.9	3.9	3.3	2.7	3.3	3.5	3.4	3.5	3.6	3.7	3.8	4.0	4.2	4.3	4.3	3.7	3.2	3.7	4.2

early stages of stabilizing,” Yun said. “With expansion of the tax credit to additional buyers through the middle of next year, and no major unforeseen events impacting the economy, home prices should rise between 3 and 5 percent in 2010, but with wide geographic differences,” Yun said.

To reach consumers, more real estate agents are adding social media to their traditional communication methods, and multi-generational marketing has become a trend that real estate agents cannot ignore.

“Today consumers are on data overload and are relying on Realtors to interpret that data,” said Merle Whitehead, president and CEO of RealtyUSA, Orchard Park, N.Y. “We must be proactive in reaching out to consumers through many different channels.”

Title agents can also find success on social media sites by providing useful information real estate agents can use to help their clients.

“Data is at a premium, so I would likely try to offer some customized data on housing trends to key agents for them to use on their social media

sites as a way to meet people and establish good relationships,” Murray said.

While housing markets across the country will recover at different paces in 2010, Murray said the bottom third – based on price – will continue to be universally strong. Markets in the upper third remain quite.

“I expect very strong sales in lower third portion of the housing market, and it will likely remain that way for the next two years,” Murray said.

Many real estate executives believe the extended and expanded tax credit will boost middle-market sales next year, although mortgage financing above the \$417,000 non-jumbo conforming loan limit will remain a challenge. Congress recently extended temporary high-cost loan limits of \$729,750 for 2010, but the lion’s share of markets don’t qualify for those so-called jumbo-conforming loans. As a result, repeat buyers face tougher underwriting challenges.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, said the improvement in the middle market will help tighten inventories,

helping to shore up prices, but the upper-end market will continue to underperform until companies start hiring again.

“That’s when the industry will see more relocation business among transferees, a critical component of the upper-end market,” he said.

### Foreclosures, Delinquencies Muddle Market

More than 14 percent of borrowers were in trouble on their mortgage during the third quarter, a new record, according to an MBA survey, which also suggests that the foreclosure rate is likely not to peak until next year as unemployment rates continue to rise.

Those with delinquent loans now include a growing portion of people traditionally considered creditworthy and people whose mortgages are insured by the Federal Housing Administration.

“The outlook is that delinquency rates and foreclosure rates will continue to worsen before they improve,” Brinkmann said.

## Housing and Interest Rate Forecast

	2006	2007	2008	2009	2010	2011
<b>Housing Activity (000)</b>						
Total Housing Starts	1,812	1,342	900	559	695	1,041
Single Family	1,474	1,036	616	451	615	891
Multifamily	338	306	285	108	80	150
New Single Family Sales	1,049	769	481	393	532	800
Existing Single-Family Home Sales	5,712	4,960	4,341	4,601	5,150	5,937
<b>Interest Rates</b>						
Federal Funds Rate	4.96%	5.02%	1.93%	0.16%	0.13%	0.41%
90-day T Bill Rate	4.85%	4.47%	1.39%	0.16%	0.23%	0.60%
<b>Treasury Yields:</b>						
One-Year Maturity	4.93%	4.52%	1.82%	0.46%	0.55%	1.16%
10-Year Maturity	4.79%	4.63%	3.67%	3.22%	3.60%	4.19%
<b>Freddie Mac Commitment Rates:</b>						
Fixed Rate Mortgages	6.42%	6.33%	6.04%	5.05%	5.29%	5.84%
ARMs	5.54%	5.56%	5.18%	4.73%	4.75%	5.28%
Prime Rate	7.96%	8.05%	5.09%	3.25%	3.25%	3.44%

Data are averages of seasonally adjusted quarterly data and may not match annual data published elsewhere.

Source: National Association of Home Builders

It is unlikely the employment picture will get better until sometime next year, and even then jobs will increase at a very slow pace. Perhaps more importantly, there is no reason to expect that when the economy begins to add more jobs, those jobs will be in areas with the biggest excess housing inventory and the highest delinquency rates.

Also, the number of loans 90 days or more past due or in foreclosure is now a little over 4 million as compared with 3.9 million new and previously occupied homes currently for sale, although there is likely some overlap between the two numbers, according to Brinkmann.

“The ultimate resolution of these seriously delinquent loans will put added pressure on the hardest hit sections of the country,” he said.

### Positioned for Growth?

Fitch Ratings’ outlook for the U.S. title insurance industry remains negative, reflecting previous deterioration in market fundamentals and material reductions in capital. The sharp downturn in real estate and mortgage market activity has created tremendous challenges for title insurers. Moving into 2010, Fitch believes that revenue and earnings recovery will hinge on stabilization in these markets. Fitch believes that a return

to a stable outlook for the sector is unlikely until there are signs of a sustainable return to profitability in line with historical norms and improvement in risk-adjusted capital levels.

“The title insurance industry has been under a great deal of stress as companies try to align cost structures given the precipitous and dramatic decline in title revenues,” said Doug Pawlowski, Senior Director and Head of U.S. Title Insurance Sector, Fitch Ratings. “That said, the title issuers entered the final quarter of 2009 ‘right-sized’ as declines in underwriters’ expenses match the lower level of revenue.”

# perseverance has its rewards



**T**IAC, the only E&O company owned and governed by title professionals is going stronger than ever after 20 years!

TIAC is also the only E&O program endorsed by ALTA and ALL the national title insurers. We're 20 years young and moving forward!

Join us for cutting edge coverage, stable rates, unparalleled claims and underwriting services, and the only E&O insurer paying policyholder dividends!

Call us today.

## **Your company. Your choice.**

Title Industry Assurance Company, A Risk Retention Group.

7501 Wisconsin Avenue, Suite 1500 • Bethesda, MD 20814-6522

phone: (800) 628-5136 • fax: (800) TIAC FAX (842-2329)

[www.cpim.com/tiac](http://www.cpim.com/tiac)



**Celebrating 20 Years  
of Great Service**

# With Careful Preparation, Title Agents Can Tackle 2010 Obstacles

Innovative companies can overcome new HUD Rules and a poor economy by seeking to harvest markets of opportunity.

BY JEREMY YOHE

As title agents across the country finalized business plans for 2010, they not only had budgets to hammer out, they also had the new GFE/HUD-1 forms to contend with as the new year rang in, making preparations even more difficult.



Judy Sasfy

As a title agent in today's challenging market, diversifying business to offer more services to customers is critical, according to Judy Sasfy, managing partner of The Independent Title Agent Network. Also critical to success is determining what your customers need and want, along with current trends in the marketplace.

"Business plans of the past need to be carefully scrutinized in today's market," she said. "Recognizing and grasping the additional new opportunities available today to expand your business and broaden your trade area is also critical."

Much like during 2009, Sasfy said agents will be facing the same type of down economy impacting markets. Therefore, agents need to be alert to both target and harvest markets of opportunity. Sasfy said the types of deals agents can expect to encounter in 2010 include:

- Continuation of record foreclosure rates – now estimated to be up 20 percent over last years' numbers due to prolonged unemployment

– especially in former high growth markets where jobs are scarce and where property values have deflated;

- Loan modifications and workouts – both commercial and residential. These can be found in the same markets as above;
- Short sales and deeds in lieu of – same markets as above;
- Refinance deals as rates will continue to hold at record lows until recovery stimulates the market;
- New first-time home buyers taking advantage of the tax credit extension until June 2010; and
- Real Estate Auction Houses – handling both commercial and residential bank REO portfolios

How is your agency preparing to handle these changing markets? Are you adjusting the way you do business or are you still hanging on to the old ways?

"While it certainly would not be practical to open up offices all over the country, there are other agents with the same level of commitment to service that you have who are willing to work with you so that your business can thrive in these challenging times," Sasfy said.

Everyone knows that the title industry is changing. Challenging markets like the one that agents are experiencing now are often hard to navigate through.



This type of market generally brings a drop in the number of agents and also the development of new business practices that prove to be of great benefit to those agents that are set up to survive.

“Underwriters have recently been slashing agents that have been with them 20 years or more because the market has slowed,” Sasfy said. “On the other hand, smaller underwriters are able to pick up quality agents.”

Sasfy recently spoke with David Ginger, president of Colorado-based Alliant National Title Insurance Co., who said the regional underwriter will continue to follow an aggressive agency plan. He pointed out that Alliant’s competitors are reducing agency staff, eliminating agency

■ “Agents need to look outside the box to find the best programs that will help them place the most orders and educate the consumer on these programs.”

seminars and limiting agency visits to reduce expenses, and even cancelling some quality agents because their remittances are falling below company minimums.

Ginger believes that Alliant should take just the opposite approach, and this strategy has proved highly

successful over the last few years. According to the American Land Title Association’s Third-Quarter 2009 Market Share Report, Alliant’s title insurance premiums have tripled since third-quarter 2008, increasing from \$4.06 million to \$12.2 million.

“We plan to continue this approach in Missouri, Florida and several other new states in 2010,” Ginger said.

Agents sometimes worry that because a regional underwriter is smaller, they may have less to offer in terms of geographic coverage. For example, some referrals may not be able to be placed, as the regional underwriter does not have agents in every market.

“Regional underwriters have been addressing this issue with their own referral networks and aggressively courting the large national customers for their agents in addition to ex-

in Washington State asking if she knew of any quality agents that would like to sell within their respective trade areas.

“The smart agent is looking at these and continuously evaluating market opportunities, and these are the agents that will survive this market,” she said. “Agents need to look outside the box to find the best programs that will help them place the most orders and educate the consumer on these programs. In today’s challenging market, it is especially important that title agents look at what type of business is going to be

better rate from their local lender and this becomes an opportunity for you. Since they can close locally, they do not have to buy a plane ticket to just to sign paperwork on their new ski home or Sunbelt vacation or retirement home.”

A network such as TiTAN was started for this reason, according to Sasfy. A group of title agents referring business back and forth to each other has proved this is indeed a necessary function that today’s successful title agent must provide. From January through November of 2009, 2,518 orders went through the TiTAN web portal for a total liability amount of \$1.5 billion.

“TiTAN allows the independent agent to partner with other independent agents and coordinate orders to all 50 states,” Sasfy said. “If your local lender has business in other states, can they come to you for this business? We say, ‘why not.’”

When agents can provide more services to customers, they have a greater opportunity to maintain a strong business advantage. Agents should consider joining a network that is focused on the agent’s needs and can improve both your top and bottom line.

“During 2010, it will be critical to remain focused on your customers’ needs, educate the consumer, look for opportunities to expand your market place, and don’t be afraid to try something new,” Sasfy said. “2010 promises to be exciting and profitable for those who are visionary, think outside of the box and hang on for the ride. This should also be a year during which survivors will be intensifying marketing efforts and be positioning themselves for market recovery over the longer term.”

■ “During 2010, it will be critical to remain focused on your customers needs, educate the consumer, look for opportunities to expand your market place, and don’t be afraid to try something new.”

panding their present state-licensing base in targeted high-growth markets,” Sasfy said.

She also said now is a great time to be looking at acquiring other agents in and around your area, and as well to look at market consolidation opportunities.

Underwriters were busy buying agents when the market was robust, however they are now shucking them back to agents.

“Also, agents that have been dropped by underwriters as business slows are ripe to be purchased at bargain basement prices,” Sasfy said.

In December, Sasfy was contacted by an agent in Michigan and another

most prevalent in their trade area and then decide the best way to go after it. Doing so, may mean breaking with tradition and taking on new business segments not previously penetrated.”

One-stop shopping is what many customers want from their title insurance agents. Out-of-state orders are now the norm for lenders thanks to many factors.

Lenders are getting customers through the Internet, which means they may not be local.

“The lender has relationships with you already – let them know that you can close their deals anywhere in the United States,” Sasfy said. “The buyer purchasing a second home will get a

# The Value of Embracing Change in the Midst of an Uncertain Economy

Getting started in the process of changing, especially something that you've been comfortable with for an extended period of time, is going to be difficult initially.

PHILLIP VAN HOOSER

**I**n this period of time, as we lead through uncertain, unstable and unknown economic conditions, we need to realize there is great value to be derived when we embrace the change that has been thrust upon us. Unique opportunities that come around once in a lifetime are waiting to be seized. To embrace change effectively, we also need to realize there are some universal truths associated with change.

**The first truth relative to change is very simply this; by the time the need for change is obvious to all, it is too late.**

Too often by the time the need for change is obvious to everyone, the opportunity has been missed; the circumstance has been turned to one that is irrevocable or irretrievable.

We've got to act now and we've got to act in a positive way. Things are

changing now. I think that any industry or any organization and every individual can look in their life, their work and their career and they can see that change is among them.

Don't turn a blind eye to that and therefore fall victim to it. Simply say to yourself, things are changing and therefore I must change too.

I not only must change, I will change. I will do what is necessary to prepare myself, educate myself, expose myself and place myself in situations where I can learn from the changes that are going on right now.

**The second truth relative to change – ultimately most change occurs as a result of force, not choice.**

As much as we may claim to be change agents, the reality is that most of us are forced into those changes based on market conditions or changes in the relationships that

you have at work or at home or any number of things.

We change reluctantly, we change almost kicking and screaming as we're dragged into some sort of change.

It is better for us to recognize the inevitability and change voluntarily. I'm not saying throw off all that is familiar and comfortable to you and throw yourself into a world of total uncertainty and change.

I am saying that we need to find parts of our lives that we realize we need to be better at, we realize we need to explore more, we realize we need to be more available to and start there with the change, before it is ultimately forced upon us.

How about going to your boss and saying I realize these are some difficult times that we're in the midst of. What would you have me do that I haven't been involved in? What can I do to help? Where do you need me to serve?

If you go to your bosses and ask such questions, then you as a leader are in a better position to go and ask other people and possibly even use yourself as an example. Here are some things that I have to change right now. Will you change with me?

**The third truth relative to change is that change is the most challenging for those who are most comfortable.**

Change is the most challenging for those of us who have become very comfortable. Don't let yourself get sucked into this comfort zone abyss.



stacles to get there. But if I'm willing to step out, if I'm willing to exert myself, if I'm willing to be courageous, bold and honest with myself, then frankly the journey becomes easier, because I have made a mental decision to succeed and not be a victim of the fears that have anchored in me. Yes, the first step, the first changes are going to be a little bit difficult, but things get easier.

**The last truth relative to change is that when change does occur, there will always be new problems – but also – there will be new opportunities created.**

Yes, there are some problems we're facing right now. Some are wondering about long term security and retirement accounts. Some are worrying about what business is going to look like and about being downsized or right sized or out sized. Some are wondering about new responsibilities as the new reality of business takes hold.

As leaders we are the only ones that have an opportunity to positively impact the long term effect. As a result, we also become the beneficiaries of the lessons that are learned through this experience.

**Phillip Van Hooser** is a frequent keynote speaker for top domestic and international corporations. He is a leadership development expert and executive coach, Hooser's perspectives, experiences and examples change the way people think about leadership and service. His keynote presentations, training programs and products have been used by companies across the U.S. and around the globe to help people lower turnover rates, raise productivity, improve management/employee relations and manage change effectively.

So many times we say things like, "I've been doing it this way for the last 13 years and it has worked fine so far so I don't intend to change anything."

Those could be famous last words in times such as these. It's a good thing to be comfortable. Everybody likes to be comfortable, but comfort can also lull us into a false sense of security assuming that nothing will

Don't allow yourself to become too comfortable during these very difficult times.

**The fourth truth relative to change is that initial changes are always the most difficult.**

Getting started in the process of changing, especially something that you've been comfortable with for an extended period of time, is going to

## ■ By the time the need for change is obvious to all, it is too late.

every change.

Well, things are changing around us and therefore we have to make ourselves a bit uncomfortable. If we initiate the discomfort as opposed to waiting for the market or for our customers or for the government to make us uncomfortable then quite frankly we are not at their mercy – instead, we are leading the change that we hope to see.

be difficult initially.

As you do it the first time and then the second time and then the third and then the fourth and so on, the difficulty lessens remarkably.

I've found in my own experience that often times the things that I dread the most, once I take the first step, the rest of the steps that follow are not that painful.

The first one may be, because I have to overcome my own mental ob-

### Underwriter Sues Attorney Agent in West Virginia for Faulty Search

First American Title Insurance Co. claims one of its attorney agents in West Virginia failed to conduct a thorough search and obtain approval to insure for amounts exceeding \$250,000.

The underwriter alleges Alexander Ross failed to discover a 50-year-old conveyance on a .6 acre parcel of property being developed for a strip mall. Because of the missed corrective deed, First American paid on a claim made in April.

According to Ross' agency contract, he was authorized to act on First American's behalf on purchases of property up to \$250,000. The agreement also called for Ross to "conduct a search of all relevant public records affecting the real property at issue." Ross insured the property for \$495,000. Pursuant to their original agreement, Ross was to obtain authorization from First American to insure for amounts exceeding \$250,000.

First American alleges Ross only conducted a title search going back 40 years instead of the customary 60. It was later discovered that one of the previous owners conveyed .2 acres of the property to the state of West Virginia through a corrective deed on July 18, 1958.

Because the corrective deed was not discovered in Ross' title search, and he insured the \$495,000 without their authorization, First American says they had to pay a claim made against them.



Title companies seeking to outsource closings have a new option in the marketplace. Brooklyn, N.Y.-based ClosersConnect.com recently opened providing title companies a single portal and resource to help streamline and simplify the task of finding qualified notary closing agents across the country.

"These days contacting notary closing agents can be a tedious task," said Luca Catania, president of ClosersConnect. "Whether you search last minute or in advance, the preferred results are not always met. Searching for agents who are reliable, experienced and available is time consuming."

Catania said title companies can post closings at any time and either wait for notaries to apply for the job, or search for a qualified agent in the needed area. After a transaction closes, title companies have the ability to rate a notary on a scale of one to three stars.

"Title companies will have the option to either approve or deny them," he said. "This is good to use for last minute closings. These notaries are hungry and constantly looking for work."

Notaries signing up with ClosersConnect must have a notary commission and provide information including experience and credentials.

### myTitleIns.com

#### Web Site Adds Consumer Protection Rating

TI Services LLC announced that it has recently upgraded its title insurance website myTitleIns.com to include a new Consumer Protection Rating (CPR) feature. This CPR feature is the first rating system for the title insurance industry that compares and rates subscribing title companies on a scale of 1 to 10 based on various consumer-oriented factors. Subscribing title companies will be first compared and rated based on various tangible determining factors that include company information, services, policy coverages and available closing protections, then compared by costs.

#### Owners of Missouri-based Guaranty Title Indicted for \$2.6M Scheme

Richard G. "Rick" Burton and Kathy Cyrena Allen, the owners of Missouri-based Guaranty Title were indicted Nov. 17 by a federal grand jury for participating in a \$2.6 million conspiracy to commit bank fraud, wire fraud and money laundering, according to Matt J. Whitworth, U.S. Attorney for the Western District of Missouri. The 19-count federal indictment alleged that Burton and Allen, also known as Kathy Stanton, conspired to defraud financial institutions through a series of illegal financial transfers related to stolen escrow payments. The indictment also alleges the defendants attempted to conceal their criminal activities through a substantial check-kiting scheme.

## Michigan Agencies Merge

Attorneys Title Agency (ATA), a Farmington Hills-based, full-service title company, has acquired a controlling interest in Bloomfield Hills-based Seaver Title Co., according to ATA Chairman and CEO David A. Trott. The transaction, which closed on Nov. 16, combines ATA's advanced technology, financial strength and vertically integrated service model with Seaver Title's reputation, brand recognition and track record of providing unmatched service in both the retail and commercial title areas. Phil Seaver will continue to serve as president of Seaver Title and will retain an equity ownership. Seaver Title will retain its name and continue to operate and expand in Southeast Michigan. With ATA's offices, the combined entity will have 18 offices throughout Michigan and employ more than 400 people. ATA is targeting an additional 12 locations in Michigan over the next two years, according to William Robinson, president of ATA.

# stewart®

## Stewart Launches Full-Service REO Asset Management Division

Stewart Lender Services (SLS), a wholly owned subsidiary of Stewart Title Company, has launched Stewart Asset Recovery (STAR), a full-service REO asset management and disposition provider. STAR offers a suite of asset management solutions, specializing in the marketing and management of real estate portfolios owned by mortgage lenders, investment bankers, government agencies and other financial institutions. STAR provides loss recovery and liquidation of non-performing assets. Stewart Asset Recovery is led by Michael Harris.

## People on the Move

### Fidelity National Title

Allan Wasserman has been appointed as senior vice president of Fidelity National Title's National Commercial Services. He will be responsible for underwriting and business development for Fidelity's Major Accounts Division, including commercial default business. With more than 35 years experience in the title and escrow industry, Wasserman spent the last 20 years with Stewart Title in a variety of positions including national senior underwriter, California State president, and western region manager. He has authored several training manuals and articles on real estate and title insurance, and is a frequent speaker at seminars and conventions for attorneys, real estate brokers and escrow professionals.

### Stewart Title of California

Steve Vivanco has been appointed to the position of president of Stewart Title of California and the group vice president of Stewart Title Company for California. In this role, he will be responsible for business operations, as well as expanding Stewart's footprint and success in California. Vivanco joins Stewart from Bank of America's, LandSafe National Default Division, where he served as chief operations officer over their 18 state REO division. Previously, Vivanco held senior level positions at Countrywide Financial Corp., MobilePlanet and Maxim Planning Group.

### Resource Title

Antonio Catalano has been hired by Ohio-based Resource Title to assist with sales and relationship building in its retail division. Catalano will take on a development role, servicing existing customers and working to build new relationships and sales. He has served the title and real estate industry for more than 20 years, and founded and owned Title Xperts. Catalano will work from Resource Title's office in Independence, Ohio.

### Entitle Direct Group

David Verklin, a veteran advertising executive, has been named to Entitle Direct Group's board of directors. Verklin is the CEO of Canoe Ventures, a joint venture founded in 2008 by the country's leading cable operators. Prior to Canoe Ventures, Verklin was the CEO of Aegis Media Americas. Verklin joins as the sixth member of Entitle Direct Group's board of directors. The other board members are Entitle Direct Group founder and CEO Timothy Dwyer, David Elliot, Robert Deutsch, Hanley Clark and Keith Carter.



## new members

---

### ALABAMA

Lynn Hightower-Moore  
**Preferred Title Agency, Inc.**  
*Birmingham*

Stuart Y. Johnson  
**Cleburne Land & Title Company, LLC**  
*Birmingham*

---

### ALASKA

Mike Jausoro  
**Alaska Escrow & Title Insurance Agency, Inc.**  
*Ketchikan*

---

### COLORADO

Carol A. Moyer  
**First Gunnison Title and Escrow, Inc.**  
*Gunnison*

---

### CONNECTICUT

Lori P. Callahan  
**LPC Title Services, LLC**  
*Branford*

Carl R. Ulatowski  
**Connecticut Recording Services, LLC**  
*New Britain*

Jonathan Hoffmen  
**JT Title, LLC**  
*Stamford*

Andrew Sherriff  
**Sound Title, LLC**  
*Westport*

---

### DISTRICT OF COLUMBIA

Camille Latini  
**Heritage Title & Escrow Company**  
*Washington*

---

### FLORIDA

Debby Evans  
**Courtland Title Services, Inc.**  
*Clearwater*

Mara Alyson  
**Oak Ridge Title, Inc.**  
*Deerfield Beach*

Fred Elliott  
**Homestead Land & Title, Inc.**  
*Lehigh Acres*

Dave Heine  
**PCS Holdings, LLC**  
*Orlando*

Philip S. Kaprow  
**Investment Title Services**  
*Winter Springs*

---

### GEORGIA

John E. Smith, III  
**Jay, Sherrell, Smith & Braddy, P.C.**  
*Fitzgerald*

Annette Holland  
**Holland Title, LLC**  
*Lavonia*

Thomas D. Perkins  
**Atlanta Regional Title, Inc.**  
*Marietta*

Elizabeth L. Johnson  
**Shady Creek Title Services**  
*Nicholson*

Marcus W. Crabtree  
**Investigative Title Services**  
*Woodstock*

---

### ILLINOIS

**Lori Kopp**  
*Belleville*

---

### INDIANA

Lester N. Bergum, Jr.  
**Title Insurance Services, Inc.**  
*Frankfort*

Lawrence E. Hays, Jr.  
**Brown Abstract Company, Inc.**  
*Sullivan*

---

### KANSAS

Gregory Hoffman  
**Smoky Hill Title**  
*Ellsworth*

---

### KENTUCKY

Melissa J. Prather  
**Community Land Title, LLC**  
*Elizabethtown*

Robert Wieggers  
**Book and Page Title Service, LLC**  
*Georgetown*

James R. Hancock  
**Louisville Title, LLC**  
*Louisville*

Thomas M. Hardy  
**PTS Group, LLC**  
*Louisville*

---

### LOUISIANA

Stephen C. Braud  
**Ballay, Braud, & Colon**  
*Belle Chasse*

John Johnson  
**Geaux Title LLC**  
*Covington*

John Hopewell  
**Certain Title & Escrow, LLC**  
*Zachary*

---

### MASSACHUSETTS

Roberto L. Di Marco  
**Rodman, Walker & DiMarco LLC**  
*Malden*

Michael Maloney  
**JKM Title & Closing Services**  
*South Easton*

---

### MARYLAND

Seth Levine  
**Great Oak Title & Escrow, Inc.**  
*Chevy Chase*

Julius L. Camp  
**Accurate Mobile Settlement Services, LLC**  
*Leonardtown*

Lisa C. Norris  
**Freedom Title & Escrow, LLC**  
*Mechanicsville*

Arleen Christ  
**Arleen Christ Abstracts, Inc.**  
*Mount Airy*

Frank Lindner  
**Oak Land Abstract Company**  
*Mount Airy*

Paul Genovese  
**MP Recordings, LLC**  
*Parkville*

Marvin White  
**Marquee Abstracts, LLC**  
*Parkville*

David A. Shannon  
**Suburban Title and Abstract Co., Inc.**  
*Rockville*

Gerard J. Zeller, Jr.  
**American Abstracts**  
*Timonium*

Scott Wetzel  
**Scott Wetzel Abstracts, Inc.**  
*Upper Marlboro*



## new members

---

### MICHIGAN

Joseph W. Yogus, Jr.  
**St. Joseph County Abstract Office, Inc.**  
*Centreville*

Scottie Morrison  
**S & A Title Services**  
*East Leroy*

Sandra L. Koehler  
**Harbor Springs Title Agency**  
*Harbor Springs*

Ellen Maher  
**EM Abstract**  
*Oscoda*

---

### MISSOURI

Kenneth R. Ashlock  
**Hickory County Title, LLC**  
*Hermitage*

Kim Summers  
**Summers Law Firm**  
*Kansas City*

Lisa Cooley  
**Liberty Land Title, LLC**  
*Saint Robert*

Adam Eckhard  
**All American Abstracting, LLC**  
*St. Louis*

---

### NEW JERSEY

Robert Ostrager  
**Standout Title & Abstract Agency, LLC**  
*East Brunswick*

Jim Boggess  
**Absolute Title Agency**  
*Hopewell*

Israel Lieber  
**Princeton Title Agency, Inc.**  
*Lakewood*

John J. Lehman  
**John J. Lehman Searches LLC**  
*Mays Landing*

Paul Davenport  
**Planet Search**  
*Mount Holly*

Michael Mayfield  
**Covenant Title Agency, LLC**  
*Piscataway*

Richard L. Eland  
**Title Village Title Agency, LLC**  
*Princeton*

Sylva Havatian  
**Portside Title Agency, LLC**  
*Ridgefield*

---

### NEW JERSEY CONT.

Mary Garofola  
**Northern Valley Title Agency, Inc.**  
*River Vale*

---

### NEW MEXICO

Denise Terrazas  
**Title Guaranty & Insurance Company**  
*Los Alamos*

---

### NEW YORK

Malka Taussig-Singer  
**Fifth Avenue Title Agency, Inc.**  
*Brooklyn*

William C. McSorley  
**City Abstract, LLC**  
*Harrison*

Thomas A. Price  
**Price Abstract Company, LLC**  
*Mayville*

---

### NORTH CAROLINA

Daren Arnold  
**Albemarle Abstracting**  
*Hertford*

---

### NORTH DAKOTA

Monica Peldo  
**Dickey County Abstract**  
*Ellendale*

---

### NEBRASKA

Gilbert McDonell  
**Builder's Title Co.**  
*La Vista*

---

### NEW HAMPSHIRE

James N. Sessler  
**Sessler Law Office PLLC**  
*Franklin*

---

### OHIO

Brian Stanfill  
**DCB Financial Corp. and All Wholly**  
*Lewis Center*

Jeanie Gatchell  
**Community Title, Ltd.**  
*Tiffin*

---

### OKLAHOMA

J. Kent Rountree  
**Service First Title & Closing, LLC**  
*Tahlequah*

---

### OREGON

Jeanine V. Szidon  
**Columbia Gorge Title, LLC**  
*Hood River*

---

### TENNESSEE

Huntly Gordon  
**Limestone Title & Escrow, LLC**  
*Brentwood*

Thomas D. Agee  
**Mid-America Title Agency, Inc.**  
*Cordova*

Verna L. Arms  
**Jamestown**

Kimberly A. Fulmer  
**Fulmer, Kimberly**  
*Lakeland*

---

### TEXAS

Brian Pitman  
**Independence Title Company**  
*Austin*

Sherry Lightfoot  
**Camino Real Abstract & Title, LLC**  
*El Paso*

Robbin R. Dawson  
**Land Title Services Company**  
*Panhandle*

---

### UTAH

Douglas W. Curlis  
**Guardian Title Insurance Agency**  
*St. George*

Susie R. Pugsley  
**Box Elder Land Title Insurance Agency, Inc.**  
*Tremonton*

---

### VIRGINIA

Archana Bhatia  
**Commonwealth Title Services, Inc.**  
*Alexandria*

Rebecca D. Turner  
**Turner Title Services, LLC**  
*Bedford*

Ann Miller  
**Princess Anne Title, LLC**  
*Chesapeake*

Andrea G. Hussmann-Johnston  
**Winterpock Title & Settlement, LLC**  
*Chesterfield*

## new members

### VIRGINIA CONT.

Elizabeth Bennett  
**Security Title, L.C.**  
*Culpeper*

Barbara A. Ledoux  
**First Title and Escrow, Inc.**  
*Fairfax*

Connie Kelso  
**Superior Settlement Services, LLC**  
*Fredericksburg*

Patrick Echard  
**New Millenium Document Search LLC**  
*Mechanicsville*

**John S. Atkinson**  
*Newport News*

Heather L. Ford  
**Nations Title Company**  
*Newport News*

Rozaland N. Charity  
**Skyline Title, LLC**  
*Norfolk*

Richard Chidester  
**Lawyers Title of Giles, Inc.**  
*Pearisburg*

Samuel Timmons  
**King Street Abstract, LLC**  
*Purcellville*

**Kathy M. Belcher**  
*Richmond*

Cheryl H. Klein  
**Alliance National Title Company, LLC**  
*Richmond*

Robin S. Paine  
**Attorney's Title Insurance Co., LLC**  
*Saluda*

George Nielson  
**New Horizon Title, LLC**  
*Stafford*

### WISCONSIN

Daniel P. Kirschnik  
**Clear Title & Closing Services, LLC**  
*Elm Grove*

### WYOMING

Tracy A. LaFollette  
**Big Horn County Title Company**  
*Greybull*

## Associate Members

### CALIFORNIA

**Thomas Larmore**  
*Santa Monica*

### DISTRICT OF COLUMBIA

**Ryan C. Craig**  
*Washington*

### MASSACHUSETTS

**Brian R. Bisson**  
*Andover*

**John J. Roche**  
*Franklin*

### MARYLAND

**Nathan I. Finkelstein, Esq., CLTP**  
*Bethesda*

Martin Stanton  
**Stanton Enterprises LLC**  
*Silver Spring*

### MINNESOTA

**Carol L. Miller**  
*Minneapolis*

**Penny Reed**  
*Minneapolis*

### MISSOURI

**Phillip Bracken**  
*Ellisville*

Nancy Mueller  
**Nancy Mueller**  
*Ellisville*

### NEW HAMPSHIRE

Kenneth Carignan  
**Professional Document Systems, Inc.**  
*Bedford*

### NEW YORK

**Luca J. Catania**  
*Bronx*

### PENNSYLVANIA

**John S. Davidson**  
*Hershey*

### TEXAS

**Tim M. Anderson**  
*Frisco*

### VERMONT

**George W. Nostrand**  
*Bellows Falls*

## Underwriter Member

### CALIFORNIA

James J. Dufficy  
**National Title Ins. of N.Y., Inc.**  
*Santa Ana*

## TIPAC Nears 2009 Goal

TITLE INDUSTRY  
POLITICAL ACTION  
COMMITTEE



The Title Insurance Political Action Committee would like to thank all of our 2009 Club Level Contributors. Thanks to you, we are well on our way to reaching our \$250,000 goal. As of Dec. 4, TIPAC has received \$235,000. To donate, contact **Alyssa Marois** at [amarois@alta.org](mailto:amarois@alta.org).

## TitleNews Advertisers

ALTA's Land Title Institute— <a href="http://www.landtitleinstitute.org">www.landtitleinstitute.org</a> . . . . .	Inside Back Cover
Federal Conference— <a href="http://www.alta.org/meetings/federal/">www.alta.org/meetings/federal/</a> . . . . .	Page 29
RamQuest Software, Inc.— <a href="http://www.ramquest.com">www.ramquest.com</a> . . . . .	Inside Front Cover
SoftPro Corporation— <a href="http://www.softprocorp.com">www.softprocorp.com</a> . . . . .	Outside Back Cover
TIAC— <a href="http://www.cpim.com/tiac/">www.cpim.com/tiac/</a> . . . . .	Page 18

DON'T MISS YOUR CHANCE TO BE HEARD

WE THE PEOPLE of the  
insure domestic Tranquility, provide for the common defence,  
and our Posterity, do ordain and establish this Constitution for  
Article 1.  
Section 1. All legislative Power herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House  
of Representatives. The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors

ALTA 2010 Federal Conference and Lobby Day  
FEBRUARY 28 - MARCH 3  
Marriott Metro Center • Washington, D.C.

*This annual industry event is an opportunity for title professionals nationwide to meet with Congressional leaders about the importance of the industry and to share how federal decisions impact the future of your business.*

*You will also hear from key government officials, regulators and experts on several issues and legislation that your business will face in 2010.*

*Visit [www.alta.org](http://www.alta.org) for more information and updated schedule*



## A Resolution Worth Keeping

- ... Bonne Annee (*French*)
- ... Ein Gluckliches Neues Jahr (*German*)
- ... Felice Anno Nuova (*Italian*)
- ... Shanah tovah (*Hebrew*)

You get the picture – greetings and happy New Year to one and all.

As we celebrate the new year, we challenge ourselves to make this year better than last, with new goals, new horizons and a brand new outlook. From a business perspective, the ALTA 2010 Mission Statement is based on a resolution that must be kept. Namely, it's a resolution to implement a personalized form of policymaker education.

This year, the industry has a very unique opportunity to change the mindset of members of Congress, insurance commissioners, federal and state regulators and professional staff. No longer should we accept mischaracterizations and inaccuracies detailing our profession with a mere shrug of the shoulder and a “they don't understand” mentality.

2010 is a mid-term election year. Topics such as health-care reform, a high unemployment rate, the federal deficit and the overall state of the economy have put incumbent members of Congress in a precarious re-election position. The issues are sizzling.

For this reason, members of Congress will make themselves available to meet with you. In fact, at your invitation, they should make themselves available to attend one of your closings. From a policymaker's perspective, constituent “care and feeding” is a key re-election component.

Let's take advantage of this moment in time. If the industry hopes to help shape the changes that will impact us – creation of a CFPA, implementation of the new RESPA closing process, the future of Fannie and Freddie – we need to have a voice in our destiny. We need to be the face of the land title constituent. Nothing speaks more powerfully to a policymaker than someone running a business in their home district or state.

The time has come for policymakers to see firsthand the vital role of the closing officer and the value of the title insurance product. Personalized education is the currency of the realm. We have an opportunity to become an extension of the policymaker's office. You are the real estate conveyancing expert, the master of the closing universe. We have an excellent opportunity to reach federal legislators during the 2010 ALTA Federal Conference, being held at the Marriott Metro Center in Washington, D.C., from Feb. 28-March 3. I urge industry professionals to attend this most important and influential political event of the year. Building on last year's successful meetings, ALTA again will schedule group congressional meetings – organized by state – throughout the day, to help you get in contact with the decision makers.

I hope the new year opens up new horizons and brings newly found prosperity, love, happiness and delight to your life. And remember our ALTA New Year's resolution – contact your representatives'/senators' district and state offices today. The time has come for our elected officials to be afforded the opportunity to gain a precise grasp and understanding of the transactional service our industry provides in the real estate conveyancing process.



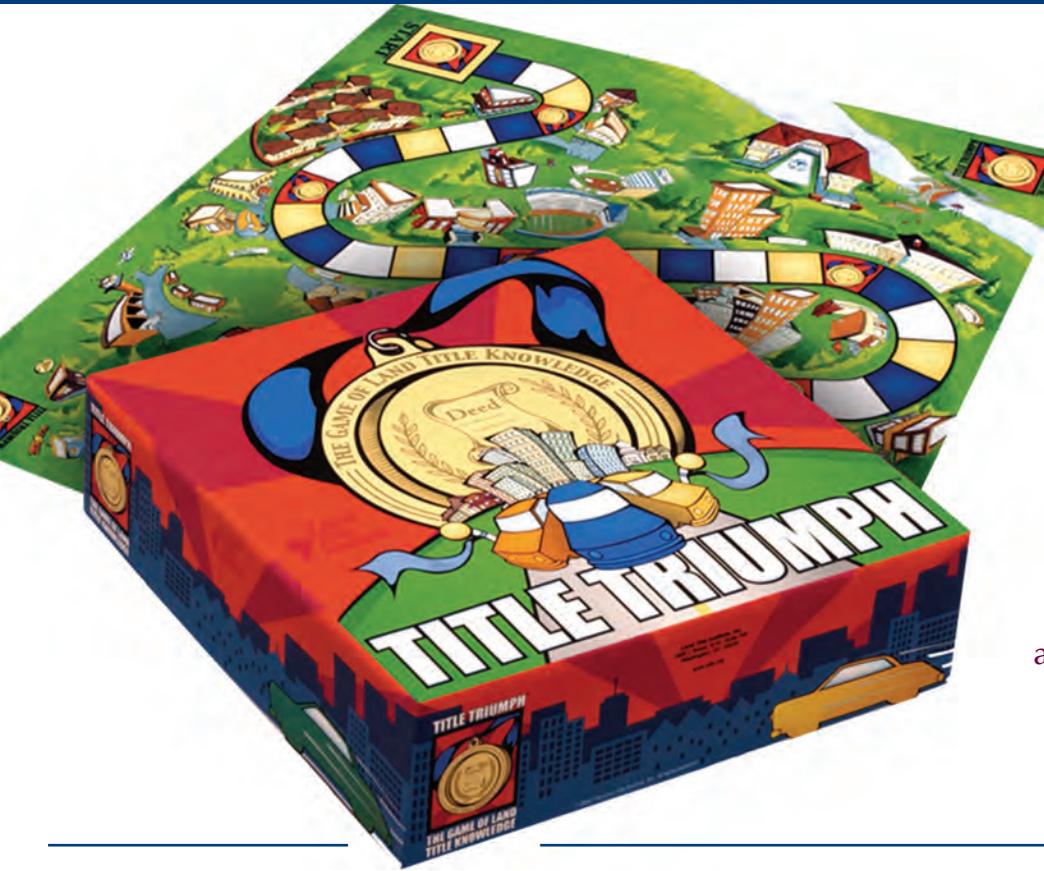
This year's resolution is one worth keeping!

A handwritten signature in black ink that reads "Mark E. Winter". The signature is written in a cursive, flowing style.

Mark E. Winter

# Sale! 25% Off Title Triumph® Board Game

## Title News Reader Special!



"Rely on LTI" to provide affordable training solutions.

**Sale ends January 31, 2010**

*Order today to take advantage of this special pricing!*

Visit [www.alta.org/lti/tnspecial](http://www.alta.org/lti/tnspecial)  
for an order form

Call LTI 202.331.7431 or  
800.787.2582 to order by phone

Sale Pricing	ALTA Member	Sale Price – 25% Off
Title Triumph Board Game Package Level One and Level Two	<del>\$210</del>	\$157.50
Title Triumph Level One <i>(Contains Game Board and over 180 Questions)</i>	<del>\$160</del>	\$120
Title Triumph Level Two <i>(Over 190 Questions)</i>	<del>\$60</del>	\$45

### What is Title Triumph?

- ◆ A question & answer board game for land title professionals.
- ◆ Designed for team or individual play in 45-60 minutes.
- ◆ The ideal lunch & learn opportunity.
- ◆ A great team builder and just plain fun!

ALTA's Land Title Institute, Inc., 1828 L Street, NW, Suite 705, Washington, DC 20036  
Phone: 202.331.7431 Fax: 202.223.5843 Web: [www.landtitleinstitute.org](http://www.landtitleinstitute.org)  
LTI is the Educational Subsidiary of the American Land Title Association

AMERICAN  
LAND TITLE  
ASSOCIATION



Presorted Standard  
US Postage  
PAID  
Permit 312  
Harrisonburg VA

# Introducing SoftPro 360.

Order Closing and Title Services directly from your **SoftPro Software**.

SoftPro 360 makes it faster, easier and more affordable for you to order closing, title and escrow services, and **you only pay for the products and services that you order, with no additional service charges\* from SoftPro!**

# 360

**NO ADDITIONAL SERVICE CHARGES!\***

**SoftPro 360** will make your business more productive – by eliminating the need for paper order forms, dual entry, faxes, emails, and phone calls – reducing the potential for error.

**For more information on SoftPro 360**, contact your SoftPro Sales Representative at **800-848-0143** or visit **[www.softprocorp.com/360](http://www.softprocorp.com/360)**.

**BROUGHT TO YOU BY THE NATION'S #1 CLOSING AND TITLE SOFTWARE PROVIDER**

**SOFTPRO**<sup>™</sup>

A Division of Lender Processing Services

\* SoftPro 360 is free to install; however, there are fees associated with orders placed with any of the vendors in the 360 vendor network.