

August 2015

Official Publication of the  
American Land Title Association

# TitleNews

## The Evolving Face of the Homebuyer

Title Companies Must Adapt to Shifting Market  
That Will Be Dominated by Millennials



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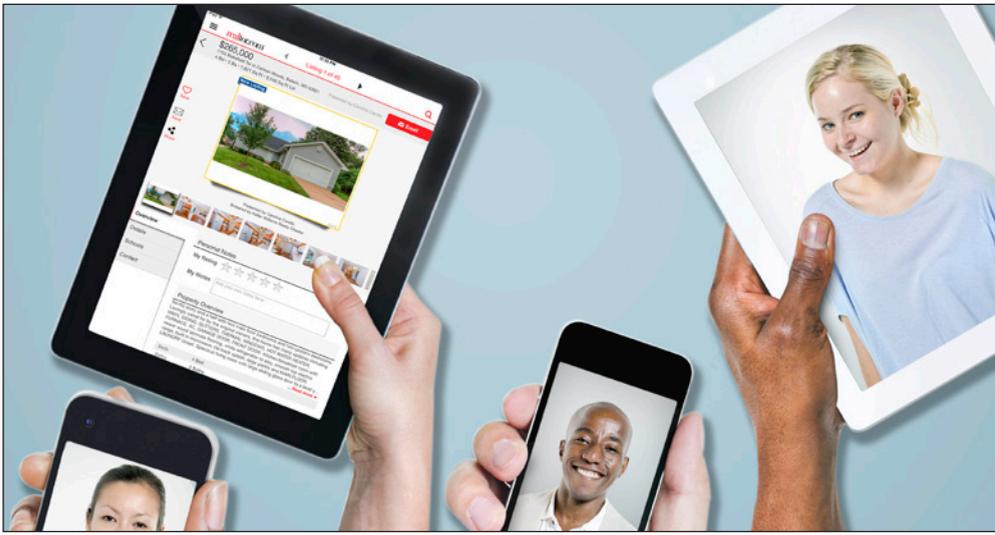


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# > contents

TitleNews • Volume 94, Number 8



**10**  
COVER STORY  
**The Evolving Face of the Homebuyer**  
Title Companies Must Adapt to Shifting Market That Will Be Dominated by Millennials

## Features

**18**  
RUNNING YOUR BUSINESS  
**Relax, You've Got This**  
By Cynthia McGovern  
With Internal Processes Ready for TRID, Get in Front of Your Customers

**20**  
INDUSTRY STATS  
**First-Quarter 2015 Market Share**

**22**  
INSIDE THE INDUSTRY  
**TRID Won't Delay Closings for 'Just About Everyone,' CFPB Says**  
ALTA Continues Push for Hold-harmless Period

**25**  
RUNNING YOUR BUSINESS  
**Mind the Gaps: Five Common Areas Preventing ALTA Best Practices Certification**  
By Matthew Rekers

Lack of Documentation Tends to be Main Pitfall Between Actual Practice and Best Practice

**27**  
RUNNING YOUR BUSINESS  
**Underwriters Strive to Help Agents With Best Practice Compliance**  
Westcor, Stewart Roll Out New Programs; Agents National Receives Certification of Agency Management Systems

## Departments

**5**  
From the Publisher's Desk

**6**  
ALTA News

**8**  
@altaonline

**28**  
Industry News

**33**  
TIPAC Contributors

**38**  
The Last Word

# calendar

## 2015 ALTA FORUMS & CONFERENCES

October 7 - 10 | Annual Convention  
Boston

### STATE CONFERENCES

August 16 - 18 | Indiana  
Indianapolis, IN

August 16 - 19 | New York  
Pocono Mtns., PA

August 20 - 22 | North Dakota  
Medora, ND

September 9 - 12 | Colorado  
Vail, CO

September 9 - 12 | North Carolina  
Asheville, NC

September 10 - 12 | Dixie Land  
(AL, GA, MS)  
San Destin, FL

September 10 - 12 | Maryland  
Ocean City, MD



Look at What You're Missing  
in this month's Digital Issue

Digital Edition

## TitleNews

### Profile of Home Buyers and Sellers

The digital edition includes a webinar recording that provides an outlook into real estate market trends and profiles the types of homebuyers that will drive the market over the next year.

Go to [www.alta.org](http://www.alta.org) to get your copy of Digital TitleNews Today!

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## You Never Know What You'll Discover

**O**n Jan. 19, 2006, NASA launched a gold-foiled unmanned spacecraft on a three-billion-mile journey to Pluto. Roughly the size of a grand piano, New Horizons travelled at 30,000 mph for nine and a half years, completing its trek on July 14, as it flew within 8,000 miles of the dwarf planet.

Let me say, I was pretty excited about this science achievement—so much so, that I woke my three girls to watch the Pluto flyby. After initial reports from the spacecraft, we've already learned a great deal about Pluto. While the data comes back to Earth at a very slow rate of 1,000 bits per second (this makes dial-up seem fast), we've already learned that Pluto is reddish-brown and larger than we thought. It's geologically active with mountains as tall as the Rockies and polar ice caps. Scientists will continue to learn more over time as they'll receive data until September 2016.

New Horizons' voyage makes me think of a voyage we've been on, preparing for the TILA-RESPA Integrated Disclosures. It's been a pretty lengthy process to this point since the CFPB released its first iterations of prototypes in May 2011. We've reviewed and offered feedback on Loan Estimates and Closing Disclosures called "Dogwood," "Redbud," "Ficus" and "Pecan." A small business review panel was convened, field hearings held and testimony before Congress given. On Nov. 20, 2013, the bureau issued its 1,888-page final rule.

The industry began to dissect the regulation immediately. In fact, ALTA started the review process a day later offering a webinar on how the new forms will change the closing process. Over the past year, ALTA's held several more webinars, hosted six TRID Forums and held a TRID Townhall on Facebook.

In the meantime, software has been developed and tested. Companies have adjusted processes and workflows to accommodate production and delivery requirements of the Closing Disclosure. Conversations have been held between title professionals, lenders and real estate agents so everyone has the same expectations.

If not for a filing error by the CFPB, the industry would already be using the disclosures. Now, we have until Oct. 3. Once we do "go live," that's when we'll learn how the rule will work in real-life transactions. That's when we'll see the true impact on the closing process, data exchange and consumers. It will be our time to collect data—much like the data now being collected about Pluto.

Our cover article also addresses something we are learning more about—the impact the Millennials will have on the housing market. I encourage you to read and think about how your operation will need to adjust to meet the demands of younger homebuyers. Varying studies offer conflicting information about Millennial likes and dislikes. One thing you can't ignore, however, is the buying power this group will bring to the table.

It will be interesting to see what our new horizon looks like!



A handwritten signature in black ink that reads "Michelle Korsmo". The signature is fluid and cursive, written in a professional style.

— Michelle Korsmo, ALTA chief executive officer

## Take a Look at Tours Planned During ALTA's 2015 Annual Convention

In addition to planning informative educational sessions, ALTA has planned several exciting tours. Here's a look at what's on tap:

### New England Whale Watch!

Looking for a whale watch that offers the most comfortable ride available and gives you more time viewing some of the world's most magnificent creatures? Look no further. Here is Boston's only three-hour whale watch on a high-speed catamaran.

### Quack-Quack! Boston Duck Tour

Truly Boston's most unique tour experience is on the famous duck boats. These beautiful, multi-colored, World War II amphibious vehicles navigate the streets of Boston as well as the currents of the Charles River. Your duck traverses past historic sites including the State House, Boston Common, Government Center, fashionable Newbury Street and so much more.

### Boston's North End Culinary Tour

Tour Boston's historic North End and experience "Little Italy" like a native. Discover the pasticcerias. Visit an authentic salumeria (Italian deli) in search of the best olive oil, balsamic vinegar, olives, imported cheese, prosciutto and pasta. Savor the scents of a 70-year-old coffee and spice shop and an Old World candy store. Tour an enoteca (wine repository) to learn how to select aperitivi to begin, wine to complement, and digestivi to conclude your meal.

### Sam Adams Brewery Tour & Tasting

The tour starts off in the ingredients room where the guide explains each of the components that go into the beer and a bit of the history about how they make beer at Sam Adams. The tour then heads into the brewhouse where you'll learn the life-cycle of Sam Adams' beer. The tour ends in the tasting room, where you'll sample three different types of Sam Adams beer and learn how to appraise beer.

### Behind the Scenes at Fenway Park with TIPAC

Guests will enjoy this behind-the-scenes tour of Boston's famous Fenway Park. No other professional baseball park captures the spirit and triggers emotion

## ALTA Board Approves New Policy Endorsement

The ALTA Board of Governors approved a recommendation to adopt ALTA Endorsement 46-06 (Option) during a meeting on June 19. The endorsement can be downloaded at [www.alta.org/forms](http://www.alta.org/forms).

A real estate option is a written agreement or contract giving the holder of the option the right, but not the obligation, to acquire an interest in real property for an agreed-upon price and within a certain time frame. Unlike a more standard contract to purchase or lease real estate, an option is unilateral in the sense that it obligates the optionor granting the option to convey the real property interest. In exchange, the optionor receives consideration in the form of the option price, usually some fraction of the agreed

like Fenway Park. Named for the famous "Fens" area of Boston where it stands, Fenway Park has been a Boston landmark since 1912.

For more info, go to [meetings.alta.org/annual](http://meetings.alta.org/annual).

upon acquisition price.

In some states, the right arising from the option is considered a real property interest. In other states, however, the option creates a contract right; and in some cases an unexercised option may be considered a mere expectancy. While the legal status given to options varies widely among different jurisdictions, there is nevertheless a desire in the marketplace for a standard Option Endorsement.

There is a market need for an endorsement that provides basic coverage to the insured for loss resulting from certain risks associated with an option. The endorsement can be used in situations where the insured named in a policy is also the holder of a specific option identified in the endorsement.

## FHA to Allow Changes to Settlement Certification Due to TRID

The Federal Housing Administration (FHA) addressed changes settlement agents can make to the new settlement certification, which replaces the current addendum to the HUD-1, in a new FAQ document to its Single Family Housing Policy Handbook. Earlier this summer, the FHA released its new certification, which stated:

*To the best of my knowledge, the Closing Disclosure which I have prepared is a true and accurate account of the funds which were (i) received, or (ii) paid outside closing, and the funds received have been or will be disbursed by the undersigned as part of the settlement of this transaction. I further certify that I have obtained the above certifications which were executed by the borrower(s) and seller(s) as indicated. (emphasis added)*

Due to the complexities of the timing and liability for the TILA-RESPA Integrated Disclosures, most lenders have decided to take responsibility for preparing the Closing Disclosure.

“Following the release of the certification, ALTA reached out to the FHA,

the Mortgage Bankers Association and individual lenders to inform them that, if left unchanged, this certification would put settlement agents in the untenable position of falsely signing the certification or holding up transactions for the FHA’s low-income and first-time homebuyers,” said Michelle Korsmo, ALTA’s chief executive officer.

To address this problem, the FHA announced in FAQ No. 374 that settlement agents could strike the “which I have prepared” language from the certification if they do not prepare the Closing Disclosure.

While the FHA has issued a FAQ, the agency has not revised the certification or the instructions on the certification. This could lead to confusion for loan processors and post-closers when a settlement agents strike out the language. Additionally, settlement agents need to train their closers to know about the FAQ and to work with the processor ahead of closing to get the authorization to strike out the language.

ALTA expects the FHA to continue to issue FAQs up to Sept. 14, when the new handbook goes into effect.

## Signature Information Solutions Named ALTA Elite Provider

ALTA announced that Signature Information Solutions LLC has been named an Elite Provider. The company joins 13 other ALTA Elite Providers.

ALTA’s Elite Provider Program is comprised of premier service providers committed to offering comprehensive benefits to the title insurance and settlement services industry.

Elite Providers promote the highest industry standards and provide effective solutions for ALTA members’ critical needs. In order to become an Elite Provider, applicants are assessed based on their financial strength, their commitment to the overall industry, their national distribution capabilities and reference checks with existing customers.

Signature Information Solutions is a provider of Charles Jones and Data Trace products and services to meet title search service needs in New Jersey and Pennsylvania. In New Jersey, Signature Information Solutions provides the Charles Jones Certified Statewide Judgment Lien Search, the Certified Charles Jones Tideland Search, Data Trace Certified

Tax and Assessment Search and Data Trace County Search Services backed by the power of title plant technology. In Pennsylvania, Signature Information Solutions provides the Data Trace Pennsylvania Tax and Utility Certification.

Nationally, Signature Information Solutions provides the Charles Jones Certified Patriot Name Search, Charles Jones Certified Flood Hazard search, as well as Corporate and Registered Agent Services.

As an ALTA Elite Provider, Signature Information Solutions offers ALTA members a stand-alone Patriot Name Search at a discounted price of \$2 each—an average savings of 33 percent. They also offer a first-time complimentary flood search.

For more information about the Elite Provider program, go to [www.alta.org/elite](http://www.alta.org/elite).



# ALTA TRID TOWNHALL

11 AM, TUESDAY, JULY 28 | #ALTATOWNHALL



## ALTA Hosts TRID Townhall on Facebook

ALTA hosted its first TRID Townhall on its Facebook page on July 28. Title professionals from around the country participated in the livestream event—a first of its kind for ALTA. The event was open to non-ALTA members and was provided free of charge. Sponsored by TRIDShare, the TRID Townhall included a panel of ALTA leadership including Diane Evans NTP, Dan Mennenoh and Bill Burding. Moderated by Michelle Korsmo, ALTA CEO, the townhall offered advice on what TRID readiness looks like, what industry participants should be doing to prepare to use the new forms and the small details that could fall through the cracks leading up to the Oct. 3 implementation date.

If you missed ALTA's TRID Townhall, visit our Facebook page at [www.facebook.com/altaonline](http://www.facebook.com/altaonline) to access a recording of the event. For more TRID resources, be sure to check out ALTA's blog at [blog.alta.org](http://blog.alta.org). If you have questions about TRID implementation, email us at [respa@alta.org](mailto:respa@alta.org).

## Save the Date: 2016 Social Media Summit :

Mark your calendar—the 2016 ALTA Social Media Summit (SMS) will be held Wednesday, March 16 in Indianapolis.

The full-day SMS will feature workshops for beginner and advanced

social media programs and plenty of networking opportunities.

Have an idea for a session? Know a great speaker that we should invite?

Email [social@alta.org](mailto:social@alta.org) today!

## HOP Heads to Dixie Land

ALTA's Homebuyer Outreach Program (HOP) is hosting a workshop prior to the Dixie Land Title Association Annual Convention in Destin, Fla., on Sept. 10. The HOP workshop will focus on managing consumer complaints in a social media world, explaining the importance of an owner's title insurance policy to homebuyers and overcoming barriers to consumer communication in various markets. For more information and to register, visit [meetings.alta.org/hop](http://meetings.alta.org/hop).



## Start Networking for #ALTA15 Now

ALTA's 2015 Annual Convention in Boston is just around the corner. The official convention hashtag for Facebook, Instagram and Twitter is [#ALTA15](https://twitter.com/ALTA15). Keep track of updates, schedule additions, keynote speakers and more using [#ALTA15](https://twitter.com/ALTA15). As you prepare for the trip, use [#ALTA15](https://twitter.com/ALTA15) to find other title professionals that are planning for Boston as well.

## How Are We Doing?

In July, the ALTA Planning Committee met in Washington, D.C., to discuss goals and objectives for 2016. What are some of your favorite ALTA programs and member benefits? How can we better your experience interacting with ALTA online? Email us at [social@alta.org](mailto:social@alta.org).

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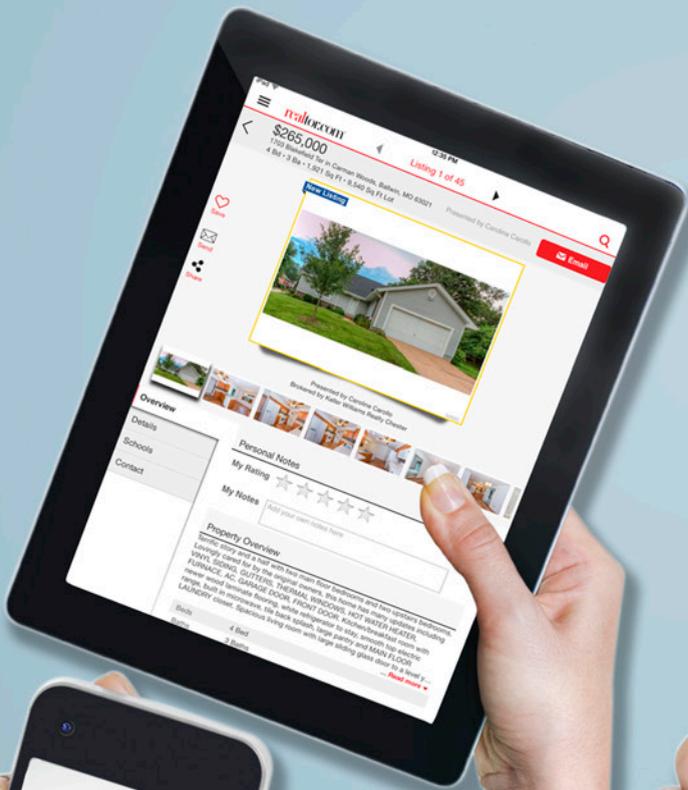
# The Evolving Face of the Homebuyer

Title Companies Must Adapt to Shifting Market That Will Be Dominated by Millennials

**R**eports of Generation Y's purchasing power are astronomical. Ranging from \$125 billion to \$890 billion, this group—more commonly known as Millennials—will fuel the U.S. economy. With Millennials' peak buying power ahead of them, those in the settlement services industry would be wise to establish relationships with the largest generation in the U.S. and an 80-million-plus consumer force.

Despite all the talk about student-loan debt, the economic and financial challenges young adults have faced since the recession and the lack of desire to buy, the Millennial generation represents the largest share of recent home buyers. >>

By Jeremy Yohe



For the second consecutive year, the National Association of Realtors (NAR) Home Buyer and Seller Generational Trends study found that the largest group of recent buyers was Millennials. The study, which evaluates the generational differences between recent home buyers and sellers, found that those 34 and younger, accounted for nearly a third of all home buyers in 2014. This is more than the younger and older Baby Boomers combined. In terms of first-time buyers, Generation Y also has the largest share at 68 percent.

The survey highlights the untapped demand for homeownership that exists among young adults. With Millennials entering their peak buying period and expected to soon surpass boomers in total population, Lawrence Yun, NAR chief economist, believes the share of Millennial purchases would be higher if not for the numerous obstacles that have slowed their journey to homeownership.

“Many Millennials have endured underemployment and subpar wage growth, and rising rents and repaying student debt have made it very difficult to save for a down payment,” Yun said. “For some, even forming households of their own has been a challenge.

“Even though the share of first-time buyers has fallen to its lowest level since 1987, young adults in general are more mobile than older households,” Yun continued. “The return of first-time buyers to normal levels will eventually take place in upcoming years as those living with their parents are likely to form households of their own, first as renters and then eventually as homeowners.”

### Financing the Purchase

Not only will younger homebuyers influence how homes are found and sold, this burgeoning segment will

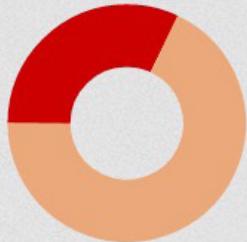
impact the origination pipeline. Credit unions are capturing market share by their ability to offer low-cost mortgages and programs targeting

## Home Buyers & Sellers: Millennials

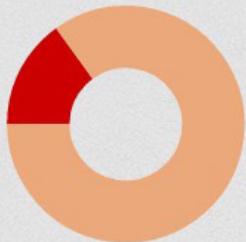
*Born 1980-1995*

### This group represents

32% of Home Buyers



15% of Home Sellers



---

### Characteristics of the group



68% were first-time home buyers



7% purchased a multi-generational home



Sellers typically upsizing



Motivation: Desire to own a home

Source: 2015 Home Buyer and Seller Generational Trends

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first-time homebuyers. In fact, credit unions' market share grew from 1.9 percent to 8.3 percent from 2005 to 2015, according to the Credit Union National Association.

With more than 100 million members, credit unions appeal to first-time buyers with the standard low-down-payment programs backed by the Federal Housing Administration, Department of Veterans Affairs and Department of Agriculture. Because credit unions typically keep loans in their portfolio, they can make decisions on a loan-by-loan basis and consider borrowers that don't fit in the Fannie Mae and Freddie Mac underwriting box.

State Employees' Credit Union of Raleigh, N.C., one of the country's largest credit unions with nearly 2

million members, had a mortgage portfolio totaling \$8.3 billion in 2005. By the end of 2014, the portfolio grew to nearly \$14 billion, according to Stacie Walker, the credit union's senior vice president for loan origination services.

While big credit unions, such as Navy Federal and Pentagon Federal, offer first-time buyer programs, smaller institutions are jumping into

the purchase market offering flexible adjustable-rate mortgage products.

Joseph Wiley, the director of loan acquisition for OwnersChoice Funding, which originates and services mortgages for around 200 credit unions, said credit unions are effectively marketing to members about the availability of mortgage options and connecting with real

## Age of Homebuyers

	Year Born:	Age in 2014:	Percent in Category	Median Age in Group
<b>Millennials/Gen Y/Gen Next:</b>	1980-1995	34 and younger	32%	29
<b>Gen X:</b>	1965-1979	35 to 49	27	41
<b>Younger Boomers:</b>	1955-1964	50 to 59	16	54
<b>Older Boomers:</b>	1946-1954	60 to 68	15	64
<b>Silent Generation:</b>	1925-1945	69 to 89	10	73

Source: National Association of Realtors

## Advocacy Should Be Easy

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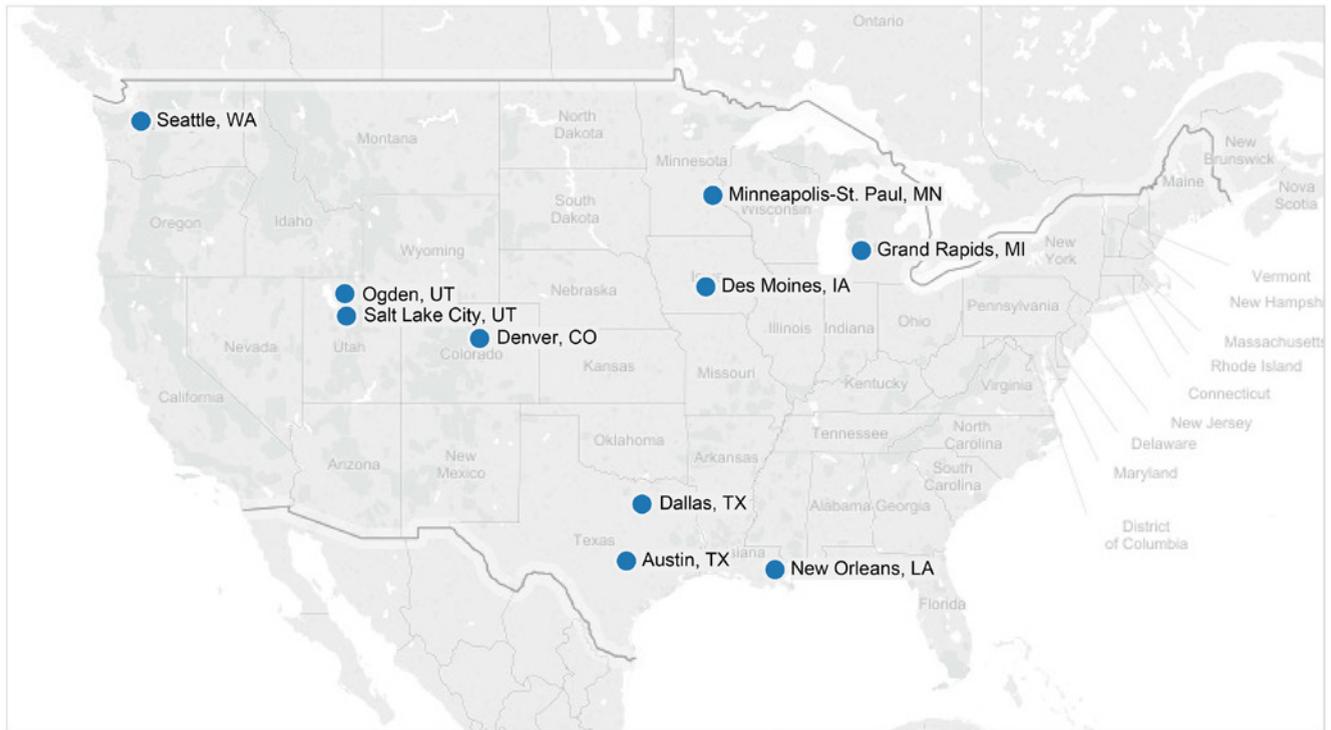
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ACTION  
NETWORK**



[www.surveymonkey.com/r/TANtexting](http://www.surveymonkey.com/r/TANtexting)

## Best Purchase Markets for Millennial Homebuyers



Sources: Share of Millennials to the total Population and Share of Millennial Movers to Movers of any age (American Community Survey), Median Price Growth and Affordability Index (NAR), Inventory Change (realtor.com), Growth in Private Payroll Jobs and Unemployment Rate (U.S. Bureau of Labor Statistics).

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estate agents who control the purchase business.

Meanwhile, Fannie Mae and Freddie Mac launched programs that allow for down payments as low as 3 percent. In January, the Federal Housing Administration significantly lowered its annual mortgage insurance premium from 1.35 percent to 0.85 percent, depending on loan parameters.

NAR's study found that 97 percent of Millennials were likely to finance their purchase. The median down payment for this group was 7 percent. Younger buyers who financed their home purchase most often relied on

savings for their down payment. A quarter of this age group also was more likely to receive a gift from a relative or friend—typically their parents.

Joseph Murin, chairman of JJAM Financial LLC and former president of Ginnie Mae, said lenders are realizing the enormous force Millennials will be in the market. Lenders will need to be aware of the group's appetite for certain loan products, however.

"It's a market with incredible, yet untapped, potential," he said. "But Millennials, from what we've seen so far, have different attitudes

and different preferences than their parents and grandparents. We know that this generation is debt-averse, so we'll see more products like the 15-year fixed mortgage. We know that this generation tends to be environmentally-aware, so urban living—shorter commutes—and green homes—possibly even smaller homes—are among its top priorities when seeking a new home."

### Millennial Traits

According to NAR's survey, the median age of millennial homebuyers was 29, their median income was \$76,900 (\$73,600 in 2013) and they

typically bought a 1,720-square foot home costing \$189,900.

Regardless of their age, buyers used a wide variety of resources in searching for a home, with the Internet (88 percent) and real estate agents (87 percent) leading the way. Millennials were the most likely to use a real estate agent, mobile or tablet applications, and mobile or tablet search engines during their search. In contrast, Gen X buyers were the most likely to use an open house.

Although the Internet was the top tool Millennials used to find the home they purchased (51 percent), they also used an agent to purchase their home at a higher share (90 percent) than all other generations.

NAR President Chris Polychron, executive broker with 1st Choice Realty in Hot Springs, Ark., said the survey results highlight the fact that while the Internet is widely used during the home-search process, the local market knowledge and expertise a Realtor provides is valued and highly sought by buyers of all ages.

Although most purchases by all generations were in a suburban area, the share of Millennials buying in an urban or central city area increased to 21 percent in the past year (19 percent a year ago), compared with only 12 percent of older boomers (unchanged from a year ago). Among the biggest factors influencing neighborhood choice, Millennials were most inclined to purchase a home in a quality neighborhood (75 percent) conveniently located to their job (74 percent). The study also revealed that Millennials plan to stay in their homes for 10 years.

In an effort to connect with homeowners, Fannie Mae in July introduced a smartphone application designed to help them learn how

## Digital TitleNews Extra: Profile of Home Buyers and Sellers Webinar

to save for their first purchase. The “HOME” app includes a tool to help potential buyers learn how much they can afford in a home purchase. It also features information about mortgage payments, tips on how to save for a down payment and information on how making extra mortgage payments can help save on interest costs. Fannie Mae encourages lenders to share the app with potential customers.

Brian Rieger, principal of the Cleveland-based consulting and public relations firm True Impact Communications, said the industry has talked about the importance of educating and communicating with consumers for years.

“Some have taken that to heart, others haven’t,” he said. “But we are looking at a whole new generation of homebuyers, which sees the world very differently from previous generations.”

### GR8 WZ 2 rEch gnr8n Y

The biggest lesson when marketing to Millennials is that companies must know and use social media. According to Pew Research, more than three-quarters of Millennials have created a profile on a social networking site. To reach this demographic effectively, advertising must center around engaging content.

With the Internet and social media, the number of sources for information has increased dramatically. When gathering information and making buying decisions, Millennials rely on recommendations from peers and friends more than from experts, according to the U.S Chamber of Commerce Foundation. Having grown up with mobile and digital technology as part of their everyday lives, they switch their attention between media platforms 27 times per hour, according to a whitepaper from Innerscope Research and Time Inc. This means advertising messages must

be short and engaging in order to grab Millennials' attention.

With the majority of Gen Yers using social media to connect with brands, firms would be smart to allocate more resources to digital channels. As more and more consumers in this age group use the Internet to begin their home search, Bill Risser, vice president of new media and education for Chicago Title Agency, believes it's only inevitable that Millennials become

"We'll have to mirror those traits to keep up with them and to keep up with the lenders attempting to win their business," he noted.

As lenders and real estate agents adapt to younger consumers' needs, the settlement services industry must evolve as well. Since title professionals are typically the last point of contact at the closing table, lenders will want to work with settlement service providers that understand Gen Yers' personalities and deliver results that

said. "Millennials will compare the home-buying process to other transactions, such as education loans, auto loans, personal loans and even basic shopping. All of those processes have come a long way from where they were even 10 years ago. However, with the mortgage transaction, they see a process from the Stone Age. Communication can be slow and disjointed. The process takes a long time and is simply too cumbersome to them. This is not all the industry's fault, but the industry will be forced to transform to appeal to these new buyers and sellers."

With the Internet as their megaphone, Millennials will certainly drive change in the market and the speed in which information is exchanged. With social media's virility, Gen Yers are vocal consumers who influence the purchases of others.

Their connectedness via social media puts additional pressure on companies to ensure a positive closing experience. Murin said that Millennials will want to know why they have to sign dozens to hundreds of pages of paper to close a mortgage when everything else they buy happens within seconds or minutes, and usually online. Weaned on signing for anything from student loans to groceries on an electronic keypad, Millennials will want similar products when purchasing a home.

"This may be the generation that finally spurs the long-discussed 'e-closing' into the mainstream," Rieger said. ■

## ■ "This may be the generation that finally spurs the long-discussed 'e-closing' into the mainstream."

more engaged in selecting their title or closing company.

"For Millennials, it won't end with the online home search," Risser said. "They will Google the title and settlement provider as well. They check online for reviews of restaurants, cars and technology. Why wouldn't they use it for the biggest purchase in their lives?"

### Settlement Services Shift

Recognizing the need to adjust to market needs, Elliot Liss, principal with Maryland-based Closeline Settlements, said the industry will need to find ways to streamline and digitize the closing process as much as possible. He believes Millennials will want to receive transaction status updates without having to call or email. According to Liss, a generation that is flexible, community-focused and hyper-communicative will want businesses to cater to its preferences.

match expectations.

"The next boom market will favor lenders who market to and meet the demands of Millennials," Murin said. "The strategic partners they choose will be those that are able and willing to help them win share among Millennial homeowners—both at the marketing end as well as the customer service end. We will have to promote, produce and service products that are authentic, straight-forward, easily accessible and provided quickly."

Justin Tucker, vice president of marketing, sales and technology for WFG National Title Insurance Co., points out that Millennials have lived in a world immersed in technology and communicate differently than past generations. This will impact the way the industry delivers its products and closes deals.

"They Tweet. They Google. They Instagram. And they share their likes and dislikes very publicly," Tucker



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# Relax, You've Got This

With Internal Processes Ready for TRID,  
Get in Front of Your Customers

BY CYNTHIA MCGOVERN

**T**here is no escaping it—Oct. 3 is around the corner, coming at us fast and furious, whether we are ready or not. Don't fret! You've prepared, and you're ready. While the entire industry has been focused on behind the scenes processes to ensure compliance with the new integrated disclosures, you've no doubt been focusing on how to leverage ALTA Best Practices and CFPB compliance to grow your business, right? Well, in case you haven't been, let's get you started.

## Commoditization Is All in Your Head

What? You don't think you can differentiate yourself because everyone has to comply with the new rules? This is one of the biggest fallacies out there. The reason? Most people don't know how to tell their story. Let's just agree that at the core, growing your business is about keeping all of your current client relationships, and getting some new ones while you're at it. You can't grow if you lose clients out the back door while you're bringing them in the front door. And keeping clients and getting new ones is about both relationships and value—*both perceived and real value*.

So how can you leverage what you're doing to be compliant in order to grow your business? You have to develop your story in a way that resonates with your clients. Don't think about what you're doing to be compliant. Think about *how what you're doing* benefits both your clients and ultimately consumers—their clients. (As an aside, since we traditionally refer to directing real estate professionals as our clients, we will continue to do so in this article although consumers are our clients as well!)

Once you focus on how you're benefitting your clients (and their clients), you need to tell that story better than any of your competitors. This can be a true differentiator in your market because not everyone is focusing on this nuance of regulation and compliance.

## Are Your Frontline Employees Ready?

Though every employee in each organization needs to be ready for the coming changes, the ones on the frontline, those who interact directly with clients and consumers, need to be able to articulate the changes and how they benefit clients better than anyone else. Can your employees do

this? How do you know? Frankly, since the focus has been on process changes and how they're dramatically impacting internal systems, very little attention is being paid to how best to communicate with customers on anything other than the dry details of the actual changes. We all need to do a better job of developing our internal stories, making sure that our employees can tell them, and then going to market through various strategies such as educational presentations, social media outreach, email drip campaigns, and one-on-one interviews and interactions. Again, it's not just important to detail the coming changes, but to couch these changes in how customers will ultimately benefit from them.

## Positioning Is Key

Again, it can't be said enough, don't just think about what you're doing to be compliant. Think about how *what you're doing* benefits our clients and consumers. Then, position everything in terms of the benefit to *them* and why they should care. It's not enough to say we protect consumer's non-public personal information (NPI), because we're required to. Instead, explain your commitment to protecting the NPI of each of your customers because buying or selling a home involves divulging a lot of personal information that could ultimately negatively impact clients if it gets out. Explain the systems and processes you've created to prevent that from happening. Positioning

is the art of getting the client (and the client's client) to feel catered to, that they aren't just a number—to feel special. Remember, relationships and real and perceived value drive customer decisions.

### Impact to Realtors

Because the coming changes are primarily impacting lenders and settlement services organizations, many real estate professionals haven't

value proposition that will resonate with your clients and potential clients.

If you haven't already done this, you must touch base with *all* of your existing clients to have these conversations about how the changes will impact them. If you don't, someone else might, opening the door to create value and leading to a potential loss of a customer for you. Start with your most valuable clients, and then start working on potential

**■ If you haven't already done this, you must touch base with all of your existing clients to have these conversations about how the changes will impact them.**

been paying much attention. This late in the game, they may be more in tune, but many that we have spoken with feel that the changes don't impact them. This is a tremendous opportunity to create value to both gain and keep clients for title companies.

Realtors by now probably know that transactions may take longer, and that last-minute changes could drastically delay the process. But do your clients know how to articulate the value of having an owner's policy? The use of the word "optional" is going to create a lot of questions during the closing process, as for many, the cost may be much more than they realized. Realtors need to be prepared for the questions, and it's up to you to educate them. Do this first, and do it better than any of your competitors, and you've created a true

clients. Drip campaigns and social media outreach are a good start, but one-on-one conversations work best—which again is why every frontline employee needs to be prepared!

For communicating with real estate agents, here are a few open-ended questions to get your conversations started:

- "How are you preparing yourself for the upcoming implementation of the new CFPB requirements?"
- "What information have you received so far related to how the new CFPB rules impact real estate professionals?"
- "Have you considered how the new "optional" language for owner's title policies could impact your conversations with your clients?"

### Your 'To Do' List

At Orange Leaf Consulting, we love "to do" lists. In fact, we've been known

to create a "to do" list with items we've already done, just so we can cross them off! We know you've done it too! Here's our suggestion for what you need to do in order to convert the upcoming changes into new business. Hopefully you can cross a few off from the start.

1. **Inform** – What does your staff still need to know? (Sharing this article is a really good start.)
2. **Engage** – Identify champions in your organization. Get others involved by delegating and assigning tasks. You don't have to do everything.
3. **Educate** – Aside from the technical, process-oriented stuff, what else does your staff need to know? Do they need help positioning the benefits of the upcoming changes, or are they still focused on how painful these changes are going to be? You may need to tell them how and what they should be communicating.
4. **Plan and strategize for growth** – Focus on your market strategies, create your plan and execute. This is another great place for delegation.
5. **Execute** – In addition to carrying out your plan, it's important to perform some Monday morning quarterbacking too. Track your progress and decide what works (keep doing, and do more) what doesn't (stop doing it or change tactics) and always be thinking about new approaches to leverage in order to grow. ■



**Cynthia McGovern** is chief executive officer of Orange Leaf Consulting, which helps title companies create sustainable growth and

follows the motto "Grow Big or Go Home." She can be reached at [cmcgovern@orangeleafconsulting.com](mailto:cmcgovern@orangeleafconsulting.com).

## First-Quarter 2015 Market Share

Company Name	Premium Written Direct	Premium Written Non-Affiliated Agency	Premium Written Affiliated Agency	Total Premiums Written	Market Share
<b>FIDELITY FAMILY</b>					
Chicago Title Ins. Co.	56,462,907	181,545,888	156,056,862	394,065,657	14.61%
Fidelity National Title Ins. Co.	25,774,709	139,828,278	128,814,924	294,417,911	10.92%
Commonwealth Land Title Ins. Co.	23,269,642	71,449,214	43,236,843	137,955,699	5.12%
National Title Ins. of NY	66,458	489,015	19,156,644	19,712,117	0.73%
Alamo Title Ins. Co.	-	4,942,062	10,682,533	15,624,595	0.58%
<b>TOTAL - FIDELITY FAMILY</b>	<b>105,573,716</b>	<b>398,254,457</b>	<b>357,947,806</b>	<b>861,775,979</b>	<b>31.96%</b>
<b>FIRST AMERICAN FAMILY</b>					
First American Title Ins. Co.	130,559,732	401,094,638	160,074,394	691,728,764	25.65%
First Canadian Title Ins. Co.	12,653,268	-	-	12,653,268	0.47%
First American Title Guaranty Co.	-	-	11,855,017	11,855,017	0.44%
First American Title Ins. Co. of LA	-	9,063,030	-	9,063,030	0.34%
First Title PLC (UK)	4,663,774	3,228,078	-	7,891,852	0.29%
<b>TOTAL - FIRST AMERICAN FAMILY</b>	<b>149,346,720</b>	<b>416,476,983</b>	<b>171,929,411</b>	<b>737,753,114</b>	<b>27.36%</b>
<b>OLD REPUBLIC FAMILY</b>					
Old Republic National Title Ins. Co.	17,732,882	336,366,598	40,569,305	394,668,785	14.63%
American Guaranty Title Ins. Co.	883,683	5,486,585	677,015	7,047,283	0.26%
<b>TOTAL - OLD REPUBLIC FAMILY</b>	<b>18,715,164</b>	<b>346,613,673</b>	<b>41,246,320</b>	<b>406,575,157</b>	<b>15.08%</b>
<b>STEWART FAMILY</b>					
Stewart Title Guaranty Co.	31,586,276	166,043,225	89,652,644	287,282,145	10.65%
Stewart Title Ins. Co. of NY	9,535,422	37,855,566	328,510	47,719,498	1.77%
<b>TOTAL - STEWART FAMILY</b>	<b>45,817,043</b>	<b>203,898,791</b>	<b>89,981,154</b>	<b>339,696,988</b>	<b>12.60%</b>
<b>FAMILY TOTALS</b>	<b>319,452,643</b>	<b>1,365,243,904</b>	<b>661,104,691</b>	<b>2,345,801,238</b>	<b>86.99%</b>
<b>TOP INDEPENDENT COMPANIES</b>					
Westcor Land Title Ins. Co.	123,148	64,411,630	9,177,973	73,712,751	2.73%
WFG National Title Ins. Co.	7,401,121	48,616,732	9,542,418	65,560,271	2.43%
Title Resources Guaranty Co.	631,318	24,741,782	26,701,284	52,074,384	1.93%
North American Title Ins. Co.	-	21,197,690	23,910,596	45,108,286	1.67%
Alliant National Title Ins. Co.	-	18,874,654	-	18,874,654	0.70%
Investors Title Ins. Co.	6,406,021	11,561,998	134,033	18,102,052	0.67%
Attorneys' Title Guaranty Fund of IL	134,056	13,661,383	37,371	13,832,810	0.51%
Connecticut Attorneys Title Ins. Co.	-	13,045,017	-	13,045,017	0.48%
Security Title Guarantee Corp. of Balt.	-	9,368,755	-	9,368,755	0.35%
First National Title Ins. Co.	-	2,714,548	6,598,255	9,312,803	0.35%
National Investors Title Ins. Co.	360	7,564,195	-	7,564,555	0.28%
Land Title Ins. Corp. of CO	-	-	6,087,805	6,087,805	0.23%
<b>TOTAL - INDEPENDENT COMPANIES</b>	<b>18,122,721</b>	<b>246,806,798</b>	<b>86,022,587</b>	<b>350,952,106</b>	<b>13.01%</b>
<b>TOTAL - ALL COMPANIES</b>	<b>337,575,364</b>	<b>1,612,050,702</b>	<b>747,127,278</b>	<b>2,696,753,344</b>	<b>100.00%</b>



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# TRID Won't Delay Closings for 'Just About Everyone,' CFPB Says

## ALTA Continues Push for Hold-harmless Period

In an announcement earlier this year clarifying the three-day rule for the TILA-RESPA Integrated Disclosures (TRID), the Consumer Financial Protection Bureau (CFPB) said the new regulations will not delay closings in most situations.

The regulations, which now go into effect Oct. 3, require creditors to provide the five-page Closing Disclosure to homebuyers three days before the closing so they can review terms of the deal. In its announcement, the bureau clarified the three specific changes that would require a new three-day review period. These include:

Annual percentage rate (APR) **increases** by more than 1/8 of a percent for fixed-rate loans or 1/4 of a percent for adjustable loans. A **decrease** in APR will not require a

new three-day review if it is based on changes to interest rate or other fees.

A prepayment penalty is added, making the loan expensive to refinance or sell.

The basic loan product changes, such as a switch from fixed rate to adjustable interest rate or to a loan with interest-only payments.

"Many things can change in the days leading up to closing," the CFPB said in its announcement. "Most changes will not require your lender to give you three more business days to review the new terms before closing. The new rule allows for ordinary changes that do not alter the basic terms of the deal."

The bureau said there has been "much misinformation and mistaken commentary" about the requirements for a new three-day review period. The CFPB provided examples of

situations that do not require a new three-day review:

Unexpected discoveries on a walk-through such as a broken refrigerator or a missing stove, even if they require seller credits to the buyer.

Most changes to payments made at closing, including the amount of the real estate commission, taxes and utilities proration and the amount paid into escrow.

Typos found at the closing table.

In a blog post, the CFPB said that closings "for just about everybody" will not be delayed. While ALTA members continue to prepare for implementation, ALTA CEO Michelle Korsmo said the uncertainty caused by the rule could result in delays in real estate closings.

"To suggest that real estate closings will not be delayed under TRID is looking at this 1,888-page regulation through rose-colored glasses," Korsmo said. "There's no guarantee that homebuyers won't experience a longer time period between when they apply for their mortgage and when they actually sit down at the closing table. By failing to provide clear guidance on how to comply with the regulation, the CFPB infuses uncertainty and chaos in the marketplace, which will ultimately undermine the bureau's goal of helping educate consumers about their mortgage transaction."

### Longer Rate Locks?

To accommodate for longer closing timeframes, lenders may

temporarily extend rate locks. Many in the industry believe TRID will cause closings to take at least 15 days longer to close.

Glenn Brunker, president of BOK Financial Mortgage in Tulsa, Okla., said the industry may need to migrate to a 45-day rate lock and a 45-day contract at first to adjust to the new process. Tammy Butler, director of fair lending and compliance at Optimal Blue, expects lenders to be conservative once TRID goes into effect. If they need 30 days to close,

submitted a letter to the CFPB asking for a good-faith period through 2015. ALTA also asked the CFPB to correct the disclosures by fixing the inaccurate disclosure of title insurance premiums for consumers and removing the “optional” label for owner’s title insurance.”

On July 7, U.S. Sens. Tim Scott (R-S.C.) and Joe Donnelly (D-Ind.) introduced S. 1711, which limits liability for those who in good faith attempt to comply with TRID through 2015. Language in this bill

■ “To suggest that real estate closings won’t be delayed under TRID is looking at this 1,888-page regulation with rose-colored glasses.”

they might use a 45-day rate lock. They could also use a 60-day rate lock for a 45-day closing period, Butler said.

Richard Andreano, a partner at the law firm Ballard Spahr, pointed out that consumers will have to pay more for longer rate locks. Rod Alba, senior vice president for residential finance at the American Bankers Association, doesn’t expect to see any rate-lock changes at first, however. He said lenders will want to see what impact TRID will have on closings before executing longer periods.

### Hold-harmless Push

ALTA continues to ask the CFPB to announce a formal hold-harmless period and encourage Congress to pass legislation. On July 6, ALTA

is identical to H.R. 2213, which was introduced in the House by U.S. Reps. Steve Pearce (R-N.M.) and Brad Sherman (D-Calif.)

Sen. Scott believes that “legislation—as opposed to reliance on promises of bureaucratic ‘sensitivity’ after the effective date or Congressional Review Act hiccups—provides the highest degree of certainty ....” The bill had 10 original sponsors as of July 17.

In a June 3 letter to Congress and on a blog, CFPB Director Richard Cordray said the bureau would be “sensitive to the progress made by those entities that have squarely focused on making good-faith efforts to come into compliance with the rule on time.” ■

## CFPB Finalizes Oct. 3 Start Date for TRID

On July 21, the CFPB issued a final rule delaying the effective date for the TILA-RESPA Integrated Disclosures rule until Oct. 3, 2015.

As the result of a filing error by the bureau, the CFPB in June proposed delaying TRID until Oct. 3. The bureau received 852 responses during the comment period, which ended July 7. In the final rule, the CFPB said it that it was not seeking comments on other issues—including the requirement to identify owner’s title insurance as “optional” and the method of disclosure of owner’s and lender’s title insurance when there is a discount for simultaneous issuance of both policies—aside from the delayed implementation.

In addition, the CFPB also explained why it rejected industry’s request for a grace period for enforcement. The final rule referenced a June 3 letter to members of Congress and its blog. In the letter, CFPB Director Richard Cordray said the bureau would be “sensitive to the progress made by those entities that have squarely focused on making good-faith efforts to come into compliance with the rule on time.” At the time, Cordray said his statement was “consistent with the approach” the CFPB took with enforcement of the Qualified Mortgage and Ability To Repay regulations. Those rules took effect in January 2014, but examiners didn’t begin auditing lenders for compliance for four months.

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# Mind the Gaps: Five Common Areas Preventing ALTA Best Practices Certification



Lack of Documentation Tends to be Main Pitfall  
Between Actual Practice and Best Practice

BY MATTHEW REKERS

For most settlement agents, the news about ALTA's "Title Insurance and Settlement Company Best Practices" is no longer new. Besides hearing about the Best Practices, many title insurance agencies have begun implementing them into their operations. Early adopters have completed self-assessments or have achieved certification through an independent third party.

As lenders have been learning more about the controls within the ALTA Best Practices Framework, they have chosen to become more reliant upon it as the basis of their vendor risk-management program for their settlement agents. Because third-party certification provides the lender with a higher level of assurance, more lenders are either requiring or strongly urging their title company

vendors to adopt and get certified for ALTA Best Practices.

PYA is routinely asked, "What prevents title companies from obtaining certification?" This question brings to mind the British subway term "mind the gap." This simple, but well-crafted message addresses how one should watch out for the gap between the subway train door and the station's platform.

As we have worked with title insurance agencies across the country, PYA has identified some recurring gaps between actual practice and best practices. The British subway warning to mind the gaps applies to organizations wishing to prepare for a successful Best Practices certification. Here are five gaps that commonly prevent ALTA Best Practices certification.

## Gap One: Your Policies and Procedures Do Not Cover All of the ALTA Best Practices

One of the greatest challenges for title companies is determining exactly what must be included in their policies and procedures. The first assessment procedure that an independent third party performs during a certification is a review of your policies and procedures to ensure they cover, at minimum, the Best Practices Framework. With the exception of Pillars 1 and 6, if your policies and procedures fail to cover an assessment procedure, you will likely fail that section of the review, and, as a result, fail the certification. The ALTA Best Practices Framework provides a summary of what is required, but to pass certification, an organization is required to develop more comprehensive policies and procedures.

Developing your policies and procedures by referring to the ALTA Best Practices Framework: Assessment Procedures version 2.1 will enable you to address each area

to be assessed during the certification process. The Assessment Procedures are available on ALTA's website ([www.alta.org](http://www.alta.org)) and are used by third parties (e.g., CPA firms) during the certification process. If you think of the third-party assessment as being similar to a test, the Assessment Procedures version 2.1 conveniently provides a listing of the test questions that will be asked.

### Gap Two: Non-public Personal Information Security Risk-assessment Procedures

Under Pillar 3, one key requirement is to perform and document a non-public personal information (NPI) security risk assessment. Most title professionals understand the risk involved with handling NPI and the controls needed to mitigate that risk. However, many organizations find it challenging to document the process. The documentation must include a risk assessment that ranks the risks associated with the locations, systems and methods used to store, process, transmit and dispose of NPI. The objective of the NPI risk assessment is to minimize the threat of exposing NPI to theft by identifying where data is most vulnerable. By understanding the risks, your organization can develop key controls that can be tested regularly by qualified, independent staff in accordance with your risk assessment.

### Gap Three: NPI Risk-Assessment Testing

Under ALTA's Best Practices, regular testing of the key controls, systems and procedures of the information system program must be performed and documented by qualified, independent staff in accordance with the NPI risk

assessment. PYA routinely finds gaps in the procedures that outline how documentation of the testing and testing follow-up are maintained. The Best Practices don't require that the testing and documenting of the NPI risk-assessment be performed by an external resource. A trusted employee can serve as the qualified, independent staff to perform this function.

### Gap Four: Management's Review of Information Technology (IT)

Management can source its IT function through an in-house IT department or an outside IT vendor. However, management cannot outsource its responsibility for overseeing the IT operations of the organization. ALTA Best Practices includes monitoring controls for IT operations that must be performed by management.

- 1 Management is required to review the user access rights and administrative rights for systems containing NPI.
- 2 Management must review and memorialize that system modifications to hardware and software have been documented, tested and approved.
- 3 Management must monitor attacks or intrusions into customer information systems and respond to incidents. If monitoring of external threats has been outsourced, then management must request reports from the IT vendor and maintain documentation of management review.

### Gap Five: Documentation of Employee Training and Policy Acknowledgement

At this point, you may have noticed a common theme of how a

lack of documentation results in a gap between actual practice and best practice. The need for documentation also includes employee training and policy acknowledgment. When you perform required training throughout the pillars, you must ensure that you maintain proper documentation. For example, Pillar 3 requires you to provide all of your employees who have access to NPI with the following policies upon hire, and annually thereafter:

4. *privacy and information security policy*
5. *acceptable use of information technology*
6. *customer privacy policy*

It is important to obtain documentation evidencing your distribution to all applicable employees and each employee's acknowledgment of receipt. One way this can be accomplished is by having your employees sign a form acknowledging that they have received and will comply with the policies listed above. Simple solutions such as these allow you to confidently mind the gaps.

The five gaps listed above are by no means an exhaustive list of areas for improvement. They are indicative of the types of key controls that are most frequently missed. If you are able to apply the lessons learned from minding the gaps, you will be better prepared to arrive at your destination of Best Practices certification. ■



**Matthew Rekers CPA CIA** is the director of ALTA Best Practices Services Group for PYA, a certified public accounting and consulting firm

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# Underwriters Strive to Help Agents With Best Practice Compliance

## Westcor, Stewart Roll Out New Programs; Agents National Receives Certification of Agency Management Systems

**T**he management of Westcor Land Title Insurance Co. understood that the Dodd-Frank Act and establishment of the Consumer Financial Protection Bureau (CFPB) would place an increased emphasis on a lender's responsibilities for ensuring that third-party vendors are complying with consumer financial laws. In response to this increased focus, Westcor engaged McGladrey LLP to assist with the evaluation and enhancement of Westcor's Agency Audit Program to test for compliance with ALTA's Best Practices Framework.

"Lenders appreciate the independence of the program and the confidence in knowing that a Westcor certified title agency is properly monitored," said Mike Schefstad, chief financial officer for Westcor. "Ultimately, it comes down to protecting the consumer, which in turn satisfies the lenders' responsibilities to comply with CFPB."

Westcor's Agency Compliance Program has been accepted by numerous national and local lenders. With this program, lenders can be satisfied with the independence of the assessment and process. An added benefit of the program is that a lender and the consumer do not have to track multiple certifications, third-party vetting reports or multiple independent reviews.

### Stewart

Stewart has agreed to offer a voluntary Deloitte & Touche compliance service to its independent title and settlement agents who wish to receive third-party attestation.

When engaged, Deloitte & Touche will be able to perform an examination on the independent title agency's compliance with ALTA's "Title Insurance and Settlement Company Best Practices."

Deloitte & Touche's examination procedures are based on American Institute of Certified Public Accountants (AICPA) attestation

standards leveraging the ALTA Best Practices framework.

"By having the optional ALTA Best Practices Compliance Attestation as part of our process, Stewart further validates the high-quality standards of our network, which lenders and consumers will find of value," said Pat Beall, group president of Stewart Agency Operations."

As a part of Stewart's Trusted Provider program, an agency or attorney agent must pass an initial due-diligence screening, conduct business according to Stewart's Trusted Provider Standards and undergo ongoing monitoring.

### Agents National Title

Agents National Title Insurance Company (ANTIC) recently completed a Statement on Standards for Attestation Engagements Number 16 (SSAE 16) Service Organization Control 1 (SOC 1) Type 1 audit of its agency management systems and procedures.

"ANTIC utilizes a proprietary web-based operating and policy remittance system that integrates in real time with customized NetSuite enterprise resource planning software," said David Townsend NTP, ANTIC's chief executive officer. "This combination empowers ANTIC's team with the most current available information to fully support agents in navigating the title insurance landscape." ■

# Supreme Court Marriage Ruling and the Impact on Title and Property Rights

## Decision Should Eliminate Confusion on Determining Property Rights for Married Same-sex Couples

**T**he U.S. Supreme Court's 5-4 ruling on June 26 in favor of same-sex marriages in *Obergefell v. Hodges* will have a significant impact on property rights and the title insurance industry.

The five-person majority held that the 14th Amendment required all states to license marriages between same-sex couples and to recognize same-sex marriages of other states.

"Our nation provides numerous protections for married couples who own property," said Michelle Korsmo, ALTA's chief executive officer. "In addition, the Supreme Court's opinion gives same-sex couples the ability to take title to real property as tenants by the entirety, which is the strongest way to hold title and is reserved for married couples."

Tenancy by the entirety is a type of joint ownership exclusively reserved for married couples. A tenancy by the entirety has two primary distinctions. First, ownership is treated as a right of survivorship ownership. If one

owner of a joint tenancy dies, while still married to the tenant entirety spouse, the surviving spouse receives the property without probate or other operation of estate law. Second, and possibly more importantly, the ownership of the married couple is treated as a whole, not two individuals. This means that if a judgment lien or other attack on title is made claiming through only one spouse, it cannot attach to title held by tenancy by the entirety unless it is against both spouses. Most states require such a tenancy be created by deed and expressly state that it is the intent to create a tenancy by the entirety. For a mortgage or sale to be valid, the signature of both spouses must be obtained to transfer or encumber all of the real estate interest.

"Same-sex couples will now have unfettered access to taking title to real property as tenants by the entireties and may begin converting real property held in joint tenancy

and as a tenancy in common to take advantage of the protections inherent in that tenants by the entireties tenancy," said James Markels, an attorney with the D.C.-based law firm Jackson & Campbell PC.

By normalizing same-sex marriage throughout America, the *Obergefell* decision "should eliminate confusion as to how to determine and respect the property rights of married same-sex couples who move to a state that did not recognize gay marriage," Markels added.

In addition, same-sex spouses electing to marry will also now be able to receive property and benefits through intestate succession laws in all states as surviving spouses when their spouse dies.

"Even those not electing to marry with a license and other formalities may be able to claim immediate status under common law marriage statutes in those states that recognize common law marriage," Markels said.

One issue not yet resolved, according to Markels, is whether the rights extended in *Obergefell* are retroactive. For example, if a same-sex couple took title to real property as tenants by the entirety in a state that did not recognize gay marriage, does *Obergefell* mandate that the property be deemed held as a tenancy by the entirety since the date it was purchased, or only since today?

"That, and similar questions, will be awaiting decisions by the courts," Markels said.

## Title Industry Assurance Company Introduces New E&O Policy

As the title industry continues to evolve at a rapid pace, it is vital for title professionals to select a professional liability/E&O policy that addresses today's expansive exposures. As the title industry's own E&O insurer, TIAC's new expanded coverage incorporates enhancements suggested by title underwriters, agents and abstracters.

"This new policy establishes a new standard for E&O coverage and will be an important addition to fulfilling pillar six of ALTA's Title Insurance and Settlement Company Best Practices," said Dan Mennenoh, president of H.B. Wilkinson Title Company, Inc. of Galena, Ill. "We have been a TIAC insured for over 11 years and highly recommend TIAC to all ALTA members."



### New coverage features include

- \$100,000 client funds protection
- \$50,000 privacy breach mitigation expense
- \$50,000 attorneys' fees reimbursement for regulatory proceedings including proceedings before the Consumer Financial Protection Bureau
- loss of earnings reimbursement
- subpoena assistance
- pre-claims assistance

TIAC has also introduced a new \$1,000 per claim deductible for qualifying insureds.

TIAC still offers features such as the 50-percent deductible waiver endorsement for claims arising from services rendered for endorsing title underwriters, expert claims and underwriting services. Liability limits up to \$5 million continues.

Coverage can be compared using TIAC's Coverage Evaluator.

Visit TIAC online at [www.cpim.com/tiac](http://www.cpim.com/tiac) or call 800-628-5136.

## Lighthouse Group Partners with Safe Title

Holland, Mich.-based Lighthouse Group announced a new partnership with Safe Title, a title insurance and settlement specialist with six locations in Holland, Grand Haven, Muskegon, Manistee, Grandville and Grand Rapids.

Safe Title has served the West Michigan area since 2004.

"Safe Title is a great agency with an excellent staff and reputation, and we are pleased to partner with them," said Bob Wuerfel, title president of Lighthouse Group. "They share a similar title culture and business approach with our network. As a licensed attorney, their president can also share insights that will strengthen our team as we continue to expand and grow."

Jeff Basil, president of Safe Title, also spoke highly of the partnership, adding "This is a very good move for us and our customers as it will create operational efficiencies and allow for the blending of two good agencies into a very strong one in each of our six markets. Additionally, diversifying in this economy by offering our clients the ability to purchase homeowner's, auto, business, benefit and life insurance through Lighthouse Group is a unique and exciting model."

With the addition of the Safe Title team, the title agency at Lighthouse now consists of over 20 Michigan locations and over 100 title professionals.

## Capital Title Acquires Three Offices in Southeast Texas

Capital Title recently announced its expansion into the Jefferson County and Southeast Texas market. Capital Title acquired three new office locations and the sovereign title plant from Jefferson County Title, which traces its roots more than 100 years ago. The

acquisition unites two life-long friends, Capital Title owner Bill Shaddock and Jefferson County Title owner Austin Dishman.

Capital Title now has more than 60 offices in the Dallas-Fort Worth, Houston, Austin and San Antonio metropolitan areas.

### NDGT Acquires Minnesota-based Title Operations

North Dakota Guaranty & Title Co. acquired Grand Forks Abstract & Title Company, which also includes Pennington County Abstract & Title in Thief River Falls, Minn., and Strander Abstract & Title in Crookston, Minn. With the close of this acquisition, NDGT now provides title services throughout the Red River Valley and Western Minnesota.

“This is an exciting time of growth for our company,” said Nick Hacker, president of NDGT. “Tony Faust and his staff have built a wonderful company that

is committed to the needs of its customers. We are proud to welcome Grand Forks Abstract & Title Company, Pennington County Abstract & Title and Strander Abstract & Title as part of The Title Team, and we look forward to continue providing outstanding services across the entire state of North Dakota, Western Minnesota and Eastern Montana.

Known as “The Title Team,” North Dakota Guaranty & Title was founded in 1955. NDGT has 10 offices in North Dakota, one in Montana and two in Minnesota.

### RamQuest Integrates with NotaryLoop

RamQuest Inc. announced that its Closing Market digital network is now integrated with NotaryLoop. RamQuest’s Closing Market digital network is an application-to-application interface that electronically connects business partners allowing each participant to work from their own software.

Notary Loop offers a cost-effective way for signing services to connect to RamQuest customers. Using

NotaryLoop, any signing service can integrate with RamQuest’s production solutions and create a secure, stable connection to clients without costly development fees. Because NotaryLoop offers the ability to securely receive orders and pass information and status updates without logging into vendor or third-party websites, title agencies and signing services can have a direct, system-to-system connection.

### Best Homes Continues Expansion in Michigan

Michigan-based Best Homes Title continued its expansion with the acquisition of Homeowners Title Agency.

This is the company’s largest metro-Detroit expansion, boosting Best Homes Title to 13 full-service offices across the state. Best Homes Title now has more than 75 employees, including an array of industry veterans in the areas of residential and commercial real estate.

The acquisition became official June 1, said Best Homes Title President Neil Sherman. Homeowners Title Agency owner Phil Campbell will serve as a key advisor, bringing his decades of experience to Best Homes Title and to his long-time clients during the

transition, Sherman said. Eight Homeowners Title Agency employees will continue work from the Rochester Hills location.

Campbell, a real-estate attorney with more than 35 years of experience, founded Homeowners Title Agency in 2004.

“In the past few years, we’ve added offices in Troy, Waterford, Big Rapids and Greenville. Now, we’ve got a presence in Rochester Hills. This not only increases our footprint, but it also increases our residential expertise,” Sherman said. “We will continue to look for new partnerships that are a match for our drive toward top-notch customer service and technical savvy.”

### ResWare Integrates with Westcor, Adds Policy Jackets

Adeptive announced that its ResWare platform’s integration with Westcor Land Title Insurance Co. now includes access to integrated policy jackets. The new integrated services feature allows agents to order and receive Westcor policy jackets from within the ResWare platform, increasing

efficiency and eliminating the need to rekey data.

In a release, the companies said that with the additional connectivity to eWestcor through ResWare, agents can now pull and generate both closing letters and policy jackets, further simplifying the process to conduct transactions with Westcor.

## Mountain America Tallies 500 E-closings on Pavaso Platform

Since their first transaction with Pavaso's platform on Dec. 31, 2014, the pace of Mountain America Credit Union's e-closing capability continues to speed up. On June 8, the credit union officially reached 500 transactions with Digital Close, part of Pavaso's platform and suite of solutions from the real estate innovator.

"It's a notable milestone for Mountain America and Pavaso," said Amy Moser, vice president of mortgage services at Mountain America. "We've proved that homebuyers overwhelmingly respond positively to e-closings, and that it's not difficult for businesses to implement. With almost 30 title companies now on board in the Salt Lake area, and more coming online each week in other markets, it won't be long before we double that. We're excited to see how much further we'll go with a partner like Pavaso."

Mountain America and Pavaso began their partnership last year when they were selected to participate in the CFPB's e-closing pilot program. The pairing of the two companies has worked out well, especially since they align with a common focus of transforming the consumer's home buying experience.

"Pavaso provides a 'journey' that includes all stakeholders," said Nancy Pratt, vice president of operations and e-strategy at Pavaso. "Helping everyone in the transaction, including the consumer, through a much simpler and more efficient way to participate is key to the success we've experienced. The progress we've made with Mountain America over the last few months is exciting, as it proves that consumer markets and the industry aren't waiting any longer to change."



## San Diego County Adopts E-recording with Simplifile

San Diego County, Calif., the fifth most populated U.S. county, is now accepting electronic land documents submitted through Simplifile.

With the addition of San Diego, Simplifile now provides e-recording in 20 of the nation's largest counties by population.

Using Simplifile's secure, web-based service, customers will be able to electronically submit documents to San Diego County and have them recorded in minutes. The service is used by title companies, banks and attorneys to record real estate documents.

"In the first three weeks since going live, 30 percent of documents eligible for e-recording were submitted electronically,"

said the San Diego County Assessor-Recorder-County Clerk Ernie Dronenburg. "Based on the current law, we estimate that 74 percent of the documents are qualified to use this process."

Under current California laws regarding e-recording of real property records, a county's e-recording delivery system must meet specified security standards, and all persons with a secure access role, including submitter's staff, are required to undergo fingerprint criminal history checks. In addition, there are specific technical requirements that all submitters must adhere to when e-recording documents.

## MISMO Announces Inaugural Recipients of Certified MISMO Standards Professional Designation

MISMO announced the first group of individuals to receive the Certified MISMO Standards Professionals (CMSP) designation. These individuals have completed a process to achieve distinction as experts in the field of standards within

the mortgage industry. Three ALTA member companies are represented among the first recipients of the new MISMO individual certification, including Steve Acker of Closergeist, Mark Kleingers of eLynx and Matthew Hailstone of Simplifile.

### Share Your News

Email your company news to [communications@alta.org](mailto:communications@alta.org).

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## Celebrating 25 Years of Service to ALTA Members and the Title Industry!

Times were tough for title professionals in the 1980s. Like today, E&O insurers were either ceasing to offer coverage or raising rates dramatically. To respond to this crisis, ALTA members created Title Industry Assurance Company (TIAC) to provide a long-term stable E&O market for its members.

25 years later, TIAC is one of the longest running and successful E&O insurance providers available! Combining broad coverage, expert claims and underwriting services, and competitive rates, TIAC is the choice for title professionals!

If you have not received a quotation from TIAC lately or compared our broad coverage, contact us at 800-628-5136 or complete our online premium estimate form at [www.cpim.com/tiac](http://www.cpim.com/tiac).



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Robert Wineman  
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Dan Wold  
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Ronald Wood  
*Fidelity National Title Group*

## October will Bring Sundry Sentiments

I write this column with mixed emotions. ALTA's 2015 Annual Convention is only two months away. In addition, implementation of the CFPB's TILA-RESPA Integrated Disclosures (TRID) is less than 60 days away. For me personally, it's the last few months serving as your president. I'll walk down memory lane with you in the next edition, reflecting on the past (and furious) year.

Let's focus on the task at hand. I am honored to invite you to attend this year's Annual Convention, which will be held Oct. 7-10 in Boston. The city offers a wonderful blend of stylish sophistication and historic New England charm. I hope you can join us as we uncover Boston's past and enjoy its distinctively modern edge. You can learn more at [meetings.alta.org/annual](http://meetings.alta.org/annual).

While the Annual Convention begins just days after implementation of TRID, it's a perfect opportunity to come together, discover how others have planned for the new disclosures, make new business connections and learn what it will take to prosper during these changing times. Yes, the industry is definitely evolving. That's why attending this year's convention is even more crucial. ALTA is here to help you make sense of it all and provide a blueprint of how to attack the market when you get back to the office.

After conducting quantitative and qualitative research, we found that the title industry needs direction on how to effectively educate homebuyers on the value of title insurance. During the Convention, we'll unveil our Homebuyer Outreach Program—a campaign to help ALTA members effectively educate consumers about the value of title insurance. You'll learn all about the tools and resources ALTA is developing for its members to promote the industry's value and explain how we provide peace of mind to homeowners. There will be a wide range of content—material that won't break the bank—for member companies of all sizes to market their business and provide education about title insurance. We'll also reveal a totally revamped [HomeClosing101.org](http://HomeClosing101.org), ALTA's consumer-facing education website. These tools give our industry new opportunities. I hope you can join us and learn about them first-hand.

Whether you're looking for invaluable networking opportunities, the latest on market trends or just plain good ideas, ALTA's Annual Convention is the place to make it happen. I hope you will join your colleagues and me in Boston. ALTA is here to empower you to be a leader in this evolving market!



A handwritten signature in black ink, appearing to read "Diane Evans". The signature is fluid and cursive.

— Diane Evans NTP, ALTA president

A lot will happen between today and October 3, 2015.

Rates will go up, stay the same, or fall - who knows? Someone will land that big client - we hope it's you! There will be lots of dinners, and even more meetings. There will be vacations to the beach, to the mountains, to the lake, to the river, or overseas.

A lot will happen between today and the third day of October. However, we recommend you take time to ...

# Know Before You Close.

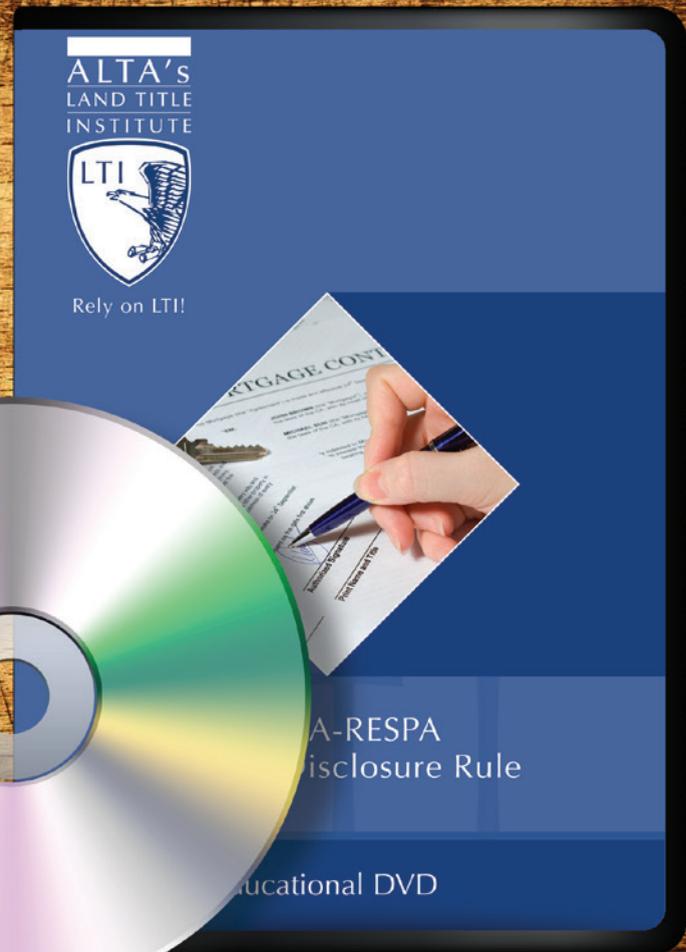


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Produced by the American Land Title Association and the Land Title Institute, this 2.5 hour training DVD addresses the economic factors that led to passage of the Dodd-Frank legislation, the establishment and goals of the CFPB, key components of the CFPB Rule, related regulatory action impacting your business, and how you can help your customers prepare for implementation. Also included is a detailed walk through of the new Loan Estimate and Closing Disclosure.

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