

# TITLE News

FEBRUARY 2020

AMERICAN LAND TITLE ASSOCIATION



## Finding the Diamonds in the Rough

*Eight Talents to  
Look For in Your  
Next Recruit*

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**DON'T MISS THIS MONTH'S  
DIGITAL ISSUE OF**

# TITLENews

This edition of **TITLENews** includes a webinar recording that discusses strategies on how to find and hire staff that can drive customer loyalty and ultimately grow market share..

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# TITLENews

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## How Does Your Company Compare?

### COMPENSATION SURVEYS PROVIDE IMPORTANT DATA to businesses looking to

set wages and attract and retain top talent. Trying to determine numbers such as salary and benefits can be difficult. Creating and advertising a position that will attract talent is half the equation. Knowing how much you'll need to pay them to keep them is another factor.

In 2018, ALTA teamed with Benchmarking to develop and conduct an industry benefits and compensation survey. ALTA staff and Research Committee worked to develop all components to create the Title and Settlement Services Industry Compensation Index. So far, 130 locations have completed the survey and nearly 100 more have nearly finished inputting data. Companies that have completed the survey get access to all the results.

As an example, one survey question provides percentages on the types of benefits coverages companies offer:

- Health care: 81%
- Dental: 72%
- Retirement: 72%
- Vision: 67%
- Prescription: 67%
- Short-term disability: 67%
- Group term life: 67%
- Accidental death and dismemberment: 63%
- Flexible spending account: 58%
- Life insurance: 60%

As more companies complete the survey, we hope to enable filters that will allow participants to segment results based on certain demographic criteria to compare themselves to similarly sized or located companies. This data will be helpful when evaluating your benefits and compensation packages, making personnel decisions and benchmarking your company against the competition. You can take the survey at [alta.org/compensation](https://alta.org/compensation).

It may seem strange to essentially “consult” competitors to help make determinations inside of your own organization, but it can be hugely helpful toward understanding how businesses compensate employees and keeping your own organization on par with others. Because, after all, you're not just competing with them for business. You're also competing for employees.

Compensation surveys can help determine how much you'll pay for certain positions. If title examiners or closers are getting paid a certain amount across town, it probably won't take long before your employees find out and possibly jump ship.

By taking and using ALTA's Compensation Index, a business can strategically determine various wage levels based on the market rate for the type of job performed. By doing this, an organization can set its salary structure company-wide, which can help decide how many and what types of employees can be hired.

We hope this edition's cover article helps you in finding and recruiting talent. We also encourage you take the compensation survey so you can gauge how your operation compares to competitors in your market.



**JEREMY YOHE**

ALTA vice president of communications

## ALTA Advocacy Summit Dates Have Changed

To make sure your voice is heard on Capitol Hill, put the revised dates—May 11-13—on your calendar and get ready to create a lasting impression on members of Congress. The dates for ALTA Advocacy Summit were changed to accommodate the congressional calendar.

If ALTA Advocacy Summit is your favorite time of the year, register now and grab your early-bird discount. You can save \$100 if you sign up by March 9. As a “thank you” for hanging with us through the date change, attendees who have secured their rooms in the ALTA room block can receive a special discount for their event registration.

During Advocacy Summit, you’ll get the inside scoop on D.C. politics, hear from federal leaders and meet with several members of Congress and their staffs. This event provides the only opportunity you’ll get to join hundreds of your peers to speak with D.C. legislators in person.

The ALTA Advocacy Summit will be held at The Conrad Hotel in D.C.

For more information and to register, go to [meetings.altaprofessionals.org/advocacy](https://meetings.altaprofessionals.org/advocacy).



## Coalition to Stop Real Estate Wire Fraud Announces RynohLive as New Partner

The Coalition to Stop Real Estate Wire Fraud announced that RynohLive has joined as the Coalition’s latest partner in the battle against mortgage closing scams and real estate wire fraud. Founded by ALTA in 2019, the Coalition provides education about the growing threat of these scams and offers tips to help consumers protect their money during the homebuying process.

“At Rynoh, fraud prevention is in our DNA,” said RynohLive CEO and Founder Richard M. Reass. “Before there was RynohLive, the real estate settlement industry standard for protecting settlement (escrow) funds was monthly account reconciliation. Today, we are proud of the progress the industry has made in adopting Rynoh as the industry standard, and we are honored to be a part of the Coalition to further our mission



to protect everyone involved in the real estate transaction from fraudulent activity.”

Businesses and organizations that have formed a partnership with the Coalition

are committed to ensuring all parties in the homebuying process are protected from this cybercrime, which can strip consumers of their money, personal data and, in some cases, homes.

Introduced in 2007, RynohLive is a patented, automated financial management and fraud prevention system optimized for the real estate settlement industry and specifically designed for modern title insurance agents. The web-based application ensures the integrity of financial transactions in any business setting. ISO 27001 and SSAE 16 SOC 2 certified, RynohLive has identified and prevented escrow theft and automated clearing house and wire fraud, stopped employee embezzlements and eliminated check fraud and disbursing errors.

# When was the last time...

**your business ran so well you felt ready to take on the world?**

When you had the confidence of knowing your operation is supported by a long-standing industry leader with decades of experience? When you had the assurance that comes from the most comprehensive title and settlement production solution on the market as the foundation for your business? When you could trust a commitment to continued innovation and excellence as a cornerstone for your long-term success?

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See why at [RamQuest.com/demo](http://RamQuest.com/demo).



## Mortgage Cadence Integrates With ALTA Registry

Mortgage Cadence has integrated data from the ALTA Title and Settlement Agent Registry into its Collaboration Center solution. This integration enables users to immediately verify the identity of title and settlement agents, as well as attorneys, using the platform, which automates processes and facilitates the exchange of documents and information in the mortgage closing process.

Using the unique ALTA ID from the ALTA Registry, Collaboration Center immediately validates title agents during the account creation process to help ensure that all users are verified, ultimately adding vetting capabilities to increase the security of the network.

“The addition of ALTA Registry data



**ALTA**  
REGISTRY

in Collaboration Center adds another layer of defense against cybercrime and represents just one of the many steps Mortgage Cadence uses within the product to provide secure alternatives to email,” said Bryan Ireton, CEO and managing director of Mortgage Cadence.

Mortgage Cadence’s Collaboration Center helps lenders increase efficiency and profitability by automating processes, such as document comparison and email search, exchanging documents and data, and offering real-time messaging.

## ALTA Honors Texas Member with National Title Professional Recognition

ALTA Honors Texas Member with National Title Professional Recognition

John Martin CAEP, CTIP, NTP has earned ALTA’s National Title Professional (NTP) designation. Formally acknowledged with his NTP designation on Oct. 1, 2019, Martin is the 102nd leader from across the United States who has received their NTP.

The designation recognizes land title professionals who demonstrate the knowledge, experience and dedication essential to the safe and efficient transfer of real property.

With more than 30 years of experience in the land title insurance industry, Martin is president and owner of Lone Star Title Company of El Paso Inc. in El Paso, Texas. A past president of the Texas Land Title Association (2018-2019) and the Independent Title Agents of Texas (2015-2017), he is a current board member of the Texas Title Insurance Guaranty Association. He also is a continuing education instructor for the Texas Real Estate Commission.

“My company has been involved in the development and construction of over 14,000 apartments in nine different states,” said Tom Bohannon, president and CEO of Bohannon Development Corp. El Paso, Texas. “There is nobody better than John Martin in the title business. John is as fine a person as I have ever known and an important asset in our community.”

To view the NTP directory or for info on earning your designation, go to [alta.org/education](http://alta.org/education).

PROFESSIONAL DESIGNATION  
**NATIONAL  
TITLE  
PROFESSIONAL**



# CALENDAR

## 2020 ALTA CONFERENCES

### ALTA SPRINGBOARD

March 10-11  
Denver, Colo.

### HOP LEADER TRAINING

April 8  
Atlanta, Ga.

### DIGITAL CLOSING & eMORTGAGE BOOT CAMP

April 8-9  
Atlanta, Ga.

### ALTA ADVOCACY SUMMIT

May 11-13  
Washington, D.C.

### ALTA COMMERCIAL NETWORK

June 1-3  
Minnesota, Minn.

## 2020 STATE CONFERENCES

### ALASKA

Feb. 7-8  
Girdwood, Alaska

### SOUTH CAROLINA

March 25-27  
Greenville, S.C.

### TENNESSEE

April 15-17  
Asheville, N.C.

### OKLAHOMA

April 19-21  
Oklahoma City, Okla.



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# Finding the Diamonds in the Rough

*Eight Talents to Look For  
in Your Next Recruit*

By Jeremy Yohe

**W**HILE IN HIGH SCHOOL, Amy Gregory joined a job-training program. Students who landed a business job got the perk of leaving school early. The Brandon, Fla., native answered an advertisement from a local title company. The interview went well, and she started as a part-time receptionist during her junior year of high school.

“My original goal was to be an attorney,” but I fell in love with the industry,” Gregory said. “From there, I grew and got more experience and the rest is history.”

From the receptionist position, she worked her way through post-closing, processing, closing and management. Now, she’s chief administrative officer/president for the Florida Agency Network.

“Most of us did not plan on becoming title professionals,” Gregory said. “Someone saw something in us and took a chance—or you were born into this title stuff. Wouldn’t it be nice to be able to consistently identify persons with the right talents to excel in our profession or find the role best suited for those that are here?”

Bill O’Connell’s path to the industry is fairly similar. Seven years after graduating law school, he stumbled across an ad. Twelve years later, he’s now regional underwriting director for First American Title Insurance Co.

“Either you know someone, or you got here by chance,” O’Connell said. “The key for title company owners and managers is to be able to spot talents in order to get the most from your team. You can build your bench by identifying talents in recruits.”

The title industry has grappled with “attracting the next generation” for several years. This conundrum continues because the industry is relatively small. Most don’t know it exists and the average consumer does not purchase the product very often. Additionally, it’s a field that allows for a lengthy career.

“We don’t do mass media advertising or print advertising,” O’Connell said. “The consumer comes in and sees one person—the one helping them sign the documents. They don’t see all the other people who help get the transaction closed.”

According to the Bureau of Labor, the title and settlement industry employed roughly 120,000 people last year. This includes those at direct operations and people classified as working at abstract and settlement offices. Nationally, there are about 158 million people employed. So, there’s plenty of talent to target.

Another item that affects employment is the seasonal and cyclical nature of the industry. Companies



ramp up during peak homebuying months and then trim staff during slow months.

“The industry grows, expands and contracts,” O’Connell said. “After getting let go a couple of times, people move on and find something else.”

With the industry in general continually going through the hiring process, less than half the recruits pan out. That’s because executives only make effective hiring decisions a third of the time, according to Peter Drucker. This happens because most companies don’t make recruitment a priority. Legendary UCLA basketball coach John Wooden was known to say that “not all coaches can win consistently with talent, but no coach can win without it.”

O’Connell says talent is how title and settlement companies differentiate themselves and outperform the competition. The problem is that most people handling the hiring don’t have time to make it a priority.

“Spend some time thinking about what your company needs,” O’Connell said. “You need to know your expectations and the results from the person filling a position.”

When a recruit doesn’t pan out, managers shouldn’t blame the person because they couldn’t perform. “The onus falls on you because you hired them,” O’Connell said.

When starting the hiring process, it’s important to focus on the talents required to succeed on the job.

“Think about the roles you need filled and understand the type of person needed for this position,” Gregory said. “Don’t confuse knowledge and skills with talent. Knowledge and skills are transferrable from situation to situation and from person to person. You can’t teach talent.”

To attract talented recruits, O’Connell suggests hiring managers get excited about what the company does and give the candidate a reason to join your team. “Real property runs through everybody’s life. I could write a book about the stories, but no one would believe it because it’s stranger than fiction.”

To drum up excitement, Gregory recommends showing a video of your company that highlights its involvement in community events or holiday parties.

“This will help show the culture at your company

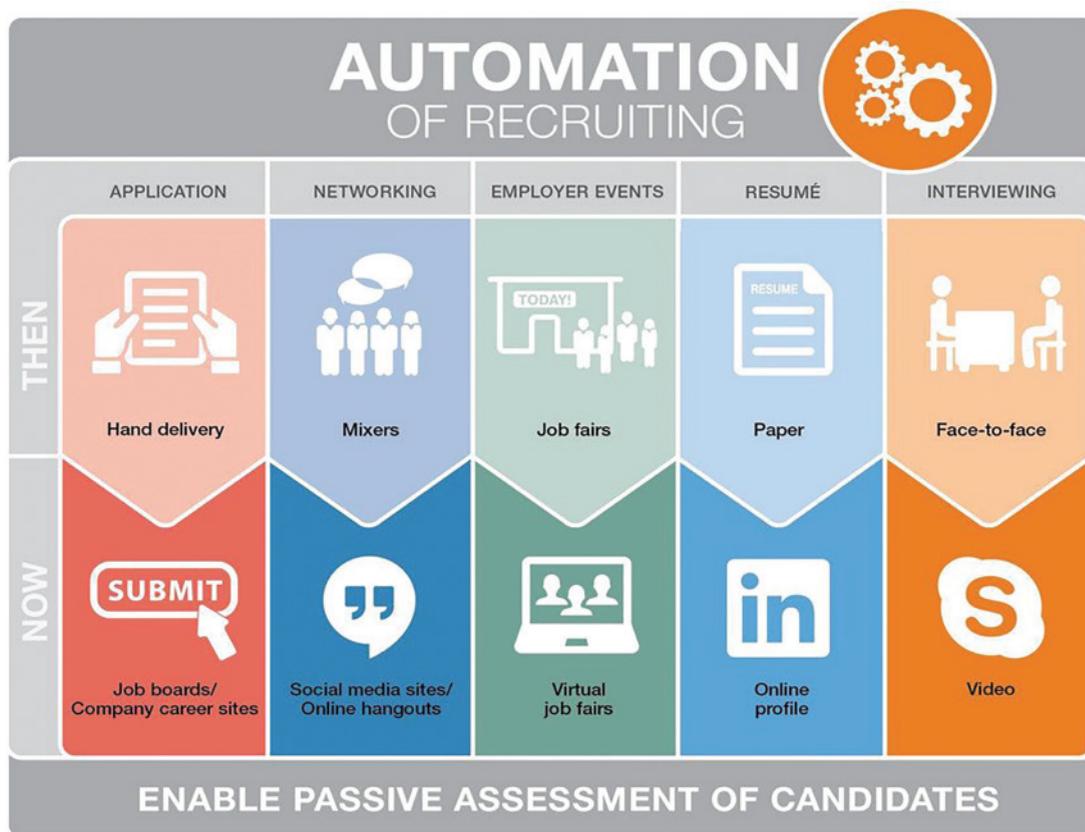
and true faces of the people who work there,” she added.

According to a recent survey by Glassdoor of more than 5,000 adults, 77 percent of those surveyed would consider a company’s culture before applying for a job there. More than half said company culture is more important than salary when it comes to job satisfaction. In addition to asking people the extent to which they value culture at work, the survey also uncovered the importance of culture and company mission to recruitment and retention, as well as the extent to which job seekers are now looking for employers whose values align with their own personal values.

“Having a compelling mission, culture and values are critical when it comes to attracting and retaining top talent in a competitive job market—it is what differentiates each and every employer,” said Christian Sutherland-Wong, Glassdoor president and COO. “Across the countries we surveyed, it’s clear that job seekers are seeking more meaningful workplace experiences. Job seekers want to be paid fairly but they too want to work for a company whose values align with their own and whose mission they can fully get behind.”

### Culture Is Prioritized

While the majority of adults place culture above salary when it comes to job satisfaction, the Glasdoor survey



showed company culture matters significantly more among younger adults. Millennials are more likely to place culture above salary than those age 45 and older. Company culture can be a critical factor for job seekers when applying for a job and when deciding whether to stay with a company. For companies fighting for talent, Glassdoor says this highlights the importance to clearly define and communicate their values, as well as demonstrate they are living up to them.

## Recruiting Needs to Be Mission-minded

According to Glassdoor, nearly nine in 10 adults believe it is important for an employer to have a clear mission and purpose. Nearly 80 percent would consider a company's mission before applying for a job there, demonstrating just how important a clear mission is to recruitment. Two-thirds of employees believe people are more motivated and engaged because of the strong company mission where they work, and 64 percent say their company's mission is one of the main reasons they stay in their job. In a sign that company mission may be top of mind for job seekers, 77 percent of adults believe employers are becoming more mission-driven to recruit and retain talent.

"A common misperception among many employers today is that pay and work-life balance are among the top factors driving employee satisfaction," said Dr. Andrew Chamberlain, Glassdoor chief economist. "We find little support for this notion in Glassdoor data. Instead, employers looking to boost recruiting and retention efforts should prioritize building strong company culture and value systems, amplifying the quality and visibility of their senior leadership teams and offering clear, exciting career opportunities to employees."

## Elements of Success

There are three key elements to be successful in the title business, according to Gregory. The first is knowledge. This includes the factual and experiential things that are learned along the way through training and study. Skills are the second item needed to perform a role. These include the ability to make decisions based on the job description. Having clearly defined expectations are crucial, however.

"When we make a job offer, what we are presenting in our mind isn't always what the person is accepting," Gregory said. "As an example, I once hired a closer who had actually never closed a transaction. Now, during an interview, I ask, 'How did the last closing with your buyers and sellers go?' instead of asking 'Have you sat a closing before?'" Ask questions to get to the true expectations of the position. For instance,

## TitleTopics Webinar: Blueprint for Staffing the Future Title Company

when hiring for a receptionist position, you should find out how many phones and phone lines the candidate has answered. Gregory says if the answer is one and your office has 10 lines, "you may have a problem." In another scenario, it might prove helpful to understand how someone would respond when there's a customer at the front desk and several phone lines are ringing.

"There's no perfect answer, but it's an opportunity to learn if they can meet the needs of the job and to express the company expectations to see if they are the right fit," Gregory said.

The third integral piece is emotional intelligence. This involves self-awareness, self-regulation, motivation, empathy and social skills. "Have you ever been in a closing where there's a crying child who is hungry?" Gregory said. If the receptionist knows the office has chips in the back but doesn't ask the parents if they would like some chips, that's a sign of not being very aware." People in the title industry need to always be aware of what the customer needs and expects. "They want us to admit when we're wrong and how we will fix it. Ask questions to see how a candidate would handle criticism," Gregory recommended. Finally, professionals in the industry need to be astute at building relationships. It's vital any recruit who's being considered can offer this, Gregory said.

What does it mean to be talented? Merriam-Webster defines talent as a "special, often athletic, creative, or artistic aptitude; general intelligence or mental power: ABILITY; the natural endowments of a person." Marcus Buckingham, a best-selling author widely recognized as a leading expert in this area, calls talent "a recurring pattern of thought, feeling or behavior that can be productively applied." These are your habits—things done instinctively.

Before searching for the next recruit, managers should make sure they create a work environment

where talented people want to work. They can do this by developing a culture that allows employees to do what they do best every day.

“Some of the most successful people I know in this business never went to college and are prolific underwriters who never went to law school,” O’Connell said. “The crutch we’ve always used is recruiting from competition because we typically don’t plan and need someone immediately or trying to grab market share. Then there’s the fear of training staff and getting them stolen. But if you create a place where talented people want to work, they will gravitate to that culture.”

While knowledge can be shared with new hires and skills developed with training, it’s difficult to create talents in individuals. The key is to recognize and cultivate the talents someone already has, Gregory said.

“At my company, if someone is miscast, we call it being in the wrong seat,” she added. We offer training to keep new hires engaged and interested in growing in the title. It’s important to share the big picture with new recruits so they understand where their role fits into the company strategy and why it matters.”

## 8 Talents to Succeed as a Title Professional

- 1. Service:** A drive to serve others. This talent involves finding practical ways to show people that they matter and making others more significant than yourself. “There’s no guaranty that the people we serve will recognize our efforts. We all sell the same product. Differentiate by providing great service. To thrive, you must be gifted in serving others,” O’Connell said.
- 2. Responsibility:** A need to assume personal responsibility for their work. People with this ability take ownership for anything they commit to. Excuses and rationalizations aren’t acceptable. “People will look to these individuals first because they know they will get the job done. When a mistake is made, these people own it and make it right,” Gregory said.
- 3. Creativity:** An ability to break existing configurations in favor of effective and appealing ones. The title industry is full of checklists and guidelines, but not every situation faced can be solved with a list. According to O’Connell, “Sometimes, you need to be creative to solve a problem. These people instinctively go to work thinking of solutions.”
- 4. Teamwork:** A need to build feelings of mutual support. Having this skill and being able to collaborate is a must in this business. “All team are made up of individuals that play a role,” Gregory said. “It takes many people to complete a successful real estate transaction.”
- 5. Communication:** An ability to put thoughts into words and turn events into stories. This industry is

## Learn More at ALTA SPRINGBOARD

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Register for 2020 ALTA SPRINGBOARD and participate in the Ideas Festival “Talent and Diversity: Does Your Company Reflect Your Community?”

**Where: Denver When: March 9-11**  
**More info: [alta.org/springboard](http://alta.org/springboard)**

**ALTA SPRINGBOARD**

Take Your Business to the Next Level

based on sales and talented recruits must be able to sell ideas, solutions and products. “We need to be able to make it exciting. We must educate people about what we do and why it matters,” O’Connell said.

- 6. Persuasion:** An ability to persuade others logically. Individuals with this skill set don’t get frustrated when receiving pushback on proposed solutions. “Sometimes a customer wants a coverage. We must be able to explain to them why it can’t be covered,” O’Connell said.
  - 7. Strategic Thinking:** An ability to play out alternative scenarios in the future. Title professionals must think about possible outcomes and are often are pressed to get a deal closed by putting a Band-Aid on the problem thinking that it will make people happy. “But once the deal closes, we are locked in and things don’t always go the way we planned,” Gregory said.
  - 8. Problem Solving:** An ability to think things through with incomplete data. Recruits need to be adept at risk-management. “We like to play chess and have all the facts, but sometimes we have to play poker and there are lots of unknowns,” O’Connell said. “Problem solving is about managing the unknown risk and getting it to an acceptable level.”
- “These transferrable talents can be applied in many different places. If you combine them with knowledge and skill, you’re going to get some top-notch performance,” O’Connell said.



**JEREMY YOHE** is ALTA’s vice president of communications. He can be reached at [jyohe@alta.org](mailto:jyohe@alta.org).



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# TRID 2020: What Have We Learned?

Designed to encourage loan shopping and speed the closing, TRID's results are questionable. Maybe it's time we, as an industry, addressed the real challenge.

By James Paolino



It's been about five years since the term "TRID" was introduced to the mortgage and title industry. Today, some look back on TRID as the Consumer Finance Protection Bureau's (CFPB) effort to improve the consumer's ability to shop for the best loan and/or settlement services package. Others remember it as a regulatory effort to simplify and streamline the convoluted closing process. Still others will not soon forget the massive operational disruption caused by the rule's implementation. But ask almost anyone within the mortgage industry if the TILA-RESPA Integrated Disclosure rule (TRID) has accomplished what it was drafted to do, and you're more likely to hear hemming and hawing than a confident "yes."

It's been about five years since the term "TRID" was introduced to the mortgage and title industry. Today, some look back on it as the Consumer Finance Protection Bureau's (CFPB) effort to improve the consumer's ability to shop for the best loan and/or settlement services package. Others remember it as a

regulatory effort to simplify and streamline the convoluted closing process. Still others will not soon forget the massive operational disruption that resulted for many in the rule's early days. But ask almost anyone within the mortgage industry if the TILA-RESPA Integrated Disclosure rule (TRID) has accomplished what it was

drafted to do, and you're more likely to hear hemming and hawing than a confident "yes."

This is not to cast TRID as an abject failure in retrospect. TRID did not necessarily create all the challenges that came with its installation. Instead, the hurried and painful process changes that accompanied it served to amplify an issue that has plagued us for decades: the lack of integration (both process and technology) between lender, service provider and Realtor. For any number of valid reasons, the mortgage transaction has always been a chaotic, partially improvised ballet of disparate vendors and processes. TRID only brought that reality into a harsher light, shining the spotlight on the disconnect between service providers and lenders and their processes, communication and technologies.

Of course, the chaos stirred by TRID's introduction eventually abated. But what has changed, if anything? Five years after TRID, what *have* we learned?

## What has TRID shown us?

Let's start with the facts.

First, TRID did not move the needle much for consumer loan (or service) shopping. Today, few, if any, consumers are shopping numerous lenders (or settlement services providers) even given the opportunity. This has been the premise of many great articles since 2015, but the late, great Kenneth Harney captured it best in his 2016 *Washington Post* article. There, he quoted Joe Adamaitis, vice president and residential lending manager for Insignia Bank in Sarasota, Fla., as to the ultimate result of TRID: "Buyers do not have the time to shop due to the pressures of meeting commitment and closing dates. Most lenders are priced the same, and it comes down to which lender the Realtor referred them to."

Second, TRID did not significantly improve the average time to close, which was 51 days in 2015, compared to 47 days in February 2019, according to Lending Tree.

All of this despite a simultaneous e-mortgage or digital "revolution," which saw lenders and service providers make massive investments into new technologies. It still takes about a month and a half from the time a homebuyer initiates the transaction until the time he or she gets the keys.

So, despite strict new regulatory "encouragement" toward a streamlined closing process in combination with a digital revolution, our industry (and its clients) still views the closing as a three-ring circus. We're still waiting endlessly to hear status updates. We're still running into chokepoints and unexplained delays. We're still waiting six or seven weeks for the clear to close. How could that be?

Unfortunately, the explanation is much easier than the fix. But it starts with a continued failure among all professional parties to the transaction to truly collaborate during the settlement and closing process. This starts with each firm's process. Today, we each still want to drive the process and have those with whom we'd collaborate follow suit. In other words, we still have too many chefs in the kitchen. The title firm wants the lender and the appraiser to use its technology to communicate. The appraiser wants to submit his report using his technology. And neither always integrates with the loan origination system (LOS). The technology mirrors, rather

than creates, this challenge. So when a title company's technology doesn't integrate cleanly with the LOS, and neither of those has a clear conduit to any tech being used by the Realtor or mortgage broker, we see the same gaps in status, communication and pipeline that we've always seen. If anything, the new and disparate technology "solutions" often create larger silos, forcing service providers and lenders to invent hacks and workarounds on the fly just to keep the consumer somewhat informed and keep the deal moving. Similarly, not enough of the solutions advanced during the e-mortgage revolution deliver on providing the universal collaboration they promised. As a result, we're still somehow using voice mail, text message, courier and even fax to communicate. And if the resulting delays and miscommunications aren't enough to drive one mad, just think of the opportunity for fraud these archaic systems create.

## Maybe we should run before we walk?

We've devoted a lot of time to talking of artificial intelligence, blockchain and other new technologies in recent years. And although there have been some amazing breakthroughs, we still haven't solved our most basic challenge: true industry integration among processes and technologies. Maybe it's time we, as an industry, learned to walk before running. A lot of focus has gone into sales-related technology. There's certainly nothing wrong with that. But why aren't we doing more to connect our various efficient solutions on the back end? Instead of trying to forge the one new technology that everyone else simply must adopt, why don't we do more to make it easier to pair the technologies different providers prefer to use? Why not take a more universal, rather than siloed, approach?

The fact is that a title agency or underwriter will continue to prefer the production or transaction management system in which it is already invested. Just because one client has introduced a great new LOS doesn't mean that the underwriter will be in a hurry to subvert its processes to accommodate it. The same holds true for each of the many firms charged with touching the mortgage transaction. And yet, we still announce one-off integrations or, even worse, invest in bolt-ons and quick fixes to somehow make the disparate technologies work together. Then, we pick up the phone and leave a voice mail for the closing agent to find out if we're ready to schedule that close.

It's 2020. In many ways, our industry has worked miracles to accommodate the dizzying array of legal, regulatory and practical demands involved in buying and selling a home. But we're still not doing much better than winging it over the final stage. TRID didn't solve this problem. A blizzard of shiny new technologies hasn't dramatically improved it. So maybe it's time for us to take this up ourselves and approach it differently.

**JAMES PAOLINO** is CEO of LodeStar Software Solutions, a provider of compliance software for the mortgage and title insurance industries. Paolino can be reached at [jpaolino@lsoftwaresolutions.com](mailto:jpaolino@lsoftwaresolutions.com).



# Take the CFPB's TRID Survey

The Consumer Financial Protection Bureau (CFPB) is asking companies that conduct closings covered by the TILA-RESPA Integrated Disclosure Rule (TRID) to take a survey to help the bureau assess the effectiveness of the regulation.

Deadline to submit responses is March 6, 2020.

The survey is part of an overall effort to fulfill the bureau's statutory obligation to assess TRID's effectiveness in meeting, among other things, its stated goals and the purposes and objectives in Title X of the Dodd-Frank Act. The assessment seeks to

evaluate and quantify the costs and benefits of the Rule on institutions (such as closing agents), consumers and the overall mortgage market.

The main purpose of the survey is to collect qualitative and quantitative data on institutions' implementation costs and ongoing costs and changes in consumers' mortgage borrowing experiences associated with the TRID Rule.

The survey asks questions about annual volume of closings, efforts to comply and the amount spent to implement TRID. To help prepare and determine what

resources will be needed to complete the survey, the CFPB has provided a printable version.

To ensure the report is comprehensive and reflects the diversity of the industry, it's important for as many title and settlement companies as possible to take the survey. More robust data helps ALTA push for a fairer assessment that reflects the industry experience. This will help produce an assessment report that supports ALTA's desired changes to fix the title fee disclosure and remove the optional tag for owner's title insurance. Deadline to take the

survey is March 6, 2020.

The CFPB said this survey is intended for representatives of companies that conduct closings for residential real estate transactions that are secured by mortgage loans covered by TRID. For the purpose of this survey, an institution that conducts the closing or settlement in a real estate transaction may include a law firm, a title company, a settlement company, an escrow company or any other party providing the service of real estate closing. The bureau is also surveying loan originators and officers.

**With SoftPro LIVE**, a customizable communication portal, you can provide all authorized parties with secure access to track the status of your closings anytime, anywhere. Elevate your closing experience and save time for everyone with automatic emails, messages and the ability to share documents with your customers – **24 hours a day, seven days a week!**



## KEY STANDARD FEATURES

- Post documents electronically to a secure website where your customers can view them.
- Provide your customers with appropriate access for the orders with which they are associated.
- Automate tasks and track the status of your closing with real-time updates.
- Send automated, customized email notifications regarding order status and tasks.
- Send two-way messages with your customers that flow directly into SoftPro.
- As an option, create your own custom SoftPro LIVE website and domain, branded specifically for your company.



## CUSTOMIZABLE WEB ORDER ENTRY

As an optional add-on, you can receive and accept new orders securely and directly from your SoftPro LIVE website – anytime, day or night. There's no need to re-key any information, so you'll minimize errors and maximize efficiency.



## GO MOBILE

SoftPro LIVE is also available for Android and iOS smartphone and tablet devices. Download the appropriate SoftPro LIVE app to access contact information, documents and orders when you're on the go. Includes satellite or street views of properties, powered by Google Maps.

For more information and pricing, visit [softprocorp.com/live](https://softprocorp.com/live) or contact SoftPro Sales at **800-848-0143** or [sales@softprocorp.com](mailto:sales@softprocorp.com)

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# Matthew Morris Steps Down as Stewart President

**MATTHEW MORRIS ANNOUNCED THAT HE STEPPED DOWN AS PRESIDENT** of Stewart Information Services Corp. on Jan. 15. He will continue to serve as a member of Stewart's Board of Directors. In addition, Morris will provide advisory services to the company and to new CEO Fred Eppinger for the next six months.



"I have been very pleased with Fred's integration into Stewart and grateful for a seamless transition as the company makes bold plans for the future," Morris said. "I look forward to working with my fellow board members to help Fred and the Stewart team execute on his strategic vision. It has been my deepest honor and

privilege to serve this great company over the last 15 years. I'm proud of what we have accomplished together and am confident in Stewart's industry-leading position moving forward."

The announcement comes nearly four months after Fidelity National Financial's failed attempt to acquire Stewart. The two companies terminated FNF's proposed \$1.2 billion acquisition of Stewart due to the Federal Trade Commission's (FTC) issuance of an administrative complaint seeking to block the merger. Following that announcement, Stewart made changes to its executive leadership naming Eppinger as chief executive officer. Morris, who has served as chief executive officer since 2011, remained with the company as president.

"For several decades, Matt Morris has been a respected industry leader of one of the largest title insurance companies in the United States," said Diane Tomb, ALTA's chief executive officer. "He leaves Stewart Title well positioned for future success and to continue protecting property rights across the country."

Morris is the great-great-nephew of Maco Stewart, who founded Stewart Title in 1893. The Morris family has been involved with the company since W.C. Morris joined Stewart as a stenographer in 1897. W.C. Morris eventually became president and served in this role until his death in 1950. That's when brothers Carlross Morris and Stewart Morris Sr. took over. In 1999, Carlross' and Stewart Sr.'s sons, Malcolm Morris and Stewart Morris Jr., were elected co-CEOs of Stewart.

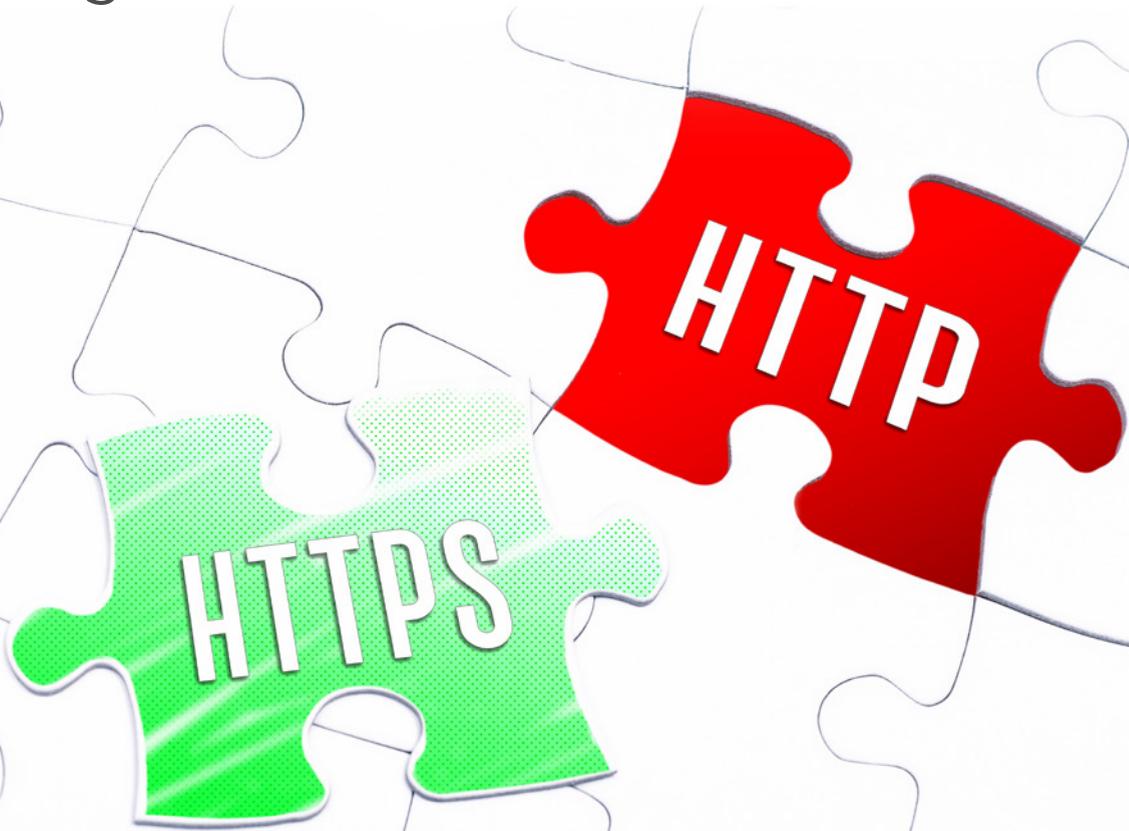
Matthew Morris joined Stewart in May 2004 to serve as senior vice president of planning and development. He was named to the Stewart Title Guaranty Co. board of directors in 2006 to replace his grandfather Carlross Morris, who passed away in 2005.

Previously, Morris held the positions of senior executive vice president for Stewart Information Services Corporation, Stewart Title Company and Stewart Title Guaranty Company. Morris has also served as the president of Stewart Professional Solutions, which oversees the corporate and back-office functions, including marketing, information technology services, employee services, finance and accounting, the strategy and program management office, and audit/risk management for the Stewart companies.

"There's no way to give enough thanks to Matt for his leadership and contributions to Stewart," Eppinger said. "Matt is a respected leader and has a relentless commitment to our customers and our people. I'm very appreciative of Matt's support during my transition to CEO and pleased he will remain with the company as a vital member of the Stewart Board."

# HTTPS vs. HTTP

Additional Security Important for Websites Accepting Sensitive Data from Users



**M**any companies still use what's commonly known as HTTP (Hypertext Transfer Protocol) to communicate between different systems and allow for the transfer of data from a web server to a browser, allowing users to view web pages.

Prior to 2014, only companies with e-commerce pages bothered using HTTPS, which stands for Hypertext Transfer Protocol Secure. Then Google recommended websites switch to HTTPS. As an incentive, Google said it would give websites with HTTPS a bump in rankings, effectively punishing sites that did not make the switch.

# HTTPS and SSL at a glance

1&1

## HTTP connection: no encryption (no SSL)

Data is not encrypted and can be read by 3rd parties!



## HTTPS connection: encrypted (using SSL)

SSL encrypts and protects all data that your website exchanges with visitors!



## Benefits of HTTPS and SSL

SSL encryption increases your website's security and creates trust that can turn visitors into customers. SSL encryption leads to a better position in the Google hit lists for your website.



The most important difference between the two protocols is the SSL certificate. HTTPS is basically an HTTP protocol with additional security. This additional security can be extremely important, especially for websites that take sensitive data from its users, such as credit card information and passwords.

When someone connects to a website with regular HTTP, the browser looks up the IP address that corresponds to the website, connects to that IP address and assumes it's connected to the correct web server. Data is sent over the connection in plain text. With HTTP, an eavesdropper on a Wi-Fi network, your internet service provider or government intelligence agencies like the NSA, can see the web pages you're visiting and the date you're transferring.

With HTTPS, the SSL certificate encrypts the information that users supply to the site, which basically translates the data into a code. If someone manages to steal the data being communicated between the sender and the recipient, they would not be able to understand it due to this encryption. In addition to adding that extra layer of security, HTTPS is also secured via Transport Layer Security (TLS) protocol. TLS helps provide data integrity, which helps authenticate the connection and prevents the transferred data from being modified or corrupted.

While HTTPS is commonly used for secure communication of information over the internet, it does not mean the information

and any non-public personal information (NPI) within the information is secure. If the NPI itself isn't secured on both ends (encrypted, password protected, etc.), then it doesn't matter if it's transmitted via HTTPS or HTTP. A company should make sure NPI is protected for any forms of transmission, transfer or storage.

The third pillar of ALTA's Best Practices recommends companies adopt and maintain a written privacy and information security program to protect NPI as required by local, state and federal law.

Specifically, the procedures for network security of NPI suggest companies:

- Maintain and secure access to company information technology
- Develop guidelines for the appropriate use of company information technology.
- Ensure secure collection and transmission of NPI.

## Process Of Changing From HTTP To HTTPS

### CHANGING HTTP TO HTTPS

- ✓ Decide **what type of SSL certificate** you need and then purchase it from your hosting company.
- ✓ **Install and configure your SSL certificate** onto your site's hosting account.
- ✓ Although nothing should go wrong, you should always be prepared. So perform a **complete back-up of your website** in the event that you have to revert back.
- ✓ Go through your entire website and **update any hard internal links from HTTP to HTTPS**. Make sure that you update your sitemap as well.
- ✓ Go through your **templates and update references** to scripts and images as well.
- ✓ Make sure that you **update your robots.txt file** so that it includes your updated sitemap.
- ✓ Make sure that you **update any code libraries**, including JavaScript and any third-party plugins that are used throughout your site. This ensures that nothing will break and that nothing will contain insecure content.
- ✓ **Go through any external links** to your site that you control, such as those in directory listings, and change them to HTTPS.
- ✓ Update your **CDN's (Content Delivery Network)** SSL settings.
- ✓ **Update any links** that you use in your marketing automation tools, including email links.
- ✓ Go through all of your **landing pages and paid search links** and update them to HTTPS.
- ✓ Be sure to **crawl through old URLs** using a tool like Screaming Frog to find any broken redirects or any redirect chains and update them.
- ✓ Make sure that you **implement 301 redirects** throughout your site on a page-by-page basis. This helps ensure that your new HTTPS still get the link juice passed to them when visitors are redirected to your new pages, thereby helping preserve your SEO efforts.
- ✓ Don't forget to **update old redirects** that are still in place.
- ✓ **Enable HSTS**, which will tell your browser to always use HTTPS.
- ✓ **Enable OCSP stapling**, which allows a server to identify whether a security certificate was revoked instead of a browser, thereby preventing the browser from having to download or cross-reference with the authority that issued the certificate.





# Companies Expand Remote Online Notarization Services as States Implement Regulations

**P**avaso recently started supporting remote online notarization (RON) in Florida and Idaho effective Jan. 1, while NotaryCam was approved by the Michigan Department of State to provide e-notary and RON services.

RON regulation went into effect in Michigan and Utah on Jan. 1. State commissioned remote electronic notaries can select the Pavaso platform to complete RON closings. Both Florida House Bill 409 and Idaho Senate Bill 1111 were adopted in 2019 to expand e-notary privileges to include RON. In addition to the in-person electronic notarization (IPEN) of digital documents, e-notaries may now e-notarize documents from a different location than signers. The process utilizes a secure internet connection and two-way, audio-visual technology to facilitate, document and create a recording of each RON session. When conducting RON transactions, e-notaries must be physically present in the state where they are commissioned but signers can complete the closing from a location of their choice.

Before e-notaries can begin offering RON, they must satisfy state-mandated legal and technical requirements. In Florida, that includes utilizing an electronic notarization platform that has been approved by the state. Pavaso has been approved in Florida.

“We have a proven record of facilitating RON transactions, and we are ready to work with and support the growing number of states that have embraced this valuable technology-enabled service,” said Jeff Tischler, president of Pavaso.

Meanwhile, NotaryCam’s approval in Michigan gives the company the ability to serve the 113,000 notaries public registered in the state. Michigan Secretary of State Jocelyn Benson noted the state’s approval of NotaryCam in a joint announcement regarding the availability of e-notary/RON and online voter registration.

“Both programs represent steps forward for Michigan in using technology to provide modern and convenient services to residents,” she said.

As an approved vendor, NotaryCam had to meet certain state requirements, including providing a demonstration of their notarial platforms to department staff that covered specific security features like tamper-evident documents and an audit trail.

“The availability of RON nationwide is inevitable, but it is still

a cause for celebration when individual states join the movement to modernize the notarial act by legalizing RON,” NotaryCam Founder and CEO Rick Triola said. “We look forward to helping Michigan notaries continue to deliver the invaluable services they always have, albeit in a more modern and streamlined fashion.”

## Digital Boot Camps

Looking to connect with other companies performing digital closings or vendors that offer remote online notarization services? Attend an upcoming Digital Closing & eMortgage Boot Camp, which will be held April 8-9 in Atlanta and Aug. 11-12 in Minneapolis.

ALTA has partnered with the Mortgage Bankers Association to provide a series of live events to help companies navigate the digital closing process.

Here’s a list of the companies sponsoring the events and the vendors attending:

### Sponsors

- Evolve Mortgage Services
- First American Title
- Nexsys
- Qualia
- Quicken
- Westcor
- eMortgageLaw
- eOriginal
- Evolve Mortgage Services
- Lender’s One
- Mortgage Cadence
- Nexsys
- NotaryCam

### Vendors

- Digital Delivery Inc.
- DocMagic
- Qualia
- Simplifile

For more information and to register, go to [meetings.alt.org/digital-boot-camp](https://meetings.alt.org/digital-boot-camp).

# ALTA & MBA DIGITAL BOOT CAMPS

## eClosing & eMortgage

Are you interested in digital closings & eMortgages?

Dont' miss your chance to get digitally toned!

### WHY ATTEND?



#### THE PLAYBOOK

Learn how to improve customer experiences & operational efficiencies.



#### CASE STUDIES

Get best practices tips from lenders & title professionals doing digital transactions.



#### NETWORKING

Find digital partners & start collaborating.



#### VENDORS

Check out the technology solutions available.

### LEARN MORE & REGISTER AT:

[meetings.alt.org/digital-boot-camp](https://meetings.alt.org/digital-boot-camp)

- Atlanta | April 8-9, 2020
- Minneapolis | August 11-12, 2020

AMERICAN  
LAND TITLE  
ASSOCIATION



**MBA**

MORTGAGE BANKERS ASSOCIATION



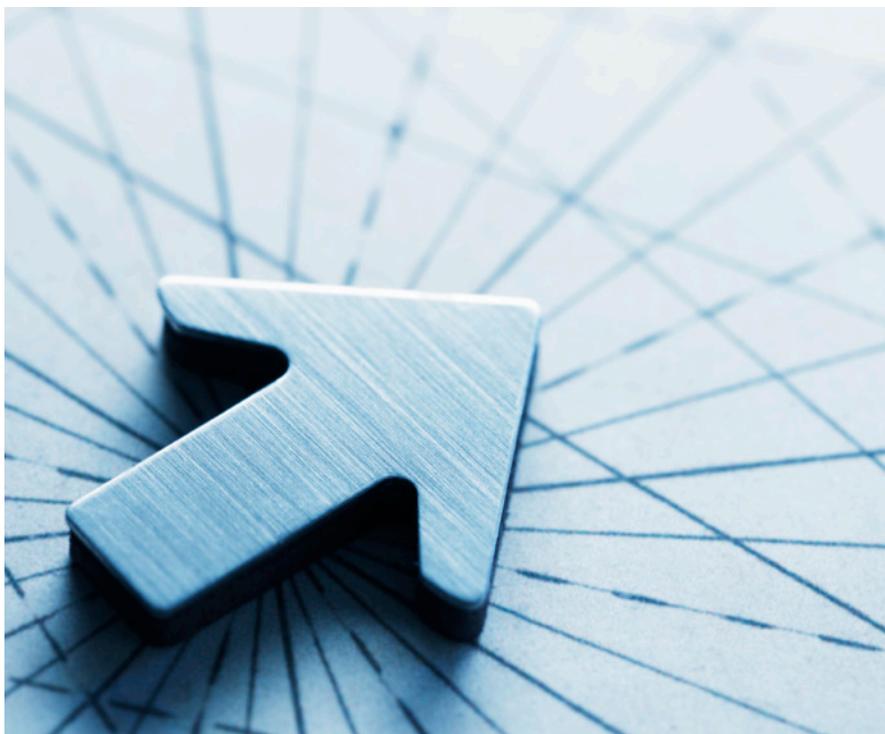
## CFPB Publishes TRID Guides on Construction Loans

The Consumer Financial Protection Bureau (CFPB) published two guides related to disclosing construction and construction-permanent loans under the TILA-RESPA Integrated Disclosure (TRID) rule.

The first guide is about disclosing construction and construction-permanent loans with a separate Loan Estimate and Closing Disclosure for each phase of the transaction. The second guide is on disclosing the combined Loan Estimate and the combined Closing Disclosure for both phases of a construction-permanent transaction.

The guides provide illustrative examples for commonly asked questions about TRID and Regulation Z provisions related to completing these construction and construction-permanent loan disclosures.

For more information, go to [consumerfinance.gov](http://consumerfinance.gov).



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## FinCEN Publishes Guidance on Hemp Banking

FinCEN recently published guidance to help banks and title companies serve the needs of hemp producers.

Four federal banking agencies and state bank regulators issued requirements under the Bank Secrecy Act (BSA) for providing services to hemp-related businesses. Hemp production was removed from the Controlled Substances Act as part of the Agriculture Improvement Act of 2018 (2018 Farm Bill).

The main change is that banks will no longer be mandated to file a suspicious activity report (SAR) of transactions involving companies that grow, produce or sell hemp products. Hemp producers will have an easier time obtaining banking services. Title and settlement companies will be able to provide services to hemp producers and retailers that seek to buy real estate.

Despite the change, banks still are expected to file a SAR if there are indications of suspicious activity. The guidance also makes a distinction between hemp businesses and state legal marijuana businesses. While from the same species of plant, hemp and marijuana are genetically distinct. Under federal law, the key difference is that hemp production is legal if the plant, seeds and derivatives result in a THC (the psychoactive component) concentration of less than 0.3% by dry weight.

Earlier this year, the U.S. House of Representatives passed the SAFE Banking Act (HR 1595), which helps banks, insurers and other financial services providers serve businesses in the cannabis industry. Over the last year, ALTA has worked closely with sponsors Ed Perlmutter (D-Colo) and Denny Heck (D-Wash.) to broaden the bill to protect insurance companies and settlement providers. While ALTA believes more should be done to protect other financial service providers like settlement companies, this was an important step.



# NOT YOUR FATHER'S TITLE COMPANY



AmTrust Title  
An AmTrust Financial Company

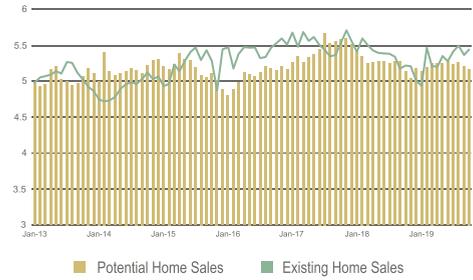
# Housing Market Potential

Existing and Potential Home Sales\* (in Millions, Seasonally Adjusted Annualized Rate)

**5.44** SAAR  
Existing Home Sales

**5.17** SAAR  
Potential Home Sales

**+5.3%**  
Market Performance Gap



\*Potential home sales measures what a healthy market level of home sales should be based on the economic, demographic and housing market environments.

## Futura Title & Escrow Grows in Washington

Futura Title and Escrow Corp., parent company to AmeriTitle Inc. and Alliance Title & Escrow Corp., announced the acquisition of Washington-based title companies Pacific Alliance Title and Kittitas Title & Escrow.

“We are proud to be associated with the outstanding teams of professionals at Pacific and Kittitas. They established themselves and their brands as market leaders through their strong commitment to customer service and community involvement,” said Larry Matney, CEO of Futura Title & Escrow Corp. “These excellent operations expand our footprint, provide access to additional markets, and broaden our customer base. Each of the companies will continue to operate under their current brands.”

With the additional companies, Futura Title now operates four title agency brands with approximately 700 employees and 74 offices covering 62 counties throughout Idaho and Oregon, and parts of Montana, Washington and Wyoming.

## Kensington Vanguard Acquires GRS Title Services

Kensington Vanguard National Land Services (KV) recently completed the acquisition of GRS Title Services LLC.

Headquartered in Richmond, Va., GRS Title maintains additional offices in Scottsdale, Ariz., Dallas and Kansas City, Mo. The transaction will both augment KV’s presences in Dallas and the Washington, D.C., metro area as well as expand the company into Arizona and Missouri. GRS Title was a wholly owned subsidiary of international commercial real estate services firm GRS Group.

“There are few pure play national commercial title agencies in the marketplace, so adding this operation

## National Consumer House-Buying Power

How much home one can afford to buy given the average income and the prevailing mortgage rate

October 2019

**\$418,235**

House-Buying Power

**+17.6%**

Year-Over-Year

## Where House-Buying Power is Strongest

Top States and Cities

### States

1. New Jersey: **\$555,546**
2. Maryland: **\$542,786**
3. Hawaii: **\$536,426**
4. Massachusetts: **\$532,596**
5. Connecticut: **\$530,109**

### Cities

1. San Jose, CA: **\$804,251**
2. San Francisco, CA: **\$720,297**
3. Washington, DC: **\$702,331**
4. Boston, MA: **\$613,888**
5. Seattle, WA: **\$583,359**

Source: Mark Fleming, Chief Economist at First American Financial Corporation

# STEWART. GUARANTEED.

Over the past 125 years, Stewart has expanded our reach from Galveston, Texas across the country and around the world. Throughout our history, finding and sharing the **OPPORTUNITY TO SUCCEED** has been integral to who we are. As Stewart moves into the future, you can continue to **COUNT ON US** to be here for our customers, our partners and our industry.

See how we're ready to make our opportunity work for you at [stewart.com/ALTA194](https://stewart.com/ALTA194).

**stewart**

to our organization is an exciting step,” said Brian Cooper, co-CEO of Kensington Vanguard. “GRS Title’s leadership team, including Michelle Rogers, Brian Carr and Allen Brown, is comprised of top-quality commercial title insurance veterans with deep experience servicing clientele on both the agency and underwriter levels. Additionally, it is complimentary from a geographic perspective as we continue to bolster existing markets and selectively enter new ones.”

Chuck Victor, CEO of GRS Group, added, “We’re pleased to have completed the sale of our title operations to KV. We view the company as the leader in the commercial title agency space and the platform on which the professionals at GRS Title can continue to thrive.”

After a strategic investment of \$30 billion from private equity firm Stone Point Capital in 2016, Kensington Vanguard has continued to be a consolidator driven by industry leadership and financial strength.

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## First American Purchases Arizona-based Agency

First American Financial Corp. has fully acquired Title Security Agency LLC, an Arizona-based title agency that has operated for more than four decades. First American had been a minority owner for five years.

Title Security Agency, which specializes in title and escrow services for residential and commercial transactions and has 17 offices in Arizona, will become part of the direct operation of First American Title Insurance Co.

“Title Security Agency is a welcome addition to the First American family,” said Chris Leavell, chief operating officer at First American Title. “Both companies emphasize a commitment to delivering superior service and innovation. The addition of Title Security Agency expands our abilities to serve customers in Arizona and enhances our expertise in the Arizona market.”

Title Security Agency President Vivian Boggie, Chief Operating Officer Bruce

Jacobs and Senior Vice President Mary Ann Christensen will remain with the company and manage the day-to-day operations.

“I’m excited about the new opportunities for Title Security Agency staff to serve our customers as the Arizona real estate market continues to grow,” said Thomas Sullivan, founder of Title Security Agency. “Title Security Agency employees will also appreciate the opportunity to be part of a company named to the Fortune 100 Best Companies to Work For list for the last four consecutive years.”

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## CATIC Releases New Search Integration Platform

CATIC announced the release of a new search integration platform called Title Order Packaging System (TOPS). The system replaces the desktop application that was previously used by the company, its agents and title searchers.

The platform has been deployed in Florida and parts of Connecticut and will soon be available in all CATIC’s offices that offer title services. The platform integrates with PrepExpress Online, the company’s web-based customized closing tool. CATIC said it is working with other third-party software providers to ensure that TOPS will also integrate with those programs. The platform covers all tasks in the process, from the search order request to the input of the final product.

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## Conestoga Title Partners With Qualia

Conestoga Title Insurance Co. announced a collaboration with real estate closing technology company Qualia to implement a digital underwriting process. Qualia’s Assure suite of products is a cloud-based infrastructure designed to increase security and efficiency in real estate transactions. Qualia’s Assure enables Conestoga to offer all its agents everything from underwriting and search integrations to automated compliance and audit

workflows. Assure facilitates collaboration between underwriters and title agents by automating audits, reconciliations, remittances and reporting. Conestoga will also implement Qualia’s cloud-based title, escrow and closing platform, as well as the Qualia Marketplace.

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## FDIC, OCC Warn Against ‘Heightened Cybersecurity Risk’

The FDIC and the Office of the Comptroller of the Currency issued a joint statement last week in response to the heightened cybersecurity risk facing the financial services industry and other critical business sectors.

The statement focuses on risk management principles that can reduce the risk of a cyber attack and minimize business disruptions. The statement says the current environment provides an opportunity for banks to re-evaluate the adequacy of safeguards to protect against various types of cybersecurity risk. The agencies provided cybersecurity principles that focus on business resilience, authentication, system configuration, security tool, data protection and employee training.

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## Recent Integrations

- **Qualia** announced a full suite of integrations with **WFG National Title Insurance Company** (WFG) that streamline the operations between title agents and the underwriter’s partners. This integration allows title agents working with WFG through the Qualia platform to complete all their commitment and policy production work within one platform.
- **SoftPro** recently integrated its 360 Business Exchange Platform with **ZOCAM**, which enables parties in a real estate transaction to securely send funds and documents. The integration allows SoftPro users to connect with ZOCAM for such submissions as well as authenticating the borrower’s identification.



ALTA  
REGISTRY

# Lenders demand accuracy

Don't let info about  
your operation look  
like a teen's room.

Get organized and  
confirmed in the  
**ALTA Registry.**

**[ALTA.ORG/REGISTRY](https://ALTA.ORG/REGISTRY)**

## Take Control of the Known

### REFINANCE ACTIVITY FINISHED 2019 WITH A FLURRY, driving

residential mortgage originations to their highest level in 13 years. According to Inside Mortgage Finance, residential lenders funded \$2.375 trillion of first liens. This was up 45.7 percent from 2018, and represents the biggest year for production since 2006—the year before the housing market crumbled and pushed the U.S. economy into recession.

Lenders originated an estimated \$755 billion of first liens during the fourth quarter, up 7.9 percent from the prior period. The final three months of 2019 represented the biggest lending burst since the third quarter of 2005.

Inside Mortgage Finance reported that volume was up in most sectors. As an example, originations of Veterans Administration loans rose 16.3 percent from the third to the fourth quarter, reaching \$75.7 billion.

With interest rates expected to stay low while wages and the overall economy grow, Fannie Mae boosted its single-family mortgage origination outlook for 2020 and 2021. Fannie estimates origination volume to increase \$17 billion in 2020 and \$13 billion in 2021. Most of the increases are to the refinance share of loan volume. Fannie now projects annual originations to total over \$2.18 trillion in 2019, \$2.06 trillion in 2020 and \$1.97 trillion in 2021—huge jumps from the year-ago outlook.

As we know, it's easier to predict the purchase market. The refinance side is much trickier and sensitive to rates. Doug Duncan, Fannie Mae's senior vice president and chief economist, said in an interview, "There's like 10 different things that can happen and the combination in which they happen can go either direction. If the Fed said they're not going to make any more cuts—and they've been very explicit they don't intend to—and if the rates move up a 10th, there may be a cohort of people who get in the refinance market with the expectation rates won't drop further."

In another harbinger for this year, Fannie also increased its projections for housing starts. The new outlook shows 1.36 million in 2020 and 1.42 million in 2021. We've seen homebuilders accelerating the pace of single-family construction, including in the much-needed affordable space.

This uncertainty in the refi market makes it more vital to have an experienced staff to handle the spikes in order volume. This edition's cover article does a great job outlining how to identify talented recruits and the skills needed to succeed in our industry. Having a deep bench will not only help ensure you deliver the expected level of service for your customers, but will also help build the positive culture you need to offset the cyclical nature of our business. You can't control origination volume, but you can control the talent of your staff.



**MARY O'DONNELL**  
ALTA president

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