TITLE News
FEBRUARY 2024
AMERICAN LAND TITLE ASSOCIATION

Digital Closings Increase, but Barriers Slow Adoption

ALTA Survey Shows Half of Companies Offer Remote Online Notarization

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iN This Issue

VOLUME 103 | NUMBER 2 | FEBRUARY 2024

COVER STORY

FEATURES

DEPARTMENTS

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

The digital edition of **TITLENews** includes a webinar recording that provides a forecast for the 2024 housing market. The outlook for the next year is heavily dependent on the path of inflation and the health of the economy. First American Chief Economist Mark Fleming offers his analysis can expect from the housing market over the next year.

Go to **alta.org** to get your copy of *Digital TitleNews Today*.

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

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TITLENews

OFFICIAL PUBLICATION OF THE **AMERICAN LAND TITLE ASSOCIATION**

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Manage the Madness

JEREMY YOHE
ALTA vice president of communications

IT'S NEARLY TIME FOR MARCH MADNESS. For a team to win the NCAA's 68-team, single-elimination basketball tournament, it must run the gauntlet of winning seven games. It's one of the ultimate tests at the college sports level. Unlike many other sports in the U.S., the NCAA tournament is known for its upsets and Cinderella stories, which explains the appeal for basketball fans who fill in their brackets each spring.

Much like the tournament, the market seems unpredictable. To help wade through the madness, we've got a webinar scheduled March 5 that will provide a game plan with solid plays guaranteed to result in wins for your company. We'll talk about more effective communication with your prospects, increasing business from your current accounts, building client relationships, getting referrals and how to scout the competition. Join Dr. Cindy McGovern as she opens her playbook and shares tips and techniques to help you score.

Another tactic to help in this market is something Stanford management professor and author Robert I. Sutton calls "strategic slowness." He says many fiascos have been fueled by rash decisions. Sutton says, "Knowing when and how to slow down and fix things is the path to enduring financial success, to building healthy workplaces, and staying out of jail, too."

In an article for *The Wall Street Journal*, Sutton outlined eight situations that benefit from a slower approach:

1. Making big, irreversible decisions
2. Solving complicated problems
3. Doing creative work
4. Encouraging ethical actions
5. Mitigating biases and stereotypes
6. Reducing destructive friction
7. Connecting with customers
8. Enjoying the good things in life

Sutton cites the work of psychologist Fred Bryant, which "shows that slowing down to extend, enjoy and 'swish around' positive experiences in your mind is linked to better relationships, mental and physical health, and creative problem-solving."

Sutton said that he and his co-author of the book, "The Friction Project: How Smart Leaders Make the Right Things Easier and the Wrong Things Harder," understand the price companies pay when leaders gum up the works. In the course of their research, however, they found the best bosses know when and how to help their teams slow down.

Pumping the brakes gives employees time to identify issues that can undermine the mission. Rushing to fix something before even knowing what's going on often leads to bigger problems.

Down markets are when claims tend to pop up. Now is the time to take slow down and provide additional due diligence when conducting searches or handling closings. Now is the time to take a little time with customers. Now is the time to slow down and manage the madness.

ALTA Reports 24% Decrease in Q3 Title Insurance Premium Volume

The title insurance industry generated $4.1 billion in title insurance premiums during the third quarter of 2023, according to ALTA's latest Market Share Analysis. This is down 24% compared to the same period during 2022.

During the third quarter of 2023, total operating income for the industry was down 22.5% and operating expenses were down 20.9%. Loss and loss adjustment expenses were even. A net investment gain of $128.9 million resulted in net income of $306.5 million. This compared to $388.8 million for the third quarter of 2022, a decrease of 21.2%.

Through the first nine months of 2023, title insurance premium volume was down 35.1% ($11.4 billion) compared to the first nine months of 2022 ($17.6 billion). The title industry has paid $485.2 million in claims during the first nine months of 2023. This is up from $438.7 million in claims paid during the same period a year ago.

Top 10 Underwriters by Q3 Market Share

1. First American Title Insurance Co., 21.6%
2. Old Republic National Title Insurance Co., 14.9%
3. Fidelity National Title Insurance Co., 13.4%
4. Chicago Title Insurance Co., 13.2%
5. Stewart Title Guaranty Co., 9.0%
6. Westcor Land Title Insurance Co., 4.8%
7. Commonwealth Land Title Insurance Co., 3.3%
8. Title Resources Guaranty Co., 2.9%
9. WFG National Title Insurance Co., 2.6%
10. Doma Title Insurance Co., 1.8%

Top States During Third Quarter

- Texas, $613.9 million (-28.9%)
- Florida, $522.3 million (-24.3%)
- California, $344.0 million (-18.8%)
- New York, $243.7 million (-28.2%)
- Pennsylvania, $164.1 million (-25.4%)

Click here for more market share data.

ALTA expects to release its fourth-quarter and full-year 2023 Market Share Analysis around March 20.

ALTA Supports Bipartisan Bill to Keep CFPB out of State Insurance Regulation

ALTA recently joined a letter supporting a bipartisan bill reintroduced in the Senate that would clarify the Consumer Financial Protection Bureau (CFPB) does not have any authority over the insurance industry.

The Business of Insurance Regulatory Reform Act of 2024, sponsored by Sens. Tim Scott (R-S.C.) and Joe Manchin (D-W.V.) was referred to the U.S. Senate's Committee on Banking, Housing, and Urban Affairs. Instead, state insurance regulators must continue to regulate the insurance industry.

Continued on page 7

ALTA Joins Chamber Letter to Protect Business Lending, cont.

A companion bill was introduced in the House by Rep. Bryan Steil (R-Wis.)

"With 23 years of experience in the insurance industry, I've seen firsthand the value of our state-based insurance system," Sen. Scott said. "As the CFPB continues to overstep its authority and operate beyond its jurisdiction, this bill will protect our unique system of state-based insurance regulation that has resulted in highly competitive, fair markets across the country from unchecked bureaucrats in Washington."

The bill is also supported by the National Association of Insurance Commissioners (NAIC), Council of Insurance Agents and Brokers, Independent Insurance Agents & Brokers of America, National Association of Professional Insurance Agents, R Street Institute, Surety and Fidelity Association of America, U.S. Chamber of Commerce, Defense Credit Union Council, Consumer Credit Industry Association, American Council of Life Insurers and National Association of Insurance and Financial Advisors.

"The state-based system of insurance regulation has been effective in promoting consumer protection," the letter states. "By further clarifying the limits of CFPB's regulatory authority and affirming the presumption of exclusive authority of a state insurance regulator, this key legislation will create certainty for insurers, agents and consumers that there will not be duplicative or conflicting consumer protection regulations in the future."

Membership by the Numbers

ALTA is the title insurance and settlement services industry resource for advocacy, education, communications, networking and policy standards. Here's a look at some membership numbers from the past month.

- New Members: 75
- Title Agents: 43
- New Attorney Members: 24
- New Associate Members: 3
- State With the Most, New Members: Illinois with 14
- Total Members: 4,089

ALTA 2024 TIPAC Donors

The Title Industry Political Action Committee (TIPAC) is ALTA's voluntary, non-partisan political action committee (PAC). TIPAC raises money to help elect and re-elect candidates to Congress who understand and support the issues affecting the title industry. So far in 2024, TIPAC has raised $183,750 from 74 people. In addition, $134,000 from 18 companies has been pledged to the TIPAC Education Fund. Check out who has supported the industry at **alta.org/tipac.**

NEWS TO SHARE?

If you have information you'd like us to consider for TiTLE News, send company announcements to **communications@alta.org.**

CALENDAR

2024 ALTA EVENTS

COMMERCIAL NETWORK
Feb. 25-27
San Diego, Calif.

SPRINGBOARD
March 19-21
Oklahoma City, Okla.

ALTA ADVOCACY SUMMIT
May 5-7
Washington, D.C.

STATE CONVENTIONS

OKLAHOMA
April 18-21
Oklahoma City, Okla.

CALIFORNIA
April 21-23
Dana Point, Calif.

PALMETTO
April 24-26
Asheville, N.C.

Innovation knows *__no__* boundaries...

Digital Closings Increase, but Barriers Slow Adoption

ALTA Survey Shows Half of Companies Offer Remote Online Notarization

By Jeremy Yohe

Fully digital or hybrid closings increased to 10% of all transactions in 2022 compared to 7% of all deals closed in 2021, according to a study conducted by ALTA.

The survey included results from 399 title professionals and businesses that operate across 46 states and Washington, D.C. Most of the survey respondents had an average of 75 closings or less each month (57%), with the remainder divided almost evenly between 76 to 250 closings (21%) and over 250 closings (22%).

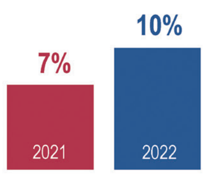
"Title professionals continue to lead the way by implementing technology to meet customer needs and expectations," said Diane Tomb, ALTA's chief executive officer. "Digital closings offer a secure alternative to complete real estate and mortgage transactions and provide an option for people who can't physically be in the presence of a notary, such as the elderly or those serving overseas in the military. Our members will always provide the customers' preferred closing method, whether it is online, in person or hybrid in some fashion."

Digital Closings on the Rise, But Barriers Slow Adoption

THE LAND TITLE INDUSTRY IS EXPANDING USE OF DIGITAL CLOSINGS

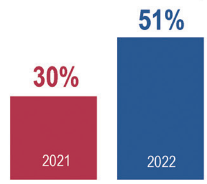
Digital closings are becoming more widely used. Now, 61% of companies conduct digital or remote closings. Remote Online Notarization (RON) is the most common technology used; the share of businesses of usings it grew significantly over the past year.

*Digital or Remote Closings as Share of All Transactions**



*Businesses Conducting Digital or Remote Closings, 2022**

Share of Businesses Offering Remote Online Notarization (RON)



TOP BENEFITS INCLUDE TIME & COST SAVINGS

Businesses realize a range of benefits from digital closings, often the benefits are more pronounced with larger transaction volumes.

Time Savings from Advanced Review of Closing Documents

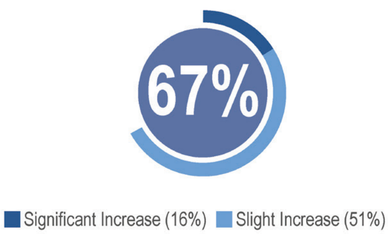
Time Savings from Advanced Signing of Closing Documents

Cost Savings from Digital vs. Paper Documents

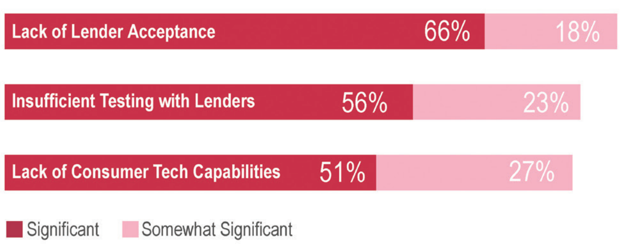
BARRIERS HINDER GREATER USE & ADOPTION

Businesses using digital closing expect volume to increase. Yet, barriers hinder growth for these businesses as well as those who have not yet adopted digital closings.

Businesses Expecting RON Volume to Increase



Top 3 Barriers to Adopting or Expanding Use of RON



*Includes Remote Online Notarization (RON), In Person Electronic Notarization (IPEN), Paper RON, and Remote Ink Notarization (RIN)
Source: ndp analytics. 2023. ALTA Critical Issues Study: Digital Closings.

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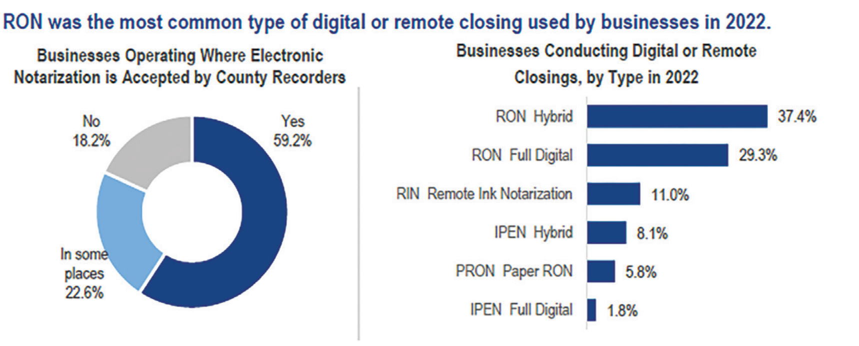


While in-person paper closings comprise the majority of transactions, digital and remote closings have become more popular compared to a year ago. Businesses offer a wide range of digital and remote closing options, including different tools like remote online notarization (RON), In Person Electronic Notarization (IPEN) and remote ink notarization (RIN).

The survey showed the percentage of title and settlement companies offering some type of digital or remote closing increased to 61% in 2022. This increase is largely attributed to transactions using RON. Fully digital closings were still uncommon, accounting for 2.5% of all transactions in 2022 compared to 2.2% in 2021. In contrast, hybrid closings had some growth, increasing from 5% of all transactions in 2021 to nearly 8% in 2022.

According to the survey, 82% of businesses in 2022 operated in locations where county recorders accepted electronic notarizations such as IPEN or RON (59% said it was permitted everywhere they operate and 23% said it was permitted in some places). Businesses offer a wide range of digital and remote closing options, including different tools like RON, IPEN and RIN, as well as different closing types, like fully digital and hybrid closings; some offer everything. In 2022, over 37% of businesses conducted RON closings as a hybrid offering, 29% had RON closings as a fully digital offering and 11% had closings with RIN. Less than 10% of businesses conducted closings using IPEN as a hybrid or digital option or paper RON.

Continued Adoption

In 2022, nearly 51% of businesses reported offering RON, up from 30% in 2021. This technology has been adopted evenly across businesses of all sizes; 36% average over 250 closings per month, 33% do 76 to 250 closings, and 31% have 75 closings or less. About two-thirds of businesses expected RON transactions to grow from 2022 to 2023, 16% expected the increase to be significant and 51% expected a slight change.

More than two-thirds of the companies surveyed expect the volume of digital closings to increase, however, several barriers hinder growth. Of the businesses that currently do not offer RON, 44% plan to implement it in the future. About 45% of those businesses expect to adopt the technology as soon as it is authorized, while another 22% plan to adopt it within the next one to two years.

The top three obstacles to companies expanding or adopting RON are:

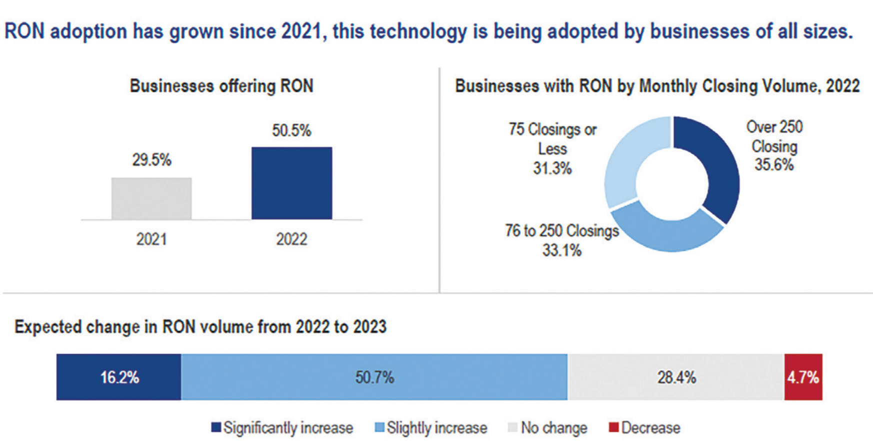
- Lack of lender acceptance (84%)
- Insufficient testing with lenders (79%)
- Lack of consumer technology capabilities (78%)

The survey showed that over 76% of businesses currently using RON would expand their use of the technology if they received more requests from lenders. Lender acceptance is a significant hurdle for digital closings. A recent study by Snapdocs found that only 11% of lenders offer full digital closings.

"Attaining high e-close adoption at scale requires more than just offering capable technology," said Snapdocs CEO Michael Sachdev. "The lenders we see achieving success and maximizing the value of digital closings are those that identify the proper strategy, prioritize change management and meticulously evaluate e- lose providers. Our research shows that this translates into greater adoption and greater savings."

In September, California joined 44 other states that have passed legislation allowing for remote online notarization. Senate Bill 696 authorizes a notary located in the state to perform RON.

The remaining states that have not passed RON for real estate transactions include Alabama, Connecticut, Georgia, Mississippi and South Carolina. Connecticut's RON legislation does not apply to real estate.



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> *"The lenders we see achieving success and maximizing the value of digital closings are those that identify the proper strategy, prioritize change management, and meticulously evaluate e-close providers."*
>
> **— Snapdocs CEO Michael Sachdev**

At the federal level, ALTA and a coalition of more than 100 other businesses and trade associations sent a letter in May to Sens. Kevin Cramer (R-N.D.) and Mark Warner (D-Va.) expressing support for the bipartisan Securing and Enabling Commerce Using Remote and Electronic Notarization Act (SECURE). Sens. Cramer and Warner introduced S. 1212 in April. The bill has been referred to the Senate Judiciary Committee. The house passed its version of the ALTA-supported SECURE Act by a voice vote in February.

Providing technical support to customers was the most time-consuming task associated with RON.

Time Required for RON-related Tasks (Scale of 1 to 5, 5, is the Most Time-consuming)

	Average Rating	Share with Rating of 5
Providing technical support to customers	3.8	33.3%
Troubleshooting technical difficulties	3.7	28.0%
ID verification walkthrough	3.4	24.8%
Communicating with customers	3.3	20.0%
Training and communicating with staff	3.3	17.5%
Tagging and loading documents	3.3	16.0%
Communicating with lenders	3.0	17.5%
Communicating with realtors	2.9	12.7%
Communicating with vendors	2.6	6.3%
Scheduling the closing	2.4	3.5%

29% of businesses actively marketed RON in 2022, another 22% did some targeted marketing.

RON Marketing Efforts

Examples of Activities

- Direct mail
- Digital advertising
- Email marketing
- Education, training, and webinars
- Sales meetings & events
- Social media marketing

What Are the Chokepoints?

Providing technical support to customers was identified as the most time-consuming task for RON closings; one-third of businesses rated it 5 of 5 for how significantly time-consuming the task is. Trouble shooting technical difficulties was the second most time-consuming task with 28% of businesses providing a rating of 5. The ID verification walkthrough was the third most time-consuming task associated with RON (25% provided a rating of 5).

Nearly half of the businesses that use RON actively marketed it as a closing option either generally or in targeted situations (29% and 22%, respectively). Another 10% said they plan to begin actively marketing soon. Some types of marketing identified by these businesses included direct mail, digital advertising, education such as raising awareness, training, webinars, and in person at sales meetings and events.

Key Benefits

Businesses that offer RON identified decreased closing time as the greatest benefit of the technology. Companies with larger volume experienced more benefits from RON, indicating efficiencies of scale. Businesses with over 250 closings per month experienced time and cost savings of RON more often than those with smaller transaction volumes. For example, 52% of businesses with larger closing volumes agreed that RON decreased closing time due to the review of documents ahead of time compared to 44% of those with smaller transaction volumes.

"Digital closings provide many benefits to companies, including expense reduction by not having to print documents and time savings by being able to review and sign documents in advance," Tomb said. "Continued awareness and understanding of how to use the technology will drive further adoption of this technology." ■

JEREMY YOHE *is ALTA's vice president of communications. He can be reached at jyohe@alta.org.*

HAS YOUR BUSINESS SLOWED?

SCAN HERE

SCAN WITH YOUR PHONE'S CAMERA

3 Common Misconceptions About Password Security

Some Experts Encourage Use of Passphrases Instead

By Alex Hamlin

EVERYONE KNOWS THAT CHOOSING A STRONG PASSWORD IS A CRITICAL STEP in securing the various systems and accounts we all use daily. However, you may be surprised to learn that some commonly held beliefs about passwords are more harmful than helpful. This article highlights three of these misconceptions to ensure that you and your business are armed with the right information to keep up with the latest password security best practices.

1. I Have One Very Secure Password. That's All I Need!

One of the most common misconceptions about password security is that individuals need just one password for all of their websites and systems, but that couldn't be further from the truth. Consider the following scenario:

Alice uses the same username and secure password to log into three websites:

- a.com
- b.com
- c.com

While a.com and b.com follow security best practices, c.com is not so diligent. Eve, a hacker, compromises c.com, including their database of usernames and unencrypted passwords. Despite Alice's use of a strong password, Eve is now in possession of Alice's login credentials, and is able to compromise her accounts on a.com and b.com because they use the same password.

This attack is known as a credential stuffing attack. It is one of the most common ways that account compromises happen. Had Alice used different, equally secure passwords for each a.com, b.com, and c.com, her accounts for a.com and b.com would still be protected, even after c.com was compromised.

However, using a unique, secure password for every account is easier said than done. The average user accesses dozens of websites per day. That's a lot of passwords to try and memorize! Thankfully, there are tools called password managers that can help. Password managers are applications that automatically generate and store unique, secure passwords for each website a user visits. All of these passwords are locked behind a single master password, reducing the memorization burden for the user.

Password managers automatically fill in a unique password on each website a user visits, protecting against credential stuffing attacks and saving time spent typing long passwords into login screens. Not many security tools also boost productivity!

Password managers, however, can present a single point of failure, and users should perform due diligence to ensure the specific tool they choose has a stellar reputation and follows security best practices. Additionally, the chosen master password for the password manager must be very strong to keep attackers from accessing all of the passwords stored within the tool.

Keep reading to learn some of the common misconceptions around password security, and how to ensure your master password is secure.

2. Complex Characters Are The Most Important Part of a Secure Password

"Your password must contain lowercase letters, uppercase letters, numbers, special characters, a day of the week, the title of a novel, your favorite ice cream flavor…"

We've all seen password requirement prompts with a plethora of conditions that can be challenging to satisfy. These requirements have even been satirized as online puzzle games.

While these prompts may sometimes seem unnecessarily demanding in their requests for multiple character types, there's a good reason for it. Using a wider array of characters increases the range of possible passwords, making them harder for attackers to guess. That said, complex characters are not the most important part of a strong password.

When it comes to choosing a secure password, length is actually the most important component. Each additional character in a password exponentially increases its security. In fact, length is so important to a strong password that some experts have argued that we should stop using the word "password," and instead call them "passphrases," to encourage the use of more than one word. Passwords (or passphrases) made up of multiple, random words are easier to memorize, easier to type, and tend to be even more secure than shorter, more complex passwords.

Consider the chart below, published by Hive Systems, which shows the amount of time required for an attacker to brute force a password in 2023. In this chart, an easy-to-memorize password made up of a set of random words such as AspenDogTurqoise would take an attacker 713 years to brute force, whereas a hard-to-memorize password such as L6!h;'3[could be brute-forced in only five minutes.

A great way to combine length and character complexity is to use a full sentence as a password, complete with capitalization and punctuation. It's important not to use a common phrase or famous quote, as those can be easy to guess. Rather, make up a nonsense sentence that will be easy to remember, like Wow, 6 pink cats! This passphrase would take 380 billion years to brute force according to the chart above!

3. Passwords Should Be Changed Often

For many years, security experts have advised that users should change their passwords regularly, as frequently as once every 90 days. The logic behind this advice is that users often use the same password in multiple places, placing them at risk of compromise and credential stuffing attacks (see above). As such, proactively and regularly changing passwords was believed to be helpful in stopping this sort of attack in its tracks.

However, this advice has been recently challenged, with new research finding that the security benefits of regularly changing passwords are minimal. It turns out that when users are forced to regularly change their passwords, users change them in very predictable ways, such as incrementing a number at the end of the password or substituting one special character for another. This predictability allows attackers to still succeed at credential stuffing attacks by just trying a small number of variations on the stolen passwords.

TIME IT TAKES A HACKER TO BRUTE FORCE YOUR PASSWORD IN 2023

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	1 sec	2 secs	4 secs
8	Instantly	Instantly	28 secs	2 mins	5 mins
9	Instantly	3 secs	24 mins	2 hours	6 hours
10	Instantly	1 min	21 hours	5 days	2 weeks
11	Instantly	32 mins	1 month	10 months	3 years
12	1 sec	14 hours	6 years	53 years	226 years
13	5 secs	2 weeks	332 years	3k years	15k years
14	52 secs	1 year	17k years	202k years	1m years
15	9 mins	27 years	898k years	12m years	77m years
16	1 hour	713 years	46m years	779m years	5bn years
17	14 hours	18k years	2bn years	48bn years	380bn years
18	6 days	481k years	126bn years	2tn years	26tn years

HIVE SYSTEMS › Learn how we made this table at hivesystems.io/password

What's more, the practice of regularly changing passwords can result in users choosing weaker passwords that are easier to memorize (and easier for attackers to guess). Such frequent password changes can also create an administrative headache for companies trying to promote a strong security culture.

This research has led to the National Institute of Standards and Technology (NIST) to revise their guidance in Special Publication 800-63B to advise *against* arbitrarily expiring passwords. Additionally, Microsoft has removed the ability to set arbitrary password expiration in some of its software, and the FTC has published a fantastic summary of the research and changing guidance in this area.

It's still important to defend against credential stuffing attacks, however the use of unique passwords, made easier with the use of password managers, is a significantly stronger defense. That being said, it is still important for users to change their passwords if they ever have reason to believe a password may be compromised.

Conclusion

Despite being integral to our digital lives, passwords are still a relatively new phenomena, and the research around what makes them secure is rapidly evolving. This means that what is considered the height of password security today may not be the same a year from now. It's critical that we stay up to date on the latest best practices and remain open to having our preconceptions challenged. Doing so will help us continuously improve the security of our businesses, our operations and our own personal lives.

ALEX HAMLIN, *a member of ALTA's Information Security Work Group, is head of information security for Qualia Labs Inc. He can be reached at alex.hamlin@qualia.com.*

Cybersecurity Advisory from ALTA's Information Security Work Group

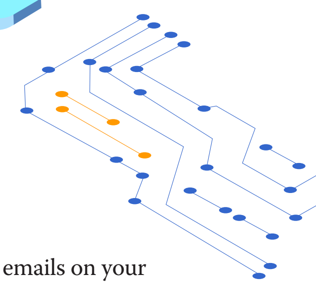
Tips to Help Keep Systems Secure and Customer Information Safe

As we all continue to monitor the significant cybersecurity issues affecting our industry, we wanted to share how unified ALTA's Information Security Work Group is in identifying trends and supplying valuable information to ALTA members and the broader industry.

Considering the most recent incidents, the work group urges everyone to use extreme caution when opening emails containing links, attachments or requests for personal information, such as security credentials or authentication codes. Given the nature of the cybersecurity attacks facing our industry, even emails from known sources—including colleagues, clients, customers and consumers—could potentially be compromised. Phone calls and text messages may also be suspect, so slow down and take every opportunity to verify the source.

Here are some things you **CAN** do:

- Ensure you're using strong, unique and at least 14-character passwords or passphrases for each account. This might sound daunting but think of it like having a unique key for every door in your house.
- Utilize multi-factor authentication (MFA) on every account where it is available.
- Verify that user accounts which don't need administrator access do not have administrator roles. Check with your IT support team if you don't know what this means—it is important!
- Hover over every link to see where it would take you before you click on it.
- Verify the authenticity of an email before clicking a link, opening an attachment, responding or providing any requested information.
    - Determine the sender's telephone number from a source other than the email (like the company website for example).
    - Call and verify.
    - Be particularly careful when replying to emails on your mobile phone—it can be difficult to see the actual email address of the sender.



- Stay vigilant and be aware of common tactics used by attackers, like creating a sense of urgency, pretending to be unavailable for a call, or asking for help in a suspicious way. If something doesn't feel right, trust your instincts and double-check before taking any action.
- Patch all your systems. Check with your IT support team if you don't know what this means—it is important!
- Review business practices to discover any risks and identify any changes to make.
- Educate **ALL** employees on their security responsibilities.
- Have a business continuity plan, an incident response plan and a routine to test your backups regularly.
- If anything seems not right, reach out to your IT support team immediately!

This list is **NOT** all-inclusive. This is just the new minimum recommendation for what you **MUST** be doing. This list might also have included implementing intrusion detection and response solutions, email spam and security solutions, reviewing all accounts

daily for use and rights, and more.

We want to express our sincere gratitude for your additional diligence and heightened awareness. We understand that keeping up with your daily work while staying vigilant against these attacks can be challenging, but we applaud your efforts. By being extra cautious, we can work together to better protect ourselves and our business partners during this unprecedented era of cyber threats.

We all have a very big stake in what happens in our industry, and we all need to be part of shaping the future. We all need to evolve and adapt—this means changing both our individual behaviors and our company practices. It's time to embrace new technology and updated security protocols to enhance and protect every single transaction.

Finally, we want to let you know that many of our industry partners, underwriters, vendor partners and ALTA have provided excellent resources for reviewing and implementing cybersecurity measures. Be sure to take advantage of these resources to keep your systems secure and your customer information safe. We urge you all to work with your IT security providers to address these issues as soon as possible.

You'll find information and resources developed by the work group on ALTA's website to support your efforts. Stay safe and secure.

The ALTA Information Security Work Group aims to help members establish and maintain information systems that protect against unauthorized access, detect threats and alert administrators when unauthorized access is detected.

What Is the Foreign Investment Real Property Tax Act?

Buyer Responsible for Ensuring Funds Are Withheld and Sent to IRS

By Marc Enzi EA, CFP

THE FOREIGN INVESTMENT REAL PROPERTY TAX ACT (FIRPTA) BECAME LAW IN 1980 ensuring foreign sellers do not skip out on paying the IRS tax bill when selling U.S. real estate. We often see FIRPTA discovered in real estate transactions at the closing—which is not the time for surprises. A FIRPTA surprise at closing can cause a transaction to fall apart for two reasons.

The first reason is the seller is being shorted 15% of the sale price for what they perceive as a hidden tax that discriminates against the seller because of foreign status. The second reason the transaction may fail is that the buyer, upon learning of this obscure tax compliance requirement, perceives the IRS is going to pursue them for the 15% and the buyer's cost is now 15% greater than anticipated. The buyer and seller may both also think this FIRPTA matter is somehow the title company's fault. The reality is that FIRPTA is not a tax, but a deposit. The seller can recover the FIRPTA deposit net of any unsettled tax liabilities. The buyer has no risk of being pursued by the IRS so long as the seller's FIRPTA deposit is sent with tracking to the IRS and postmarked within 20 days of closing. Also, some states have their own version of FIRPTA that applies to non-residents of the state. The sooner in a transaction that a foreign seller is identified, the smoother FIRPTA compliance will go.

How FIRPTA Deposits Work

A FIRPTA deposit is withheld from the seller and is credited as a tax deposit on behalf of the seller to cover any unsettled federal tax liabilities. The FIRPTA deposit can be used by the IRS to cover any other unsettled federal debts such as tax on sale, delinquent student loans, delinquent child support or federal tax debt. The IRS uses the phrase "disposition of real property" to mean "to dispose

The buyer of real property purchased from a foreign seller is obligated to withhold 15% of the contract sales price and send the withheld funds postmarked to the IRS no later than 20 days of closing.

of," which generally applies to the sale of real estate, but could also be a 1031 like-kind exchange, short sale, foreclosure, gift or other transfer. FIRPTA applies anytime a foreign person disposes of U.S. real estate.

Tax on the sale is sorted out when the sellers file a U.S. federal tax return. The FIRPTA deposit can be recovered net of tax owed. The IRS will pursue collection of the FIRPTA deposit plus interest and penalties from the buyer and may also pursue the real estate agents for the buyer and seller. In a real estate transaction, the buyer is the withholding agent and responsible for holding the 15% from the seller and depositing the money with the IRS.

Processing a FIRPTA Transaction

The IRS treats every real estate transaction as a FIRPTA transaction until the buyer receives from the seller a "certificate of non-foreign status." **Title company settlement agents: It is a recommended practice to either collect a certificate of non-foreign status from each seller in every real estate transaction or inform the buyer that the sale may be subject to FIRPTA withholding.**

Who Can Be Exempt Using a Certificate of Non-foreign Status?

Certificate of non-foreign status (any of the following qualify):

1. **U.S. passport**
2. **U.S. birth certificate**
3. **U.S. certificate of naturalization**
4. **U.S. permanent resident visa, aka "green card"**
5. **Meet the SPT (substantial presence test)**

The SPT is complex, taking many factors into account. It's recommended the buyer and seller engage the services of an experienced qualified and licensed professional such as a CPA, enrolled agent or tax attorney.

Note: There is no requirement for the buyer, agent for the buyer (real estate agent), settlement agent, title company or escrow officer to audit or otherwise examine the seller's certificate of non-foreign status. However, if there are conflicting facts, or if the certificate appears on its face to be false, the buyer should be notified and the agent should not accept the certificate.

If the seller cannot provide the certificate of non-foreign status—that is, if the seller is foreign—then proceed with FIRPTA withholding.

FIRPTA Withholding Compliance

Generally, 15% of the contract sale price must be held back from the seller proceeds, and this becomes a line item on the Closing Disclosure settlement statement as a payment to the U.S. Treasury.

The 15% can be reduced:

a. If the buyer intends to use the property as a primary residence for at least 50% of each year for the two years following closing. (This applies to the buyer or a family member of buyer).

b. If the buyer signs an affidavit of intent to occupy the property as a primary residence and the affidavit includes an acknowledgement that if the IRS determines the affidavit to be false that the IRS will then go after the buyer for the 15% plus penalties and interest.

c. If the sale price is $300,000 or less, and the buyer signs an affidavit of intent to occupy then FIRPTA is eliminated. Add the affidavit to the file, and you are done with FIRPTA.

d. If the sale price is $300,001 up to $1 million, then FIRPTA can be reduced to 10%.

e. If the property being sold is going to be used as a rental, second home, vacation home, commercial use, is raw land, or an entity other than an individual is purchasing, then FIRPTA is always 15%.

Note: The buyer is never obligated to sign an affidavit of intent to occupy the property. The seller cannot force the buyer to sign the affidavit of intent to occupy unless this was a special provision in the real estate sale contract. The seller is relying upon the buyer's good will and cooperation to sign the affidavit of intent to occupy. The seller should never count on the buyer signing the affidavit of intent to occupy. The buyer may really intend to occupy the property, but the IRS acknowledgment clause often scares the buyer into refusing to sign.

If FIRPTA funds are withheld, the appropriate forms need to be filled out, and signed by the buyer. The completed forms and withheld funds must be sent to the U.S. Treasury within 20 days of closing or penalties will apply that will go to the withholding agent (buyer).

FIRPTA is not the responsibility of the settlement or escrow officer, title company or closing attorney. The obligation for withholding a FIRPTA deposit rests with the buyer and agents for the buyer and seller. According to Treasury regulations, *settlement officers and clerical personnel are responsible for a FIRPTA compliance failure if work is limited to the following areas:*

1. *The receipt and disbursement of any portion of the consideration for the transaction.*
2. *The recording of any document in connection with the transaction.*
3. *Typing, copying and other clerical tasks.*
4. *The obtaining of title insurance reports and reports concerning the condition of the real property that is the subject of the transaction.*
5. *The transmission or delivery of documents between the parties.*

This means as a settlement officer, if you do not prepare FIRPTA documents and only advise the seller and buyer to seek assistance with FIRPTA compliance from a competent qualified tax professional with experience in FIRPTA transactions, you are shielded from risk of IRS penalties regarding a FIRPTA compliance failure. From a customer service standpoint and underwriter standpoint, it is a good practice to inform the buyer and seller in writing to seek FIRPTA assistance from an experienced professional.

These are a few common questions or misconceptions about FIRPTA withholdings:

- **If the seller has a U.S. Social Security number (SSN), FIRPTA does not apply.**
  - False. Having a U.S. SSN **does not** automatically exempt a seller from FIRPTA withholding. A tax ID, state driver's license or U.S. entry visa does not determine U.S. tax residency. Contact a tax professional for further verification.
- **If the seller has an Individual Taxpayer Identification Number (ITIN), FIRPTA withholding applies.**
  - False. If the seller has an ITIN, the seller **may** be exempt from FIRPTA using SPT.
- **If the seller meets the SPT, FIRPTA does not apply.**
  - U.S. tax residency rules are complex and often misunderstood. Only take advice from a competent qualified tax professional experienced in FIRPTA transactions.
- **The foreign spouse of a married couple can allocate their share to the U.S. spouse to avoid FIRPTA.**
  - False. The foreign spouse is subject to FIRPTA withholding on their allocated contributions of the property being sold.
- **If the seller is a "domestic LLC," FIRPTA does not apply.**
  - False. A single member limited liability company (SMLLC) is disregarded by the IRS, meaning the IRS doesn't care about the state-level entity. The IRS ignores the LLC and looks through to ultimate owner and FIRPTA rules still apply.

In many cases, a seller can be considered exempt from FIRPTA once all the relevant facts and circumstances are considered. If the seller is a foreign national, then FIRPTA compliance is just another formality and should not fall on the settlement officer. FIRPTA is a matter for the buyer, seller and the real estate agents to sort out. The reality is that FIRPTA is simply a tax deposit of the seller's proceeds that is recoverable by the seller. The unfortunate bit is that the buyer is ultimately responsible for ensuring the funds are withheld and sent to IRS. So, to ease the burden on the buyer and seller, having an experienced outside professional to refer the parties to is the simplest way to handle FIRPTA.

Marc Enzi EA, CFP *is director of operations for Tax Solutions, which offers FIRPTA consulting services. He can be reached at marc.enzi@taxss.com.*

Does Your Company Need to Report Beneficial Ownership Information?

Due to a rule that went into effect Jan. 1, many companies are now required to report information to the U.S. government about the individuals who ultimately own or control the company.

Covered companies will have to report the information to the Financial Crimes Enforcement Network (FinCEN). This will be a free filing that companies can complete themselves.

Do You Need to Report?

Your company may need to report information about its beneficial owners if it is:

- A corporation, a limited liability company (LLC), or was otherwise created in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe; or
- A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.
- There are 23 types of entities that are exempt from the beneficial ownership information reporting requirements. FinCEN's Small Entity Compliance Guide includes checklists for each of the 23 exemptions that may help determine whether your company qualifies for an exemption.

How Do You Report?

Reporting companies will have to report beneficial ownership information electronically through FinCEN's website.

When Do You Report?

- If your company was created or registered before Jan. 1, 2024, you will have until Jan. 1, 2025, to report BOI.
- If your company is created or registered on or after Jan. 1, 2024, you must report BOI within 90 days of notice of creation or registration.
- Any updates or corrections to beneficial ownership information that you previously filed with FinCEN must be submitted within 30 days.

For more information, visit FinCEN's website, view FinCEN's Frequently Asked Questions (FAQs) or contact FinCEN.

Alert

FinCEN has been notified of recent fraudulent attempts to solicit information from individuals and entities that may be subject to reporting requirements under the Corporate Transparency Act. The fraudulent correspondence may be titled "Important Compliance Notice" and asks the recipient to click on a URL or to scan a QR code. Those emails or letters are fraudulent. FinCEN does not send unsolicited requests. FinCen cautions against responding to these fraudulent messages, clicking on any links or scanning any QR codes within them.

Exemption No.	Exemption Short Title
1	Securities reporting issuer
2	Governmental authority
3	Bank
4	Credit union
5	Depository institution holding company
6	Money services business
7	Broker or dealer in securities
8	Securities exchange or clearing agency
9	Other Exchange Act registered entity
10	Investment company or investment adviser
11	Venture capital fund adviser
12	Insurance company
13	State-licensed insurance producer
14	Commodity Exchange Act registered entity
15	Accounting firm
16	Public utility
17	Financial market utility
18	Pooled investment vehicle
19	Tax-exempt entity
20	Entity assisting a tax-exempt entity
21	Large operating company
22	Subsidiary of certain exempt entities
23	Inactive entity

Source: FinCEN

California Becomes Latest State to Sue MV Realty

ALTA Prioritized Combating This Anti-consumer Activity

California became the seventh state to file a complaint against MV Realty, alleging the company misled consumers over the terms of the brokerage's "Homeowner Benefit Program."

The lawsuit filed by California Attorney General Rob Bonta alleges MV Realty engaged in a predatory scheme to lock vulnerable homeowners into 40-year exclusive listing agreements and placed illegal liens on their homes. Filed in Los Angeles Superior Court, the lawsuit alleges that nearly 1,500 California homeowners have signed these unlawful agreements, known as Non-Title Recorded Agreements for Personal Services (NTRAPS). According to the lawsuit, MV Realty lured homeowners with an immediate payment of anywhere from a couple hundred to a couple thousand dollars in exchange for being the homeowner's real estate agent should the homeowner sell their home in the future.

According to the lawsuit, MV Realty misrepresented the significant downsides of its agreements, including that it places a lien on the homeowner's property that prevents homeowners and their successors from transferring their home without paying MV Realty 3% of the home's value, even if the company fails to provide diligent realty services. MV Realty charges homeowners an illegal 3% penalty if they sell their homes without using MV Realty or otherwise cancel their agreement, and refuses to lift its liens unless homeowners pay this illegal penalty. In addition to blocking home transfers, this lien can also impede, delay, or prevent a homeowner from obtaining or refinancing home loans.

"MV Realty is a financial predator. Through its one-sided agreements, the company lined its own pockets at the expense of vulnerable homeowners in California, holding their most valuable assets hostage. To this day, it refuses to release homeowners from those agreements," said Attorney General Rob Bonta. "MV Realty's actions demand accountability. That's why we have filed our lawsuit."

Attorneys general in Florida, Indiana, Massachusetts, New Jersey, North Carolina, Ohio and Pennsylvania also have filed lawsuits against MV Realty.

Among other things, the lawsuit alleges that MV Realty:

- Deceptively marketed its predatory exclusive listing agreements
- Placed illegal liens on homes and charged homeowners illegal penalties for canceling or breaching the agreements
- Signed its agreements through individuals not licensed to practice real estate in California, rendering those agreements void and unenforceable
- Violated other California real estate laws, California's do-not-call law, and the Truth in Lending Act

A number of states, including California, recently passed legislation that prohibit fraudulent schemes like the one MV Realty engaged in. On Oct. 8, 2023, California Gov. Gavin Newsom signed into law AB 1345, which goes into effect on Jan. 1, 2024. AB 1345, imposes a two-year limit on residential exclusive listing agreements and clarifies that these agreements cannot be filed with a county recorder.

MV Realty filed for bankruptcy on Sept. 22, 2023. The California Department of Justice will also file motions as necessary to protect its interests in that bankruptcy action.

ALTA Efforts

ALTA has prioritized combating this abusive and anti-consumer activity in the marketplace, which adds costs and complications to the transfer or financing of real estate. ALTA has worked with national stakeholders to design model legislation to make these types of unfair agreements unenforceable, prevent the recording of the agreements in land records and provide consumers with options for seeking damages.

"The property rights of American homebuyers must be protected," said ALTA Vice President of Government Affairs Elizabeth Blosser. "A home often is a consumer's largest investment, and the best way to support the certainty of landownership is through public policy. We have to ensure that there are no unreasonable restraints on a homebuyer's future ability to sell or refinance their property due to unwarranted transactional costs."

States to pass versions of bills that address NTRAPS include Alabama, Colorado, Florida, Georgia, Idaho, Iowa, Maine, Maryland, North Carolina, North Dakota, Ohio, Tennessee, Utah and Washington.

Industry Update

Report: Closing Professionals Juggling too Many Tasks

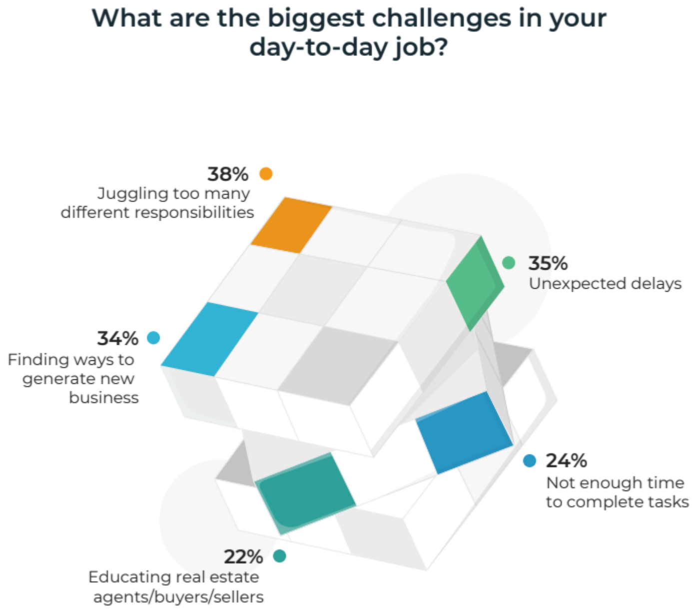
The biggest daily challenge for title professionals is juggling too many different responsibilities, according to a report provided by PropLogix.

In the 2023 State of the Title Industry Report, 38% of title professionals surveyed said they must handle too many tasks faced with elevated expectations, but have little to-no control of timelines and deadlines. This duality creates a lot of stress and frustration, according to the report.

"Despite the tough conditions in the market, it seems surprising to see title professionals in closing and escrow roles are still feeling overwhelmed by juggling too many tasks," said Lindsey Gordon, PropLogix director of communications. "However, it's important to remember that many companies have had to make staffing cuts proportional to their order drops—meaning those who remain are shouldering the workload. On the flip side, those in high-level positions who own or run title companies are most challenged by finding ways to generate new business. This report helps to demonstrate how outsourcing can help fix both issues by eliminating additional workload and freeing up time to maintain existing and earn new business."

The survey included results from more than 400 title agents, with nearly half operating in the South.

The survey focused on how industry trends impact title professionals' daily responsibilities and their title production and outsourcing practices. The most outsourced title production piece is municipal lien searches (83%), which uncovers unrecorded debt and permit issues, followed by title searches (73%). Thirty-eight percent of respondents say the top title production task they are considering outsourcing is lien release tracking, which beat out HOA certificates for the first time this year (32%).



The report featured insight from five different title industry experts, including ALTA CEO Diane Tomb.

"We know these are really tough times, and sometimes it's easy to just put your head down and hope you can get through it," Tomb said. "But I think really stepping up and being part of the industry is valuable to all of us right now, particularly as we face some of these biggest challenges on the regulatory front."

California Updates Definition of Sensitive Information Under CPA

A revision to the California Consumer Privacy Act (CCPA) definition of sensitive personal information went into effect Jan. 1, 2024.

AB 947, which was signed by California Gov. Gavin Newsom on Oct. 8, expands the act to now include personal information that reveals a consumer's citizenship or immigration status.

Under the CCPA, consumers have certain rights about their personal information, including enhanced notice, access and disclosure; the right to deletion; the right to restrict the sale of information; and protection against discrimination for exercising these rights. The CCPA was amended by the California Privacy Rights Act (CPRA), which created a new category of "sensitive personal information" and provides rights with regard to this information including restricting businesses' use of sensitive information.

Companies covered by the CCPA/CPRA should review privacy policies and procedures to ensure that immigration and citizenship are covered as sensitive information. Depending on an individual company's process and disclosures, it may be necessary to include these additions in the Consumer Notice, and the California employee applicant notices.

Fidelity Acquires New Mexico-based Title Company

Fidelity National Financial Inc. recently acquired San Juan County Abstract & Title Co. in Farmington, N.M.

San Juan Title, established in 1946, provides title examination, title plant abstract and settlement services for a variety of residential, commercial, farm/ranch and energy projects in San Juan County.

"San Juan Title has a long-standing reputation for integrity, experience, quality service and community involvement," said Pete Filler, executive vice president for Fidelity. "Bringing them into the FNF Family of Title Companies is a perfect illustration of our multi-brand strategy at work: acquiring companies with superior reputations in local markets to expand our leadership position in the industry. Josh Payne and his talented managers and team members have created a storied New Mexico organization with unrivaled regional strength, comprehensive title services and technology capabilities, making San Juan Title a perfect fit for FNF and further expanding our footprint and market leadership in the state of New Mexico."

Atlantic Closing & Escrow Acquires Village Settlements

Atlantic Closing & Escrow (ACE) has acquired Maryland-based title agency Village Settlements. The company will be rebranded as Village Settlements.

With offices in Frederick, Gaithersburg and Greenbelt, Md., Village Settlements has provided closing and settlement services since 1994.

"This acquisition not only grows the geographic footprint of Atlantic Closing & Escrow but also our depth of experience and knowledge," said Scott Kriss, president and CEO of ACE. "Village Settlements has long been a highly respected brand in Maryland and the surrounding region, and we look forward to being a part of that tradition as we continue to deliver a premium level of service and advice."

Virginia Title Companies Merge

Titleworks Inc. and Cobalt Settlements LLC announced a merger that expands both their footprint and capabilities in real estate settlement services.

The union will carry the name of Cobalt Settlements, which was founded in 2014 by Jeff Nowak. Becky Taylor founded Titleworks in 1995.

"Joining forces with Titleworks is a natural progression for us," Nowak said. "I've been impressed with Titleworks' quality and care through multiple transactions we've worked on together, and Becky's reputation and client-focused approach align perfectly with our vision at Cobalt Settlements. Together, our teams are set to offer unparalleled services in the industry."

Baltimore to Establish Blockchain Platform for Vacant Properties

The City of Baltimore has selected Medici Land Governance (MLG) to develop a blockchain platform for recording vacant properties in the municipality. Starting with a pilot program goal of recording 14,000 properties, the project will support the Baltimore's current vacant housing initiatives.

MLG reportedly will develop the blockchain-based land recorder to integrate with Baltimore's existing recording system by way of an Application Programming Interface (API) that will duplicate the data and publish it on the blockchain.

"MLG has deployed similar platforms in the U.S. and elsewhere in the world," said Ali El-Husseini, CEO of MLG. "We can ensure that it would be one of the most secure ways to protect land records data sets. By using blockchain technology, MLG can establish a decentralized and trustworthy system for recording property ownership."

Husseini said the blockchain will make it more efficient for title companies to issue policies. He added that accurately identifying vacant properties and their ownership will augment the city's targeted interventions and community development efforts.

Rynoh Unveils Account Verification Service

Rynoh released a new account verification service that allows title and escrow agents to confirm critical account information before sending a wire transaction.

The service is available to clients and new customers as part of Rynoh's bundled services, including: automated escrow reconciliation, escheatment, operation account management, and now account verifications.

RynohVerifi aims to help simplify the complex and highly regulated account verification process, assisting clients to stay protected against fraud and monitoring the disbursement of daily funds.

"Preventing wire fraud is a top priority for everyone involved in real estate transactions," said Jim Weld, Rynoh general manager. "We are excited to launch this valuable platform as it provides fraud protection and banking integration services for our clients. We are committed to working with our clients and industry partners to make the real estate closing as safe and secure as possible. This service is just one more way that Rynoh helps our clients manage their escrow accounts, eliminate compliance risk, and provide a robust funding environment. This launch is a great example of how our team is continuing to develop new products to support our clients' needs for the challenges of tomorrow."

CATIC Releases Update to Title Platform

CATIC released the latest version of its title order packaging system (TOPS). This release, version 10.0, comes with improvements that are meant to make the title search ordering process more convenient and efficient for its end users. The highlights of the update include agents being able to place multiple property search orders, use enhanced integration between titleLOOK and Qualia, and provide an easier and more accurate way to enter property address information.

InspectHOA Rebrands as Rexera

InspectHOA completed a rebrand and will now be known as Rexera.

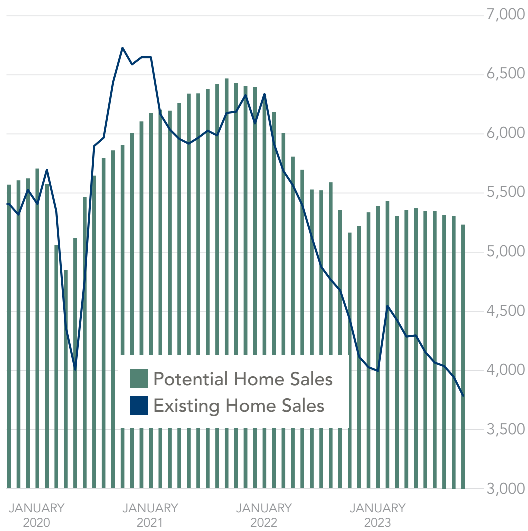
Co-founder Anton Tonev explained that the new name was derived from three unique elements.

"The 'RE' stands for our core—real estate—where our journey began, but hasn't ended," said Tonev. "The 'x' represents the crossroads where tradition meets innovation and where the past meets the future—a crossover of legacy workflows and groundbreaking AI technology. 'ERA' signifies an era in which real estate transactions will no longer be burdened with the expectation of months of waiting, as our products accelerate the process to a matter of days and hours instead."

The company offers HOA documents acquisition and analysis services through a combination of a database, AI technology and HOA professionals. The company also offers municipal lien search and mortgage payoff solutions.

Housing Market Potential

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



3.79 SAAR
Existing Home Sales

5.24 SAAR
Potential Home Sales

-27.6%
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.

National Consumer House-Buying Power

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

October 2023

$317,754
House-Buying Power

-3.9%
Year-Over-Year

Where House-Buying Power is Strongest

Top States and Markets

1	New Jersey **$451,073**	1	San Jose, CA **$666,711**
2	Massachusetts **$443,329**	2	San Francisco, CA **$597,438**
3	Hawaii **$430,969**	3	Washington, DC **$552,179**
4	Maryland **$421,003**	4	Salt Lake City, UT **$475,175**
5	Rhode Island **$411,318**	5	Boston, MA **$474,197**

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

Movers & Shakers

First National Title Appoints President

First National Title Insurance Co. (FNTI) promoted Chad Hansen to president. Hansen has over 24 years of experience and knowledge in the title industry in a variety of roles ranging from agency and field work

WFG Names Division President for Colorado Region

WFG National Title Insurance Co. promoted Natalie Koonce to division president for the company's Colorado region. Koonce joined WFG in April 2020 as senior vice president and national escrow advisor. She has more than 25 years of industry experience in all facets of title, escrow and real estate services. In her new role, Koonce will leverage her extensive industry expertise and well-established industry relationships to support and grow WFG's Colorado operations. As president of North American Title of Colorado's Colorado Division, Koonce managed operations of 11 branches and more than 70 associates.

Stewart Lender Services Bolsters Exec Team

Stewart Lender Services hired Thomas (T.J.) Harrington as senior vice president with responsibility for sales and product enablement. In this new role, Harrington will expand Stewart's impact by providing national title and settlement services solutions along with the company's broader suite of services to originators servicers, capital markets and other enterprise and institutional clients. Harrington was most recently at Incenter (former parent company of Boston National Title Co. and Agents National Title Insurance Co.), where he had multiple roles including general counsel and senior vice president of Enterprise Strategy, and president of Incenter Agency Solutions. Prior to Incenter, Harrington had roles at Bank of America/LandSafe, ServiceLink and Mortgage Connect.

RecordsOnline Promotes Key Leadership Ahead of National Expansion

Texas-based RecordsOnline recently promoted three individuals to key operational positions to support planned expansion. Diane Eubanks was named vice president of plant operations, Kim Thomas was promoted to vice president of operations and Morgan Kennedy was promoted to director of operations. In her role, Eubanks is responsible for bringing new counties online, data accuracy and indexing. In her more than 20 years at RecordsOnline and affiliated companies, she has been involved in every aspect of building an online title plant.

As vice president of operations, Thomas is tasked with delivering quality products by developing, implementing and continuously improving internal operations. She previously served as Texas partner management specialist for a national title company, where she managed relationships with title companies in 217 Texas counties and with notaries in all 254 Texas counties.

As director of operations, Kennedy is responsible for overseeing the day-to-day operations from order entry to delivered product and coordinating with all internal business functions, especially the sales organization. In her previous role as abstracting manager, she managed a team of 21 abstractors and abstractor assistants.

East Texas Title Companies Bolsters Leadership Team

East Texas Title Companies promoted Diana Perez to vice president of operations and Lara Easley to vice president of partnerships. In her new role, Perez is responsible for the daily operations of the title companies, streamlining processes and mentoring employees responsible for client satisfaction from contract to close. She joined the company in 2009 as receptionist for the Jacksonville, Texas, office. Since 2019, Perez has served as director of operations. As vice president of partnerships, Easley will expand her role to serving industry partners to developing business partnerships throughout multiple counties.

ALTA LEGAL PUBLICATIONS

Title Insurance Law Publications

alta.org/legal-publications

The American Land Title Association (ALTA) offers several legal publications, which are some of the favorite research materials for land title professionals and counsel around the United States. The publications feature practical analysis valuable to claims administrators, coverage counsel, underwriters, agency managers, title examiners, regulators, escrow officers and more.

Title and Escrow Claims Guide

Need advice on how to handle claims on land title insurance policies, closing protection letters and closing mistakes? Available in print and electronic versions, the two volume book is the ultimate resource and the preferred research tool for land title claims professionals and retained counsel. It is updated every year and new features include access to the content on our website and search capabilities that allow the review of summary results and links to specific content. The Claims Guide, authored by well recognized industry expert J. Bushnell Nielsen, Esq., includes form letters regularly used by claims professionals. It is also a great resource for title companies to use when training new employees in claims, underwriting and title examination.

Price per copy:
Digital Single-user: **ALTA members: $285** | Nonmembers: $410
Digital & Print Book: **ALTA members: $450** I Nonmembers: $650

The Title Insurance Law Journal

This monthly e-journal is the source of information about current law affecting the title insurance industry around the United States. Enabled for online access, a subscription now provides you access to both current and historic content, and also provides you with searching capabilities across the various journal issues. The digital journal reports on important court decisions and developments regarding title insurance coverage, class actions and regulatory enforcement, closing protection letters, escrow and settlement duties, agent/underwriter disputes, conveyancing law and RESPA compliance and violations. Author J. Bushnell Nielsen, Esq. offers insightful analysis. Should you want a sample of the journal prior to purchase, please, contact *publications@alta.org*.

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Help Make Sure Our Voices Are Heard

DON KENNEDY
ALTA president

WE'VE SPENT THE PAST YEAR PROVIDING EDUCATION ABOUT THE BENEFITS OF TITLE INSURANCE and explaining how the increased use of attorney opinion letters (AOLs) introduces additional risk to consumers, lenders and the economy.

In addition to our efforts, we came across a fantastic article by Donnell Williams outlining why Fannie Mae's expansion of AOLs increases risk to homeowners and lenders.

Williams, president of the Black Real Estate Professionals Alliance and former president of the National Association of Real Estate Brokers (NAREB), points out that AOLs lack the regulatory oversight and transparency that consumers deserve. His article also highlights how AOLs do not provide the same coverage as title insurance, exposing homeowners to significant expense if a title dispute were to occur.

Williams' article clearly shows title insurance is not a barrier to homeownership. He references a report that found the title insurance premium and settlement costs make up less than 1% of a borrower's life-of-loan costs. In fact, Fannie Mae's own research states that "differences in title and settlement costs across borrower race and ethnicity groups" are not "economically meaningful."

"If Fannie Mae wants to help underserved borrowers purchase homes, it should focus on the true barriers to homeownership that exist in low-income communities and communities of color—not title insurance," Williams wrote.

A **recent study** by the National Association of Realtors also shows that homeowners don't view the cost of title insurance as a significant barrier to homeownership. The top factors that impact homebuying are elevated home prices and mortgage rates, as well as a limited inventory.

An article published by *The Wall Street Journal* (WSJ) in January neglected several key facts and included inaccuracies about title insurance. We've developed this document that ALTA members can use during conversations you may have or when answering questions you receive. The document walks through the key facts about the coverage, cost and regulation of title insurance compared to AOLs.

I also submitted a letter to the editor (LTE) in response to the WSJ article. I pointed out that the article ignores the fact that AOLs fail to provide the protections that really matter to homebuyers and omits key information about their alleged cost savings.

We continue to support the bipartisan Protecting America's Property Rights Act, which has been introduced in both the Senate and House. The main thing the bill would do is amend the Charter Acts of Fannie Mae and Freddie Mac to require that all loans purchased by the GSEs are insured by a title insurance policy issued by a state-licensed and regulated title insurance company. Please make sure you're a member of ALTA's **Title Action Network** to help advocate for this bill. I encourage you to register for the ALTA Advocacy Summit in May in Washington, D.C., to make sure our voices are heard on Capitol Hill.

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