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### **COVER STORY**

# 10 In God's Back Yard

Key Items Title Agents Should Know as Churches Repurpose or Sell Land to Develop Affordable Housing

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

The digital edition of **TITLENews** includes a webinar recording that details the regulatory requirements of FinCEN's final anti-money laundering real estate rule that requires reporting of all non-financed residential transactions involving legal entities and trusts. ALTA held a virtual, two-day bootcamp about the rule in June and will provide more education throughout the year.

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



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# TITLENEWS

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# **PUBLISHER'S** Desk

# Is Deregulation a Prayer That Needs Answered?

# STUDIES SHOW REGULATIONS CAN ACCOUNT FOR A SIGNIFICANT PORTION OF THE FINAL PRICE OF A NEW HOME.



**JEREMY YOHE**Vice President of Communications

potentially adding tens of thousands of dollars. For example, the National Association of Home Builders (NAHB) reports that, on average, regulations add \$93,870 to the price of a new single-family home. That accounts for nearly 25% of the cost of building a typical new single-family home and more than 40% of the cost of a typical multifamily development. According to NAHB research, approximately 14 million American families are priced out of the market for a new home by government regulations.

According to the NAHB, there are countless federal rules, regulations and guidance documents that impact where and how new residential construction is allowed and how new homes and apartments are financed. In addition, different types of regulations have varying impacts. For example, building code changes can add to construction costs, while zoning regulations can limit where development can take place.

President Trump has made deregulation one of his priorities and issued several executive orders directing federal agencies to scale back their regulatory reach by performing regulatory lookbacks. Trump wants agencies to identify 10 regulations to rescind for each new one proposed, and ensure the total incremental cost of all new regulations—including repealed regulations—is significantly less than zero.

Modifying regulations is one hurdle allowing churches to sell property to be developed for affordable housing. With churches owning roughly 2.6 million acres of land in the U.S., there's an opportunity to help offset some of the significant housing shortage the country faces. However, in many states, the biggest obstacle to building housing on these properties is that anything other than a religious institution is not allowed under city zoning rules. Additionally, restrictive covenants, internal church governance issues and the need for community input and support can also thwart these efforts.

Besides zoning and affordability issues, there can also be legal challenges to faith organizations' efforts to build housing on their property. A recent example is Christ Episcopal Church in Portsmouth, N.H., which made plans in 2024 to collaborate with the city's public housing authority to build up to 44 apartments next to the church building. But the deed that conveyed the property to the church in the 1960s says it can be used only for religious purposes and therefore not housing. As you'll read, title agents handling these transactions will want to work closely with their underwriter to ensure everything goes smoothly.

Pulling back regulations would not only lower the cost of doing business—it could also help religious institutions sell land to be developed for housing at a faster rate. In a housing crisis this deep, unblocking church land might be more than a prayer—it might be part of the answer.



# Title Insurance Premium Volume Increased 7% in 2024

As mortgage originations increased in 2024, so did title insurance premium volume. According to <u>ALTA's Market Share Analysis</u>, the title insurance industry generated \$16.2 billion in title insurance premiums during 2024, a 7% increase compared to 2023.

"Despite ongoing challenges from limited housing inventory and elevated mortgage rates, title professionals remain steadfast in their role—protecting property rights and serving their communities," said Chris Morton, CEO of the American Land Title Association. "Beyond managing closings and ensuring secure transactions, title and settlement agents play a crucial role in educating consumers about a host of threats to homeownership, such as fraud, heirs' property complications and predatory real estate fee agreements."

In 2024, the industry paid more than \$676 million in claims. This is up from \$638 million in claims paid in 2023.

### Top Companies by Market Share in 2024

■ First American Title Insurance Co., 22.2%

- Fidelity National Title Insurance Co., 14.3%
- Old Republic Title Insurance Co., 14.3%
- Chicago Title Insurance Co., 13.4%
- Stewart Title Insurance Co., 9.2%
- Westcor Land Title Insurance Co., 3.8%
- Commonwealth Land Title Insurance Co., 3.5%
- Title Resources Guaranty Co., 2.9%
- WFG National Title Insurance Co., 2.6%
- Doma Title Insurance Co., 1.8%

### **Top States by Title Premium Volume in 2024**

- Texas, \$2.37 billion (+4.7%)
- Florida, \$1.97 billion (+3.0%)
- California, \$1.43 billion (+10.1%)
- New York, \$937 million (+4.2%)
- Pennsylvania, \$639 million (+7.2%)

<u>Click here</u> for more market share data. ALTA expects to release Q1 2025 market data around June 1.

# ALTA Updates Several TIRS State Compliance Guides

ALTA's TIRS State Compliance Guides contain state-by-state regulatory and local practice material for entities establishing real estate title and closing operations. This resource is available for all 50 states and the District of Columbia. Updates were recently made to the guides for Kentucky, Maine, New Hampshire and Utah.

- Kentucky: A new section was added related to the Foreign Property Ownership bill. It was noted that although legislative efforts to pass a Marketable Title Act failed in 2025, they will likely be refiled in 2026. Editor of the Kentucky TIRS guide is Danielle Wilson, senior underwriting counsel for First American Title Insurance Co.
- Maine: There were multiple updates to specific sections of statutes and codes throughout the guide. Another update includes title insurers' reporting requirements. Editor of the New Hampshire TIRS guide is William Walsh, vice president and state counsel for Old Republic Title Insurance Co.
- New Hampshire: Edits were made to the Transfer Tax, the Uniform Real Property Transfer on Death Act, Marketable Title and Homestead Property sections, as well as multiple updates to specific sections of statutes and codes. Jane M. O'Sullivan, first vice president and Northern New England counsel for Old Republic Title, is editor of the New Hampshire TIRS guide.
- Utah: Changes were made related to title insurers' licensing obligations and real estate practices, as well as other areas. There also were edits to multiple attachments, and updates to specific sections of statutes and codes. Jonathan Buss, regional director of underwriting and senior counsel for First American Title Insurance Co., is the editor of the Utah TIRS guide.



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# **ALTA Congratulates Latest NTP** Designee

Lauren Beyersdorf, director of client services for Black Hills Title Inc. in South Dakota, joined the list of title professionals who have earned their national title professional designation from ALTA.

Beyersdorf, who has 13 years of industry experience, is a member of South Dakota Land Title Association and earned that association's title professional designation in 2024.

She currently serves as committee chair of the Member Engagement Committee and is a committee member of the Convention Planning Committee for SDLTA. Beyersdorf also is a board member of the Realtors for Kids.

Click here for a full list of NTP designees.



# 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 figures from the past month.

- New Members: 33
- Title Agents: 19
- New Attorney Members: 3
- States With the Newest Members: FL, MA and NC with 4 each
- Total Members: 5,148

# **ALTA 2025 TIPAC Donors**

The Title Industry Political Action Committee (TIPAC) is ALTA's voluntary, nonpartisan 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 2025, TIPAC has raised \$348,207 from 402 people. In addition, \$123,750 from 19 companies has donated to the TIPAC Education Fund. Check out who has supported the industry at alta.org/tipac.

# CALENDAR

2025 **ALTA EVENTS** 

### **LARGE AGENTS MEETING**

July 20-22 Napa, CA

### **ALTA ONE**

Oct. 7-10

New York, N.Y.

For more information, go to alta.org/events.

# STATE **CONVENTIONS**

#### Iowa

Ankeny, Iowa June 8-10

#### Texas

Nashville, Tenn. June 8-11

### South Dakota

Sioux Falls, S.D. June 11-13

### Michigan

Thompsonville, Mich. July 13-15

### **NEWS TO SHARE?**



If you have information you'd like us to consider

for TiTLE News, send company announcements to communications@alta.org.

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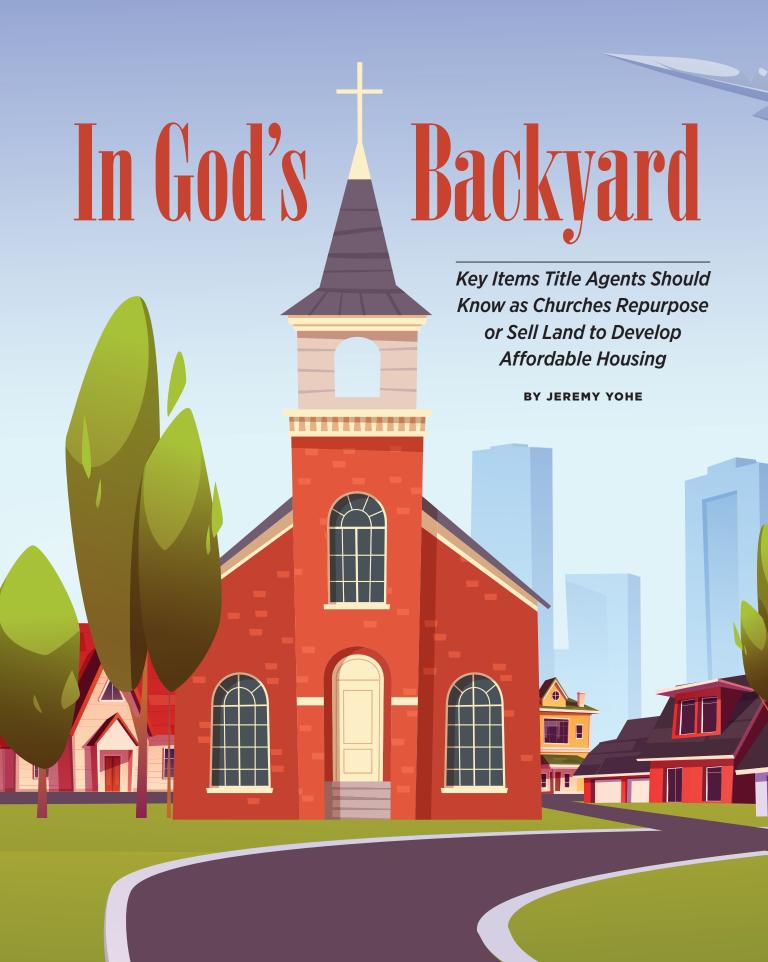
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s the United States continues to struggle to find solutions for affordable housing, more religious institutions all over the country are looking at selling church-owned land for the development of affordable housing. As church attendance declines and maintenance costs rise, some congregations are finding that repurposing or selling land can offer a financial benefit while also expanding their social mission.

While it's <u>estimated</u> there's a shortage of over 4.5 million homes in the country, many states are adopting a YIGBY (Yes In God's Backyard) approach by reforming laws and removing restrictive zoning laws that prohibit religious property from being put to any other use.

To transform properties into affordable housing, churches typically donate, lease or sell land (often at a discount) to nonprofit developers with experience building affordable apartments or homes. Those developers tap into some combination of donations, private financing and federal, state or local dollars to build and operate the housing. Developments sometimes include a new worship space for the church, though developers can't use government housing dollars to build those spaces.

To help religious groups pursue housing projects, local and state lawmakers from California to Virginia have pursued legislation that fast-tracks projects on church-owned property. In 2021, the Biden administration created a Center for Faith-Based and Neighborhood Partnerships within the Department of Housing and Urban Development (HUD).

In 2019, Washington state <u>passed a law incentivizing</u> affordable housing development on property owned or controlled by religious groups, and local governments in <u>Atlanta</u> and <u>San Antonio</u> have started offering technical assistance to religious institutions interested in developing housing on their land. In Detroit, the city's housing commission <u>recently funded</u> new affordable units on church property, and lawmakers in states like <u>Hawaii</u> and <u>New York</u> say they hope to follow in California's footsteps with a YIGBY law.

In October 2023, California lawmakers <u>passed</u> legislation permitting religious organizations to bypass local permitting processes and eased zoning restrictions for development on property owned by religious organizations, making it easier for churches to build affordable housing. About 28% of the U.S.'s unhoused population live in California.

At the federal level, former Sen. Sherrod Brown (D-Ohio) introduced the "Yes, in God's Backyard Act" in March 2024. His "YIGBY" proposal would have provided technical assistance to faith organizations interested in building affordable housing.

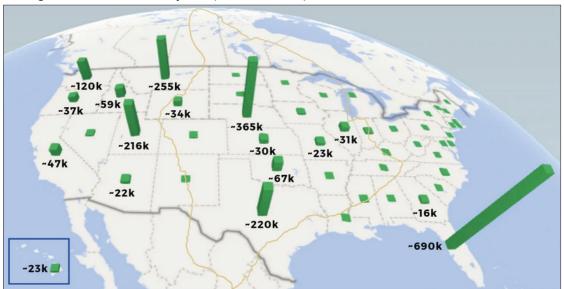
# **Obstacles to Turning Churches Into Housing**

What's slowing the church-to-housing pipeline? Even God's house has to abide by zoning laws. As more congregations study the idea of converting property, the unique challenges of such projects have become apparent, from lining up financing to overcoming the architectural incompatibility of the buildings themselves.

This landscape of faith is undergoing a dramatic transformation. In fact, it's been estimated up to 100,000 houses of worship—a quarter of the estimated U.S. total—could shut over the coming decades.

### **Church-owned Land**

Bar height indicates acres owned by state (Alaska not shown)



SOURCE: THE WIDOW'S MITE

A recent analysis by the Center for Geospatial Solutions at the Lincoln Institute found that religious groups own roughly 2.6 million acres across the U.S., with about 32,000 of those in transit-accessible urban areas. At the high end, that amount of land could supply 700,000-plus units of new housing, if subject to high-density development.

According to a 2023 study from the Terner Center for Housing Innovation at the University of California, Berkeley, faith-based organizations held more than 47,000 acres of land that could be potentially developed in California alone.

NYU Furman Center analyzed the zoning of land

Religious groups own roughly 2.6 million acres across the U.S., according to the Center for Geospatial Solutions at the Lincoln Institute.

owned by faith-based organizations in New York City, detailing its scope and geographic spread. Faith-based organizations own more than 92 million square feet of land across the five boroughs. This is 2.5 times the size of Central Park.

In the D.C. metro area, the Urban Institute

found almost 800 vacant parcels owned by religious organizations. In California, a report from the Terner Center found approximately 170,000 "potentially developable" acres of land owned by religious organizations and nonprofit colleges and universities.

In Seattle and other nearby cities, more than 2,000 units of housing on church property are at some

stage of planning or construction, said Jess Blanch, Pacific Northwest program director for Enterprise Community Partners, an organization that helps churches plan and finance housing development.

Religious institutions of all faiths in Seattle, according to the city, own about 1% of land with various uses ranging from churches to schools and cemeteries. Most of that land is in neighborhoods previously zoned for single-family homes or low-rise development, according to the city. The Nehemiah Initiative, a nonprofit that offers training and predevelopment financial help to churches planning for affordable housing, estimates the city's historically Black churches own about 75 acres of land that, if sold at market-rate prices, could be worth \$200 million.

# **Development Remains Slow**

In 2009, Arlington Presbyterian Church was celebrating more than a century in its Northern Virginia community. It was also facing another, less optimistic, milestone: The congregation, which had boasted more than 1,000 members in the 1950s, was down to fewer than 100. So, the church embarked on an unlikely resurrection.

Over the next decade, Arlington Presbyterian razed its main church and sold the land for \$8.5 million—20% below market value—to the Arlington Partnership for Affordable Housing. The nonprofit then built Gilliam Place, a 173-unit affordable housing development.

It took nearly a decade and about \$71 million from 14 different funding sources before the first tenants moved in.

In Colorado Gov. Jared Polis urged lawmakers to support legislation to make it easier for churches to build housing on land they own. During his 2025 State of the State address, Polis

highlighted a 77-unit affordable housing project that was built on the property of Village at Solid Rock in Colorado Springs.

In Lake City, Wash., a Mennonite church housed in an old movie theater found a developer to replace its current space with a seven-story affordable apartment tower, but funding hasn't come through to move the project forward.

Meanwhile, Seattle Mennonite Church in Lake City bought its properties using a donation in the 1990s, without a clear future plan for their use. The church wanted to build on its work supporting homelessness services and hosting an organized tent encampment. "We don't have to do it. We want to do it," said Lee Murray, a member of the church team leading the housing project.

They've made some progress. The church and the nonprofit developer Community Roots Housing have detailed plans for 171 units of affordable rental housing, including hard-to-find two- and three-bedroom apartments, plus ground-floor space for the church and small businesses or nonprofits.

The church will sell the land for just under \$8 million, less than market rate and about \$1 million less than it appraised for—key to making the \$108 million project pencil out.

But the project needs a mix of government funding, affordable-housing tax credits and private debt and—as public funds are

stretched thin—has not been selected for public funding.

Near Los Angeles, the Episcopal Church of the Blessed Sacrament in Placentia partnered with a nonprofit affordable housing developer – National Community Renaissance, also called National CORE – to develop 65 units for older people. The city's

diocese has a goal of building affordable housing on 25% of its 133 properties.

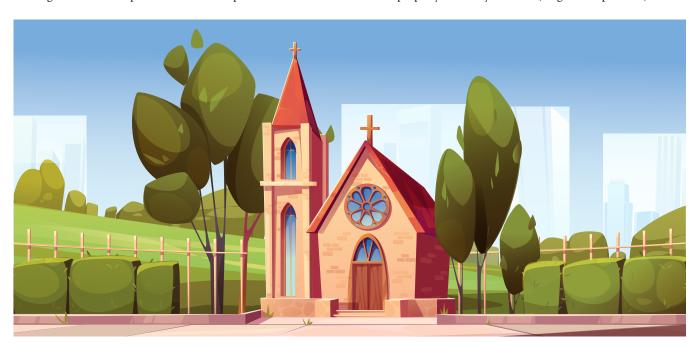
In St. Paul, Minnesota, the Mosaic Christian Community, which is affiliated with the Church of the Nazarene, partnered with an organization called Settled to construct tiny homes on church property, including a bed, loft, kitchen and small closet. Peace

Presbyterian Church in Eugene, Oregon, sold its property to the affordable housing nonprofit SquareOne Villages to develop Peace Village, a 70-unit development.

# **Governing Documents**

A church's governing documents should address when and how the church's real estate can be sold or altered in a significant way. Such guidelines are essential to protecting the real estate as a major asset. But they can also create frustrating problems. For example, if a church's governance documents tie real estate matters to an outside authority, such as the parent organization of the wider denomination, local leadership may be limited in its options.

The state where the property is located also impacts the process. As an example, in New York, a court order is needed to sell real property owned by a church (religious corporation).



"We don't have to do it.

We want to do it."

- Lee Murray, Seattle Mennonite Church,

on the decision to build affordable

housing on church property.

This requirement is outlined in the New York Religious Corporations Law and the New York Not-for-Profit Corporation Law. The sale of church property needs approval from the Attorney General or the Supreme Court of the relevant judicial district.

Additionally, a court order may be needed to sell church property in certain situations in Ohio. If property has been unclaimed for 20 years, if the trustees are unsure how to dispose of it, or if a public church site and meetinghouse have been abandoned, the trustees can file a petition with the court seeking direction on how to proceed, according to Ohio Revised Code, Section 1715.05. The court will then make an order that protects the rights of all parties involved, including the church, congregation and others with an interest in the property.

"It's really a state-by-state determination," said Dan Marshall, senior vice president and general counsel for Old Republic National Title Insurance Co. "Title agents should seek input from their underwriter when handling these types of transactions."

## **Underwriting Guidelines**

Perhaps the most frustrating and complicated problems that can arise for a church that owns land is uncertainty about the land's ownership. This can be especially true for churches that have a long history. Land that begins under the ownership of one or more individuals. who hold it in trust on behalf of the church, can get entangled in the personal affairs of the titled owners and their heirs. The owner may have passed away without resolving title, leaving heirs who are unsympathetic to the church or otherwise unavailable.

If title problems aren't resolved, selling land or using it as collateral for a loan may be difficult or impossible. If the church is the owner, confirm that the church's organization is accurately described in the property deed. This can be especially important if the church has changed its legal form over time. One significant reason a church might choose to incorporate is to assign the church's real estate to the corporation, which then owns all of the obligations associated with the land along with the land itself.

Churches typically own land by holding title directly, in a trust or through a property holding company, with the specific structure often depending on the church's denomination or independence. Independent churches often hold title to their real property directly, meaning the church itself is the legal owner.

Many churches, especially those affiliated with larger denominations, hold title to their property in trust, either for the benefit of the local congregation or the denomination itself. This means the local church acts as a trustee, managing the property for the benefit of the trust beneficiaries.

Some churches, particularly those with multiple locations or complex ownership structures, may use a property holding company to manage their real estate assets.

While churches can exist without being incorporated, incorporation may be necessary for the church to hold title to land. A religious corporation or association and the church whose doctrine it represents can coexist independently. In many jurisdictions, a conveyance to an unincorporated association—such as a church—must be made to its named

"Any title agent handling this type of transaction will need to decide the organizational structure," Marshall said. "It's a combination of looking at the entity and the organizational structure. You also have to look at the church hierarchy."

In order to be considered marketable, Marshall said title to church property should be vested either in the trustees of the church (unincorporated churches), a corporation (incorporated churches) or in a bishop or other applicable church official (corporation sole churches). Proper documentation showing the church



Perhaps the most frustrating and complicated problems that can arise for a church that owns land is uncertainty about the land's ownership.

organization and entity status must be provided, according to Marshall. If the original owners can't be located, then heirs must be found. If the heirs aren't identified, then a quiet title action can be taken.

Title agents managing these transactions also need to make sure there is no reversion, a future interest that gives the original owner the right to resume possession or ownership of the property after the current holder's rights expire. After a certain amount of time, those types of restrictions fall off because of Marketable Title Acts. In Ohio, it's 40 years after the last transfer a reversion isn't included, according to Marshall.

"From an underwriter perspective, title agents need to think if it's all the property or part of the church's property, they need to make sure the proper authorized people are signing and that state statutes are being followed," Marshall said. "It's a combination of looking at the entity and organization structure. Once you've established the legal entities, that determines where you go from there." ■



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

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# Title and Settlement Companies Face Substantial Cost to Comply With FinCEN's AML Real Estate Rule

# ALTA Asks for Rule to be Rescinded if Changes are not Made to Lessen Burden on Small Businesses

inCEN's final rule requiring certain industry professionals to report information to the agency about non-financed transfers of residential real estate to a legal entity or trust will have a significant financial and process impact on title and settlement companies.

The rule, which goes into effect Dec. 1, requires a substantial amount of information that must be gathered and reported.

# **Reporting Cost**

FinCEN believes it will take 2.75 hours for a reporting person to report on each transfer. This includes two hours for collecting the information and an additional 30-45 minutes to file the report. Initial training and technology implementation is expected to take 75 minutes per employee during the first year and 30 minutes for annual refresher courses. ALTA believes the training time estimate is slightly low.

In the final rule, FinCEN estimates the regulation will cost the industry between \$401 million and \$663 million per year, with a high of \$690 million the first year of implementation.

## **Penalties**

There is no penalty structure for this rule, but fines for failure to comply typically follow the penalties outlined in the <u>Bank Secrecy Act</u>. Negligent violations are subject to a civil penalty of not more than \$1,394 for each violation and an additional civil fine of up

to \$108,489 for a pattern of negligent activity. Meanwhile, willful violations are subject to imprisonment of up to five years or a criminal fine of up to \$250,000, or both. Willful violations may also be accompanied by a civil penalty, the amount of which is the greater of (a) \$69,733, and (b) the amount involved in the transaction (with a cap of \$278,937).

# **Required Information**

The final rule requires that a reporting person provide information about the transfer of residential real property, identifying the following:

- The reporting person
- The legal entity (transferee entity) or trust (transferee trust) receiving ownership of the property
- The beneficial owners of the transferee entity or transferee trust
- Certain individuals signing documents on behalf of the transferee entity or transferee trust during the reportable transfer
- The transferor (i.e., the seller)
- The residential real property being transferred
- Total consideration and certain information about any payments made

To be a beneficial owner of a transferee entity, an individual must—either directly or indirectly—exercise "substantial control" over the transferee entity, or own or control at least 25% of the transferee entity's ownership interests. FinCEN said this is consistent with the definition of a beneficial owner in the agency's Beneficial Ownership Information Reporting Rule.



The beneficial owner of a transferee trust is:

- Any individual who is a trustee or otherwise has authority to dispose of transferee trust assets
- A beneficiary who is the sole permissible recipient of income and principal from the transferee trust or who has the right to demand a distribution of, or to withdraw, substantially all of the assets of the transferee trust
- A grantor or settlor of a revocable trust
- The beneficial owner of an entity or trust that holds one of these aforementioned positions in the trust.

### Reasonable Reliance on Information

When determining whether a transfer is reportable and when collecting required information, the rule says reporting persons may rely on information provided by any other person, but only if the reporting person does not have knowledge of facts that would reasonably call into question the reliability of the information.

With regard to the beneficial ownership information of transferee entities or transferee trusts, this reasonable reliance standard is slightly more limited. In these situations, the reasonable reliance standard applies only to information provided by the transferee or the transferee's representative and only if the person providing the information certifies the accuracy of the information in writing to the best of their knowledge.

FinCEN has yet to publish the final real estate form (REF) for real estate professionals to use to report information for covered transaction. The proposed REF contained 111 fields. Of these, FinCEN expects approximately 60% must be completed to report a given transfer per the requirements specified in the rule. The form may require as few as approximately 40 fields to be completed, according to the agency.

FinCEN anticipates that significantly more fields may be required for certain highly complex reportable transfers, such as those with multiple beneficial owners or multiple sources of funds that would require the same fields to be populated for each owner or source of funds.

### **Determination of Reporting Persons**

FinCEN expects that the obligation to file reports will generally rest with settlement agents, title insurance agents, escrow agents and attorneys. There is only one reporting person for any given reportable transfer.

## **Record Retention**

A report must be filed by the later date of either:

- The final day of the month following the month in which the reportable transfer occurred
- 2. 30 calendar days after the date of closing

The reporting person is not required to retain the filed report itself, but they must keep records of certifications and designation agreements for five years, according to FinCEN. This includes copies of any certification, signed by the transferee or a transferee's representative, confirming their beneficial ownership information, as well as any designation agreements. Similarly, other parties to the designation agreement also need to keep copies of the agreement.

## **Scope of Transactions**

FinCEN estimates the rule will require about 800,000 to 850,000 reports to be filed annually.

Data from First American shows that about 10% of home sales in 2024 were all-cash transactions to legal entities or trusts. The top 10 states with the highest percentage of these types of transactions include Hawaii, Arizona, Nevada, Oklahoma, Wisconsin, Delaware, Vermont, Alabama, Florida and California.

FinCEN has found that from 2017 to early 2024, about 42% of non-financed real estate transfers captured by the Residential Real Estate GTOs were conducted by individuals or legal entities on which a Suspicious Activity Report (SAR) had been filed. In other words, individuals engaging in a type of transaction known to be used to further illicit financial activity—the non-financed purchase of residential real estate through a legal entity—are also engaging in other identified forms of suspicious activities. FinCEN said the ability to connect these activities across reports allows law enforcement to more efficiently identify potential illicit actors for investigation and build out current investigations.

FinCEN estimates the regulation will cost the title and settlement services industry between \$401 million and \$663 million per year, with a high of \$690 million the first year of implementation.

According to a money laundering study by Global Financial Integrity, more than 61% of federal money laundering cases involving real estate between 2016 and 2021 involved at least one transfer in a county not covered by the residential real estate Geographic Targeting Orders.

A <u>recent study</u> of U.S. single-property residential purchases that occurred between 2015 and 2019 identified a trust as the buyer in 3.3% of observed transactions. FinCEN does not expect the proportion of reportable transfers involving a transferee trust to exceed 5% of potentially affected transfers.

# **ALTA's Advocacy Efforts**

ALTA has said the rule places significant burden on small businesses, as well as liability concerns related to data privacy and security. ALTA has urged legislators to reach out to FinCEN and encourage the agency to narrow the scope of the reporting requirements to lessen the weight on title and settlement services companies.

On May 12, ALTA submitted a <u>letter</u> to the Office of Management and Budget (OMB) following its request for "<u>ideas for deregulation across the country</u>." ALTA's letter asks that the OMB and the Department of the Treasury review and consider rescinding the rule if changes are not made to lessen the overly burdensome requirements of the rule on small title companies. ALTA suggests FinCEN scale back the reporting requirements, similar to what the agency did for the Beneficial Ownership Reporting requirements.



# FAQs About FinCEN Reporting Requirements for Non-financed Residential Real Estate Transfers

By Cheri Hipenbecker

n August 2024, FinCEN issued a final rule requiring certain industry professionals to report information to FinCEN about non-financed transfers of residential real estate to a legal entity or trust. This nationwide reporting framework will replace the GTOs. This rule goes into effect Dec. 1, 2025.

While FinCEN does not provide a penalty structure for the new rule, fines for failure to comply generally follow any violation of the Bank Secrecy Act:

- Negligent violations are subject to a civil penalty of not more than \$1,394 for each violation and an additional civil penalty of up to \$108,489 for a pattern of negligent activity.
- Willful violations are subject to imprisonment of up to 5 years or a criminal fine of up to \$250,000, or both. Willful violations may also be accompanied by a civil penalty, the amount of which is the greater of (a) \$69,733, and (b) the amount involved in the transaction (with a cap of \$278,937).

# FinCEN's anti-money laundering rule for non-financed residential real estate transactions across the country goes into effect Dec. 1, 2025.

These penalties make it essential for title and settlement companies to understand when they need to file a FinCEN report. While FinCEN has provided FAQs, the staff at Knight Barry Title put together additional FAQs after fielding questions from customers about the rule.

# Question: How does the rule apply to a transaction based on a transfer on death document?

■ Answer: The recording of the document to give public notice of the death of the decedent, and thus the passing of the real estate to the transfer on death (TOD) beneficiary, does not appear to be reportable per the exception to the reporting in 31 C.F.R. § 1031.320(b)(2)(ii). However, when the TOD beneficiary sells or conveys the property to a third party, that might be reportable (you'll have to do the three-part analysis to determine if the second transaction is reportable). REFERENCE: For more information about transfers resulting from death being excepted from the reporting requirements, see the discussion starting at the bottom of Page 32 of the final rule.

# Q: Husband and wife own residential real property and transfer it into their revocable trust for estate planning purposes. Is this reportable?

■ A: This seems to fall squarely within the exception to the reporting requirement in 31 C.F.R. § 1031.320(b)(2)(vi), excepting a transfer that fits the following criteria: (a) transfer for no consideration, (b) made by an individual, either alone or with the individual's spouse, and (c) to a trust of which that individual, that individual's spouse, or both of them, are the settlor(s) or grantor. REFERENCE: For additional information about excepted transfers for estate planning techniques, see the discussion at the top of Page 34 of the final rule.

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# Q: Are transfers for no consideration between LLC to sole member and then from sole member to LLC to change the name of the same LLC also included in the Trust exemption?

■ A: Sorry, we don't read the final rule that way. In fact, FinCEN was specifically asked to extend the exception for transfers from an individual to that same individual's LLC, and FinCEN declined. Specifically, see the discussion on Page 35 of the final rule wherein FinCEN states, "FinCEN also does not believe that this same logic can be extended to justify excepting transfers of property by an individual to a legal entity owned or controlled by such individual, as some commenters suggested. In the exception described above concerning no consideration transfers to trusts, the exception applies when the transferor of residential real property is also the grantor or settlor of the trust—the identity of the grantor or settlor of the trust is a fact tied to the creation of the trust, is revealed on the face of the trust instrument, and generally cannot be changed. Although the trustee and beneficiaries of the trust may change over time, the identification of the settlor or grantor of the trust generally allows FinCEN to identify the source of the property being contributed to the trust, a factor critical to the identification and prevention of money laundering. That same identification and persistent connection with the transferor does not exist in the context of transfers of residential real property to a legal entity, where it is common for various owners of interests in the entity to each contribute assets to it."

# Q: How about gift funds? Would we have to report those?

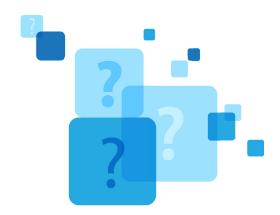
■ A: This depends on the transaction and how the buyer is obtaining the remaining funds to purchase the property: (a) if the remaining purchase funds are coming from a bank that has an anti-money laundering program and an obligation to report suspicious transactions, then this would not be a reportable transfer, or (b) if the remaining purchase funds are coming from anyone else (including a hard money lender), then this appears to be reportable.

# Q: What if they pull from a HELOC to pay for the cash transaction?

■ A: Seems reportable since the mortgage loan is secured against a different property, not the property being acquired. REFERENCE: See the definition of non-financed transfer in 31 C.F.R. § 1031.320(n)(5).

# Q: What about when Mom and Dad finance the purchase of the home?

■ A: Provided that the other two components of the three-part test are met (residential property and either a transferee entity or transferee trust), this seems reportable since the acquisition is being financed by Mom and Dad, who don't have an obligation to maintain an anti-money laundering program and an obligation to report suspicious transactions. REFERENCE: See the definition of non-financed transfer in 31 C.F.R. § 1031.320(n)(5).



# Q: What happens if a property is sold on a land contract or contract for deed to an entity—is it reportable?

■ A: This seems reportable since the acquisition is being financed by a party that does not have the obligation to maintain an anti-money laundering program and an obligation to report suspicious transactions. REFERENCE: See the definition of non-financed transfer in 31 C.F.R. § 1031.320(n)(5).

## Q: If we have a tiered entity (the other entity is the member), is it safe to assume we need to drill down to the humans involved?

■ A: Yes, we think we'll need to drill down to a flesh and blood individual. REFERENCE: See 31 C.F.R. § 1031.320(n)(1) and the definition of "beneficial owner," providing that we look to 31 C.F.R. 1010.380(d) and 31 C.F.R. 1010.380(d)(1) to identify who are the beneficial owners. In 31 C.F.R 1010.380(d), a beneficial owner is defined as "...any individual who, directly or indirectly, either exercises substantial control over such reporting company or owns or controls at least 25 percent of the ownership interests of such reporting company." See also the definition of "beneficial owner" in FinCEN's FAQ.

# Q: What if the legal entity (either transferee or transferor) has filed its report under the Corporate Transparency Act identifying its beneficial owners and signers? Is a real estate transfer to or from that entity still reportable?

■ A: Yes. Commentators, including ALTA, specifically asked FinCEN this question during the rule's comment period, and FinCEN declined to except transfers due to an existing report under the Corporate Transparency Act.

# Q: Do you think FinCEN will expand the scope of reportable transfers to commercial properties (not just residential ones)?

■ A: Why wouldn't they? If FinCEN is catching the bad guys in part due to this reporting, why wouldn't they expand the reporting to at least some commercial properties?

**CHERI HIPENBECKER** is general counsel for Knight Barry Title Group. She can be reached at cah@knightbarry.com.

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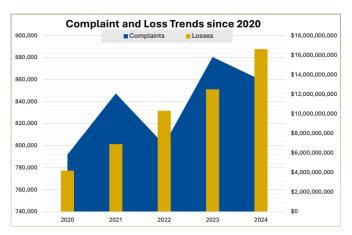


# CYBERCRIME RESULTED IN RECORD LOSSES OF \$16.6 BILLION IN 2024, ACCORDING TO THE FBI'S 2024 INTERNET CRIME REPORT.

The FBI said fraud and ransomware drove the losses, which increased 33% compared to 2023.

"As nearly all aspects of our lives have become digitally connected, the attack surface for cyber actors has grown exponentially. Scammers are increasingly using the Internet to steal Americans' hard-earned savings," Chad Yarbrough, the FBI's operations director for criminal and cyber. "And with today's technology, it can take mere taps on a keyboard to hijack networks, cripple water systems or even rob virtual exchanges. These rising losses are even more concerning because last year, the FBI took significant actions to make it harder, and more costly, for malicious actors to succeed."

The agency received 859,532 total complaints of scams and cybercrime last year. Losses could be even higher, as not all cybercrime is reported to the FBI.



# Statistics Relevant to the Title Industry

- Real Estate Fraud: There were 9,359 real estate fraud complaints reported to the FBI in 2024 resulting in losses of \$173,586,820. In 2023, there were 9,521 real estate fraud complaints that caused \$145,243,348 in losses.
- Business Email Compromise: Last year, there were 21,442

- complaints of business email compromise resulting in losses of \$2,770,151,146. In 2023, there were 21,489 complaints of this type of fraud resulting in losses of \$2,946,830,270.
- Phishing/Spoofing: There were 193,407 phishing/spoofing complaints submitted to the FBI in 2024. These complaints resulted in losses of \$70,013,036. In 2023, there were 298,878 complaints filed for phishing/spoofing, resulting in \$18,728,550
- Identity Theft: New to the report, the FBI broke out complaints and losses due to identity theft. In 2024, there were 47,919 reports of this crime resulting in losses of \$174,354,745. This is up from 19,778 reported identity theft complaints and losses of \$126,203,809 in 2023.

The FBI shared an example of how its Financial Fraud Kill Chain process helped recover funds related to a fraudulent wire transfer involving a real estate transaction. According to the report, homebuyers in the process of purchasing property received a spoofed email from their supposed real estate agents requesting that they wire \$956,342 to a U.S. domestic bank to finalize the closing.

Two days after the wire was initiated, the victims realized the instructions had come from a spoofed email. Upon notification, the Recovery Asset Team immediately initiated the process to freeze the fraudulent recipient bank account. The transfer of \$955,060 was stopped and the money was returned to the victims.





# SCAMMERS USING OR CODES TO TRICK YOU

ike anything else in the cyber world, attackers continuously modify their attack vectors and social engineering techniques to get to their destination—you. Read on as Genady Vishnevetsky, chief info security officer for Stewart Title Guaranty Co. and chair of ALTA's Information Security Work Group, details how hackers are using QR codes to evade email security technologies.

QR-Code-based attackers ("quishing") have been on hackers' radar since inception. Like anything else in the cyber world, attackers continuously modify their attack vectors and social engineering techniques to get to their destination—you. Let's see what has changed.

- Scammers hope you'll scan the code on your personal phone, which might not have the same strong security as a work computer
- They embed QR Code inside the PDF or Word documents to evade email security technologies
- They often use topics that make you want to act fast, like a fake payroll update or a document you supposedly need to sign
- Sometimes, the QR code doesn't take you straight to the fake website. Instead, it might bounce you through one or more legitimate websites before finally landing on the scam page
- They might even use human verification steps, like those "I'm not a robot" checks you sometimes see online, to fool security systems
- When you land on the fake login page, your email address might

already be filled in. They use personalized company branding. This makes it look even more real and might trick you into just entering your password

■ They might even have systems that reject fake passwords and show error messages, meaning they are likely targeting specific people or companies

# **Takeaways**

- Be very cautious about scanning QR codes from emails or documents you weren't expecting
- If you receive a message asking you to scan a QR code, stop and think if it makes sense
- Even if the email or document looks like it's from a company you trust, be wary if it's unusual
- If your phone shows you a website address after scanning a QR code, take a close look before you proceed. Does it look like the real website you expect?
- Never enter your login information on a website you accessed through a QR code unless you are absolutely sure it's legitimate
- If you think something is suspicious, it's always best to go directly to the company's website by typing their address into your browser instead of using the QR code

**GENADY VISHNEVETSKY** is chief info security officer for Stewart Title Guaranty Co. and chair of ALTA's Information Security Work Group. He can be reached at genady.vishnevetsky@stewart.com.

# Advocacy in Action: Recap of 2025 ALTA Advocacy Summit

More than 200 title insurance professionals recently attended the 2025 ALTA Advocacy Summit. The event culminated with Lobby Day, where participants held 206 meetings with U.S. senators, representatives and their staff to talk about the importance of title insurance and the services our industry provides to help secure homeownership, protect property rights and prevent fraud.

To open the conference, ALTA President Richard Welshons MTP, NTP, said the industry is facing many challenges and changes that will shape the industry.

"The policies and decisions being discussed in Washington right now have real consequences for the work we do, for homebuyers and for the communities we serve. Yet with these challenges come opportunities to make our voices heard and to influence meaningful change. That's why your presence here is so important," Welshons said.

During the meetings on Capitol Hill, attendees asked members of Congress to support the bipartisan Protecting America's Property Rights Act (HR 3206), which would require all federally backed mortgages be insured by a state-regulated product, such as title insurance. We also expressed concerns about FinCEN's antimoney laundering regulations for real estate transfers, explaining how the rule places a significant burden on small businesses, and creates liability concerns related to data privacy and security. We urged legislators to reach out to FinCEN and encourage the agency to narrow the scope of the reporting requirements to lessen the weight on title and settlement services companies.

Here's a summary of the many informative sessions that were held leading up to Lobby Day:



The ALTA advocacy team leads a discussion on key issues affecting the title insurance industry at ALTA Advocacy Summit (left to right), Vice President, Head of Federal Government Affairs Kevin Cameron, Chief Advocacy Officer Emily Tryon, Chief Strategy, Communications and Innovation Officer Elizabeth Blosser and Chief Executive Officer Chris Morton.



ALTA member Laura Dishman, vice president of Grand River Abstract & Title Company, with Sen. Markwayne Mullin (R-Okla.).

# A Look at Today's Housing Market

Matt Christopherson, director of business and consumer research for the National Association of Realtors (NAR), provided analysis of housing trends, economic shifts and homebuyer behavior. Here are some highlights from his presentation:

- The housing market has experienced record-low home sales since 1995 despite significant population growth (+27%) over the past 20 years.
- 35% of homeowners don't have a mortgage and another 25% have a mortgage rate less than 4%.
- Existing home inventory is around 1.2 million; The cost of new homes has dipped because builders are building homes that are smaller in size.
- All-cash buyers hit an all-time high of 26% in 2024.
- First-time buyers hit an all-time low of 24%. This was down from 32% in 2023. First-time buyers spiked to 50% in 2010 following the enactment of the first-time homebuyer credit.
- Sunbelt and Mountain states lead population growth; Suburbs and small towns (45%) were the most popular, but urban areas hit a 10-year high at 16%.
- 62% of recent buyers were married couples, 20% were single females, 8% were single males and 6% were unmarried couples. The highest percentage of single female buyers was among Gen Z at 30%. The highest share of unmarried couples was among younger millennials at 13%.
- Fur babies are housing deciders, as 66% of households have pets. \$153 billion was spent on pets in 2024.
- Real estate agents and brokers remain the top homebuying and selling resource for all generations.
- The average homeowner has an estimated net worth of \$430,000 in 2025, while a renter has \$10,000 net worth.

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■ The sale of a home contributes \$125,000 to the economy.

# **Championing Property Rights**

U.S. Rep. Andrew Garbarino (R-N.Y.) returned to the conference for a discussion with ALTA Vice President of Government Affairs Emily Tryon. Since joining Congress in 2021, Rep. Garbarino has built a reputation for pragmatic leadership and bipartisan action. As a member of the House Financial Services Committee, he understands how vital title insurance is to protect homebuyers, lenders and the economy. During their conversation, Rep. Garbarino highlighted his work with Rep. Vicente Gonzalez (D-Texas) on the newly reintroduced bipartisan Protecting America's Property Rights Act (HR 3206), a bill that would require all federally backed mortgages to be insured by a state-regulated product, such as title insurance.

# **What's Happening on Capitol Hill**

ALTA Chief Advocacy Officer Chris Morton led a Q&A with Peter Freeman, a partner with consulting firm FS Vector, and Adam Minehardt, a principal with FS Vector. The discussion centered around reconciliation and tax reform. A draft of a major 2025 revenue bill was released by House Republicans on May 9. Less than two weeks later, the U.S. House of Representatives passed President Trump's One Big Beautiful Bill Act, which included important tax provisions ALTA advocated for such as an increase in the qualified business income (QBI) deduction, preservation of Section 1031 like-kind exchanges and quadrupling the deduction for state and local taxes (SALT).

# **Washington Insider**

Scott Jennings, a senior political commentator on CNN, shared his views about the Trump administration and Congress. Jennings who has been dubbed "the black sheep of CNN" by the Daily Mail and "Lonely Scott" by Bill Maher for his engaging debates, is a veteran of the intersection of politics and media. He served as an advisor on four presidential campaigns, including as a special assistant to President George W. Bush. He's also played pivotal roles in high-profile Senate and congressional races.

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Kevin Cameron, ALTA's senior director of federal government affairs, with U.S. Reps. Lou Correa (D-Calif.) and Brittany Pettersen (D-Colo.).

# **Housing Is Not Red or Blue**

ALTA Senior Director of Government Affairs Kevin Cameron led a discussion with U.S. Reps. Lou Correa (D-Calif.) and Brittany Pettersen (D-CO), two co-chairs of the revived Bipartisan Congressional Real Estate Caucus. The representatives talked about the importance of working across the aisle to tackle the housing supply and affordability crisis.

### **More Photos**

Want to check out more action from the ALTA
Advocacy Summit? Go to ALTA's Facebook or
Instagram accounts for more photos from the
event.

# Title Industry Remembers Wayne Stanley, Founder and CEO of Bowe Digital

he title industry is mourning the loss of Wayne Stanley, founder and CEO of Bowe Digital, who passed away unexpectedly, leaving behind a legacy of innovation, generosity and deep connection across the title insurance community.

The 38-year-old Stanley, who died May 1, was a friend and inspiration to the industry and beyond. He got involved with the industry when he joined ALTA 13 years ago. Stanley had the ability to blend creativity with strategy. He pushed the title industry to be bolder, more human and more connected. His voice and vision helped elevate the role of title professionals across the country.

"Wayne wasn't just our leader," said Heather Lunsford, Bowe Digital's chief operating officer. "He was my mentor, my best friend and a part of my family. We talked every single day—about work, life, nonsense and everything in between."

From the start, Bowe Digital, which Stanley launched after leaving ALTA, emphasized family. The company's name honors Stanley's maternal grandfather. Some of Stanley's siblings had a direct hand during early days of the company. Brother Glen Stanley designed the original logo, and sister Koko Davis assisted Stanley with content creation and planning until Lunsford became the company's first official hire a few months into the journey. Stanley's mother, Dorinda Davis, serves as Bowe Digital's director of special projects and is the company's primary handler of accounts, billing and other key tasks.

Stanley was more than a marketing expert—he was a visionary, mentor and tireless advocate for the industry. Through his time at Bowe Digital and ALTA, Stanley helped transform how title companies approached branding and communication, always emphasizing authenticity and impact.

From 2012 to 2017, Stanley worked at ALTA, where he led public affairs and played a critical role in launching the Homebuyer Outreach Program (HOP), a now-industry-standard approach to educating consumers about title insurance.

"Our industry has lost a dedicated professional who made invaluable contributions to ALTA," said Chris Morton, CEO of ALTA. "Beyond Wayne's professional accomplishments, we've lost a cherished colleague whose presence brightened our workday and whose wisdom we could always rely on. Wayne will be deeply missed, but his impact on our industry and our lives remains indelible."

At conferences across the country, Stanley's enthusiasm was infectious. He was a regular speaker at ALTA events and state land title association conferences, where he shared candid advice, cracked jokes and never missed an opportunity to uplift others.

"He made everyone feel important," said Lisa Steele, chief operating officer for Mother Lode Holding Co. "Whether you were a new agent or a seasoned executive, Wayne took the time to listen,

# In Memory of



support and cheer you on. His encouragement meant the world to so many."

Stanley believed in the title industry, in its people and in the power of great storytelling to build trust with consumers. His creativity and compassion helped shape the way so many title professionals communicate with their customers and consumers today.

Under Stanley's leadership, Bowe Digital became more than a marketing firm—it became a movement. His emphasis on clarity, consistency and customer-first messaging helped redefine how the title industry connects with clients and communities.

"Wayne believed that small businesses deserved big ideas," said Nicole Timpanaro, CEO of New Jersey-based Fortune Title Agency. "He helped us not just market our services, but tell our story. He made us better and was an amazing person and friend."

In the days following the announcement, hundreds of industry professionals took to LinkedIn and social media to share their memories and condolences. The common thread: Stanley made people feel valued. He made work feel meaningful. He made marketing feel personal.

"Wayne Stanley forever changed the way the title industry marketed its value," said Jeff Bates, CEO of D. Bello. "Our industry is better because of it, and so are all of us who had the joy of knowing him."

Before ALTA, Stanley worked in Washington, D.C., for longtime U.S. Sen. Richard G. Lugar following his graduation from Franklin College in Indiana in 2008. He relocated to his hometown of Kokomo, Ind., when he launched Bowe Digital.

HousingWire recently named Stanley a Rising Star for the second year in a row for his leadership of Bowe Digital and his ongoing contributions to the title industry. In his award acceptance, Stanley attributed his success to a commitment to "lifelong learning" and improvement that started in college.

"It was a pillar of what the institution believed kept your eyes open to new possibilities throughout your life and career," Stanley said when he was honored. "As I've gotten older, I think that philosophy has morphed into more of a 'stay curious' mentality."

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# **Industry** Update

# **Dream Finders Homes Completes Deal for Alliant National Title**

Dream Finders Homes Inc. finalized its acquisition of Alliant National Title Insurance Co.

Alliant National Title reported \$118,598,904 in title premium volume in 2024. The underwriter operates in 32 states and Washington, D.C. David Sinclair is president and CEO of Alliant National Title.

In 2018, Presidio Investors acquired Alliant National Title. Dream Finders Homes builds single-family homes in Florida, Texas, Tennessee, North Carolina, South Carolina, Georgia, Colorado and the Washington, D.C., metropolitan area, which includes Northern Virginia and Maryland. Through its wholly owned subsidiaries, Dream Finders Homes also provides mortgage financing, as well as title services through DF Title. According to numbers reported for the 2024 BUILDER 100 list, the builder closed 7,314 homes in 2023 and generated revenue of \$3.5 billion.

"We are pleased to close on this transaction and formally welcome David Sinclair and the Alliant National team to our Dream Finders Homes family," said Patrick Zalupski, CEO of Dream Finders. "This partnership creates significant value for both Alliant National and Dream Finders as a result of further vertical integration and additional service offerings to our stakeholders. We are committed to investing towards the continued success of Alliant National's platform and look forward to expanding our presence in the industry."

Other homebuilders and developers that own or have an interest in an underwriter include:

- Lennar, which is an investor in Title Resources Group
- Pulte, which owns Premier Land Title Co.
- DH Horton, which owns DHI Title Insurance Co.
- Shaddock National Holdings, which owns First National Title Co.

# Futura Title & Escrow Acquires Hocker Title

Momentum Title, a Futura Title & Escrow company, recently acquired Indianapolis-based Hocker Title.

"Futura Title is strategically executing its growth strategy to acquire companies that align with our culture and core competencies" said Mark Mills, CEO of Futura Title & Escrow. "The addition of Hocker Title to our Momentum Title platform in the Midwest is a great fit for us on many levels and we welcome its 23 associates to the larger Futura family. We are excited to leverage the strengths of both companies to grow our Midwest presence."

Hocker Title, which has seven offices that serve the Indiana, has provided title and document services for over 32 years in the state.

"I am so fortunate that the legacy of Hocker Title will be honored under the new ownership of Momentum Title Agency," said Janet Davis Hocker, attorney and former owner of Hocker Title. "They share the same high standards of service and quality that our customers and community have come to expect as well as believe in a conscientious culture for the employees who are the backbone of our organization."

Eric Downing, COO of Hocker Title. said that when he joined Hocker's team in 2026, he knew she had a great company in Indianapolis.

"The way she treated everyone like family was remarkable, including her clients, vendors, and most importantly, her employees," he said. "Throughout this entire process with Futura and Momentum, there have been so many similarities, but the most encouraging is that we share a vision of providing the absolute best consultative approach to each transaction. We're thrilled to become a part of the Futura Title and Momentum Title family and continue carrying on the Hocker Title tradition of providing Indiana with the boutique service each transaction deserves."

# **Upward Title & Closing Expands Into Northern** California

New Jersey-based Upward Title & Closing expanded into Northern California.

The company has opened Upward Title & Escrow offices in Napa and San Francisco, and has plans for further growth in Fresno. This expansion complements its foothold in the southern part of the state.

"Our success in Southern California is a testament to the expertise of title and escrow industry veterans who've made big moves to join our Upward team," said John Macias, regional vice president of California Joint Ventures for Upward Title & Escrow. "We're confident the same will be true in NorCal, as we continue to recruit outstanding talent like Bridgette Nelson, who brings almost a decade of title sales experience to our Napa office."

The title company also has offices in Colorado, Florida, Minnesota, Pennsylvania, Texas, Utah and Wisconsin.

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# LodeStar: Closing Costs Averaged 1% of Home Sales Price in 2024

The national total closing costs for a purchase mortgage transaction averaged just over 1% of the home sales price last year, according to LodeStar's 2025 Purchase Mortgage Closing Data Report.

The report showed that the average total closing costs for a purchase transaction was \$4.661.

States without transfer taxes or with minimal transfer taxes tend to have a lower total closing cost when expressed as a percentage of the sales price. The states with the lowest closing costs in comparison to sales prices were South Dakota (0.46%), Alaska (0.54%) and North Carolina (0.56%). The states with the highest closing costs as a percentage of sales prices tend to be in places where the transfer taxes make up the bulk of the overhead. Delaware (2.99%), New York (2.47%), Vermont (2.20%), Pennsylvania (2.36%) and Washington, D.C., (2.39%) are examples of this.

"Some might find it surprising how little the difference there is between median and average sales prices and closing costs," said Ron Carvalho, Director of Data Operations at LodeStar. "It goes to show that there's not much skewing of the average for high or low transaction prices. Our data seems to suggest that there's a fairly tight price range in a given market, maybe a narrower price range than one might expect."

#### **Additional Takeaways**

- The national average and median home sales prices are \$438,236 and \$409,839, respectively.
- The national average and median total closing costs (with recording and taxes) are \$4,661 and \$3,513, respectively.
- The national average and median

total closing costs (without recording and taxes) are \$3,042 and \$2,958, respectively.

LodeStar defines average closing costs as the average fees, recordation charges, and transfer taxes required to close a typical purchase transaction in a geographical area, in addition to the following service types: settlement/ closing/escrow fees and owner's and lender's title policies. The report analyzed actual closing fees from a sample of 450,000 purchase quotes, from Jan. 1 through Dec. 31, 2024. Home prices over \$10 million were not considered. LodeStar calculates the percentage of the sales price as the average total closing costs with recording fees and taxes included divided by the average sales price in a given geographical area.

# Illinois Bill Would Shift Title Insurance Oversight to Department of Insurance

A bill introduced in the Illinois General Assembly would shift regulatory oversight of the title insurance industry enforcement authority from the Department of Financial and Professional Regulation (IDFPR) to the Department of Insurance (DOI).

<u>Senate Bill 2648</u> was introduced by Sen. Bill Cunningham.

Additionally, the bill provides for:

- The transfer of books, records, papers, documents, property, contracts, causes of action, pending business and certain funds from the IDFPR the DOI.
- Rules and proposed rules by the IDFPR to become rules and proposed rules of the DOI.
- All money received by the DOI shall be deposited into the Insurance Financial Regulation

- Fund (rather than the Financial Institution Fund).
- The amendment of the Residential Real Property Disclosure Act to transfer authority over the predatory lending database from the IDFPR to the DOI.

# Property Insight Unveils Hybrid Title Plants in Tennessee

Property Insight unveiled a new hybrid title plant model in 37 Tennessee counties.

The title plants are designed to significantly enhance the search experience for title companies operating in the state. The hybrid title plant model introduces key improvements over previous models, including the ability to search land records by address or assessor's parcel number, robust name search algorithms and automated tax integration in select counties (Davidson, Williamson and Rutherford).

Additionally, Property Insight's hybrid title plants feature integrated images within the search results, onscreen examination capabilities and advanced image viewer functionalities.

"Our newest title plants offer title companies in Tennessee a unique advantage by streamlining data access and improving accuracy," said Nikki Bell, president of Property Insight. "This means faster turnaround times and more reliable information, ultimately leading to better service for their clients."

The introduction of the hybrid title plants has allowed Property Insight to expand its coverage from nine counties to 37. According to Property Insight, the average depth of hybrid title plants is 24 years more than competing plant providers.

# **INDUSTRY**Update

# **Settlor Integrates With** CertifID

Settlor has integrated its cloud-based title production software (TPS) with CertifID, a national provider of fraud protection for title and real estate. The integration is intended to provide users of Settlor's partner-agnostic and client-focused platform access to CertifID's fraud prevention services without the need to use a separate application.

"This integration will drive increased efficiency and productivity for closing agents by directly incorporating CertiflD's wire fraud prevention tools into Settlor users' everyday workflows and processes without our users having to open a separate app," said Mike Patterson, cofounder of Settlor. "The integration came about in response to customer feedback, which is a core component of our design and improvement process. We have no doubt this partnership will provide our clients a new level of security using CertifID's fraud prevention tools without adding unnecessary complexity to their operations."

# GridBase and Qualia Form Partnership

GridBase and Qualia have partnered to integrate Resware, part of Qualia's suite of enterprise title offerings, with Encompass Partner Connect (EPC). In a release. the companies said this collaboration represents a significant achievement in automating title production workflows and improving operational efficiency for both title agents and lenders. By leveraging GridBase's system-agnostic middleware, the integration creates a direct connection between Resware and EPC-eliminating manual processes, reducing friction, and creating a real-time data exchange. It's timely for Resware clients transitioning from Encompass's retiring Software Development Kit (SDK) to the modern EPC integration.

# **House Price and Buying Power Snapshot**

First American Data & Analytics National House Price Index, February 2025



Source: First American Data & Analytics, Feb. 2025

**Monthly Growth** 

**Yearly Growth** 

(Feb. 2020)

# **National Consumer House-Buying Power**

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

February 2025

\$378,252

House-Buying Power

+3.1%

Year-Over-Year

# Where House-Buying Power is Strongest

Top States and Markets

- **New Jersey** \$523,155
  - Massachusetts \$496,965
- \$495,128
- Colorado \$478,478
- Maryland \$468,931

- San Jose, CA \$764,132
- San Francisco, CA \$661,052
- Boston, MA \$552,912
- Washington, DC \$529,812
- Denver, CO \$525,624

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

<sup>\*</sup>The First American Data & Analytics HPI report measures single-family home prices, including distressed sales, with indices updated monthly beginning in 1980 through the month of the current report





# Revolutionizing Partnerships, Redefining Success

# Unlock the full potential of your title agency with WFG Agent 2.0.

Our program provides access to innovative tools, trusted solutions, and proven strategies designed to boost profitability and streamline operations. Partner with us to implement effective practices that drive results and enhance customer experiences.

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# **Movers**&Shakers

# First American Names New CEO



Mark Seaton

First American Financial Corp. made several leadership changes including the appointment of Mark Seaton as chief executive officer. Seaton, who previously served as chief financial officer, replaces Ken DeGiorgio.

In addition, Treasurer Matt Wajner has been promoted to chief financial officer. Dennis Gilmore, chairman of the board. will move to executive chairman of First American.

"We are looking forward to our next chapter under the strong leadership of

Mark Seaton," Gilmore said. "No one is more ready to be our CEO than Mark, who has played a leading role in our most critical strategic initiatives, which are driving the digital transformation of our business. We want to thank Ken DeGiorgio for his many years of service to First American."

Seaton has served as CFO since 2013. In addition to managing all financial-related activities, Seaton oversees First American Trust, the company's federally charted bank, as well as First American's technology group. Seaton joined First American in 2006.

Wajner, who joined First American in 2009, served as treasurer for the past five years and previously held the positions of chief accounting officer and controller. Prior to First American, Wainer held roles with JPMorgan Chase & Co. and PricewaterhouseCoopers LLP.

"I've been a part of the First American family for nearly 20 years, and it's an honor to serve the company as its CEO," Seaton said. "We have celebrated many proud accomplishments during our 136-year history, but given our extraordinary people and unique competitive advantages, I firmly believe our best days are yet to come."

# PropLogix Announces VP of **Emerging Markets**

PropLogix promoted Jack Rebel to vice president of emerging markets. Rebel, who previously led the company's HOA document services business, will now focus on expanding PropLogix's reach into new markets. In this new role, he will identify regions

where PropLogix's services can help title companies, investors, settlement providers and capital underwriters reduce expenses, increase productivity and streamline operations.

# Florida Agency Network **Appoints General Counsel**

The Florida Agency Network (FAN) appointed Amanda Hersem to the role of general counsel. Hersem will join current FAN General Counsel Danny Eskanos to jointly oversee the business's legal and compliance matters. She will also serve as the company's



Amanda Hersem

commercial attorney, where she will assist with growing the commercial real estate division as well as with training and education for clients and prospects. Hersem joins FAN with over 20 years of experience in title insurance and real estate law, including roles as underwriting counsel for two national underwriters. Shem started her career in her family's title insurance business and has since gained extensive experience in foreclosure, bankruptcy, probate, eviction and other areas of civil practice.

# Title Clearing & Escrow **Names Business Development** Manager

Tile Clearing & Escrow LLC (TC&E) appointed Julieann Thornsberry as business development manager. In her new role, Thornsberry will spearhead TC&E's client acquisition and retention strategies, enhance service delivery and fortify the company's industry partnerships to drive business growth and operation improvements. Thornsberry has over seven years of experience in the real estate industry. She began her career as a real estate agent before expanding into office management and title and settlement services. Most recently, Thornsberry served as an enterprise account executive with a national title company.

# AccuTitle Names Senior Director of Sales

AccuTitle, which provides cloud-based title management solutions, recently hired Kurt Ott as senior director of sales. He brings decades of expertise and a proven ability to help title professionals succeed in an ever-changing industry. Previously, Ott worked at E-Closing, where he played a central role in scaling the company from a four-person startup into a nationally recognized brand. He is particularly known for his leadership in expanding operations across Florida and the Southeast.

# TitleWave Names Midwest Production Regional Vice President

TitleWave Real Estate Solutions, a division of the FNF Family of Companies, named Danielle Cox as Midwest Production Regional Vice President. In this role, she will manage title production in 11 states, including Missouri, Kansas, Ohio, Michigan, Indiana, Utah, Colorado, Minnesota, Nevada and Wisconsin. Cox brings over 17 years of title industry experience (both residential and commercial) to TitleWave after various management positions at a national underwriter.

# AmTrust Title Insurance Appoints Underwriting Counsel

AmTrust Title Insurance Co. recently appointed Netanel Hershtik as underwriting counsel and business development to support the company's continued growth in New York. Hershtik has over seven years of title insurance and real estate legal and sales experience, working at various large title agencies in the tri-state area. Most recently, he served as counsel for Gotham Abstract & Settlement LLC.

# Westcor Names Western States Area Manager

Westcor Land Title Insurance Co. promoted Erik Helgeson to vice president and Western States area manager. In this role, Helgeson will oversee Westcor's operations throughout the West and drive the underwriter's commitment to innovation and excellence in the title insurance industry. Helgeson

has nearly 27 years of experience in the title insurance industry. Throughout his career, he has held a variety of roles, including sales representative, branch manager, sales manager, national accounts manager, county/state manager, agency representative and region manager.

# Westcor Appoints Western States Senior Counsel

Westcor Land Title Insurance Co. recently promoted Matt Ryden to Western States senior counsel. Ryden currently underwrites for Idaho, Montana, Utah, Wyoming and Hawaii. In this expanded role, he will contribute additional expertise and approval authority to the Western States underwriting team. Ryden joined Westcor as underwriting counsel in 2014. Prior to joining the title industry, he worked for 11 years in private law practice at large and small law firms in Boise, Idaho. Ryden practiced in insurance defense, employment law, business and real estate transactions.

# Alanna.ai Names Director of Marketing

Alanna.ai has named Jennifer McAlpine as its director of marketing. In this role, she will spearhead the company's market positioning and accelerate growth. McAlpine brings over 13 years of marketing and development experience to the role, having most recently served as director of marketing technology with MyHome. Before that, she was head of marketing for Compass, where she led the firm's efforts in the brokerage's largest region, California, and managed a portfolio of over 3,000 agents across over 60 offices.

# Fidelity National Title Hires VP of Sales

Fidelity National Title recently bolstered its team in Westside/Beverly Hills, Calif., area by hiring Loren Goldman as vice president of sales. With over 30 years of experience, Goldman has been the top-producing individual at his prior company for nearly three decades. A trusted partner to elite real estate agents, attorneys, developers, family offices, business managers and lenders, Goldman specializes in luxury residential and commercial deals, particularly in the Beverly Hills and Westside markets.

# The Next Generation

### AS GRADUATION SEASON CONCLUDES ONCE AGAIN, millions of students



RICHARD H. WELSHONS MTP, NTP **ALTA President** 

at colleges and universities will listen to commencement speeches filled with advice on overcoming life's challenges before hearing their name called out as they cross the stage to receive their degree.

What comes next will vary among these new college graduates. There are those who already have job offers in their field of study or plan to pursue such jobs. Some have plans to earn a master's degree, PhD or JD, while others may not know what they want to do.

Business (24%), health care (18%) and technology (18%) top the industries or fields that college graduates intend to pursue after graduation. Above all, these new job seekers are looking for a wide range of options, including a decent salary, flexible or hybrid work schedules, a supportive work environment and work-life balance.

Although not always on the top of most people's lists, the title insurance industry meets those expectations while providing fertile ground for career success, especially for women.

Our industry has a strong economic footprint, generating \$30 billion in gross domestic product (GDP) and creating 155,000 jobs in 2022. Indirectly, the industry supports 231,000 jobs, \$19 billion in wages and benefits, and \$32 billion in GDP through the purchase of goods and services from suppliers.

What makes these numbers even more powerful is that they are driven by women who dominate the title insurance industry, comprising over 70% of the workforce. It's also ideal for those college graduates with an entrepreneurial streak; small businesses are 90% of our industry.

ALTA has a host of resources to help member companies with recruitment and hiring. On the Human Resources web page, you can find sample job descriptions and listings, and HR documents such as a Career Fair Experience Guide, Behavioral Interviewing Questions and a New Hire Checklist. ALTA also has partnered with DecisionWise to help member companies in the title insurance and settlement services measure and improve employee engagement by turning feedback into results.

To help current leaders in the industry understand what the next generation is looking for in a career, ALTA hosted a webinar in June that featured five title professionals all under the age of 30. The panel shared personal examples and actionable strategies to help identify values driving millennial and Gen Z job decisions.

Title insurance may not have the panache of working in a Silicon Valley tech company or for a hedge fund on Wall Street, but the work we do within the industry is profoundly meaningful—facilitating the American Dream of homeownership by protecting property rights..

I'm privileged to lead an association representing an industry that supports careers for so many. I look forward to the next generation of title insurance professionals—many of whom could be walking across that commencement stage this spring.

# **企 Closinglock**

The watchdog real estate pros trust. Chasing off fraud since 2017.

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# Bight Lights. Bold Moves.

New York, N.Y. | Hilton Midtown | Oct. 7-10 meetings.alta.org/one