



American Land
Title Association

Protect your property rights

THE PATH FORWARD

Major Issues Facing The Industry
And The Opportunities That Exist

Bill Burding | ALTA Board of Governors | Orange Coast Title Company | billburding@octitle.com

Today's Topics

1. Know Before You Owe (TRID)
2. Best Practices
3. Industry Compliance
4. Consumer Experience
5. CyberFraud
6. ALTA Registry
7. A Bit About ALTA



American Land
Title Association

Protect your property rights

1. KNOW BEFORE YOU OWE



American Land
Title Association

Protect your property rights

A Complete New Process



What We Know Now

Minimal consumer impact

- **ALTA, NAR, Ellie Mae** – Not seeing many delays; Closing times almost back to pre-TRID

Consumers are OK with the new forms

- 92% of Consumers are Reviewing the Closing Disclosure Before Settlement

Most of the pain is internal

- No one way to comply
- Pace of process change slowing
- Technology needs to catch up

July 2016 Proposal

- CFPB sees TRID going well
 - Not ready to reevaluate major decisions
 - No fix for consumer confusion over title premiums
- Focus on the edges
 - Clarifications around (1) transactions involving a simultaneous second, (2) application to co-ops, (3) rounding, (4) construction loan disclosures and (5) updating CD's if there is a delay to closing.
- Restatement of law on sharing consumer data
 - TRID did not change this; GLBA governs

Sharing is caring



TRID Myth Buster

- **What You Need to Know When Sharing Closing Documents**
 - TRID DID NOT Implement Any Data Privacy Changes
 - Opportunity to Review Your Privacy Policies to Ensure They Match Data-sharing practices
- **Gramm-Leach Bliley Remains Authority on How to Protect Data**
 - Privacy requirement
 - a requirement that all consumers be provided the opportunity to opt-out of certain information disclosures
 - a requirement that measures be instituted to maintain the "security and integrity" of all nonpublic information

What Should You Do?

- **Consider Requirements and Limitations of Privacy Policy**
 - ALTA Best Practices reiterate importance of privacy policies and include guidelines for companies to protect against data theft
- **When Examining Privacy Policies, Consider:**
 - Why did you initially implement this policy?
 - Does this policy continue to provide adequate protection to sensitive data in today's marketplace?
 - What information do you need to share with your real estate partners?
 - How are you sharing this information?

ALTA Model Settlement Statements

- Developed to bring standardization
- Help meet state regulator requirements to accurately show costs
- Doesn't replace Closing Disclosure
- Four versions available in Excel, Word or PDF
 - Borrower/Buyer
 - Seller
 - Combined
 - Cash

www.alta.org/cfpb/documents.cfm

2. BEST PRACTICES



American Land
Title Association

Protect your property rights

ALTA Asks CFPB for Guidance

- **Met with CFPB Supervision Staff**
- **Follow-up Letter to Director Cordray**
 1. Public statement in support of Best Practices
 2. Clarify that vendor management programs should be tailored to the size and complexity of the vendor and the number of consumers impacted
 3. Ensure that vendor management programs don't impair consumers' choice

Lender Support

- **Wells Fargo letter to settlement agent network**
 - “Wells Fargo supports ALTA's Best Practices, and considers them to be guidelines for sound business practices that should ideally already be in place for businesses providing title and closing services for our customers.”
- **BankcorpSouth, IBERIABANK, Trustmark**
 - Requires independent, third-party certification to Best Practices
- **SunTrust**
 - Self assessment of ALTA's Best Practices

Evolution of Best Practices

- **Pillar 2:** The language requiring the use of positive pay, reverse positive pay, Automatic Clearing House transactions and international wire transfers was modified.
- **Pillar 3:** Changes clarify requirements associated with maintaining and disposing of non-public personal information (NPI).
- **Pillar 4:** Standards have been added for engaging third-party signing professionals.
- **Pillar 5:** Changes modify the time frame that title insurance agents must report title insurance policies and remit premiums to their underwriters to a flat 45 days after the conditions of the commitment were satisfied.



BREAKING NEWS

Maturity Model

- Internal tool to help companies measure and demonstrate the progress made toward implementation of the Best Practices
- Frequently in financial services industry and by regulators
 - Report card
 - Range from five compliance levels from:
 - ad hoc—meaning a company has not yet established any policies or procedures
 - optimized—indicating that a company is fully compliant with the Best Practices.

Resources

- **Elite Provider Program**

- Help title and settlement companies implement the Best Practices
- Comprised of service providers committed to offering comprehensive benefits to the title insurance and settlement services industry
- Elite Providers provide effective solutions for ALTA members' critical needs
- Discounts offered to ALTA members



3. INDUSTRY COMPLIANCE



American Land
Title Association

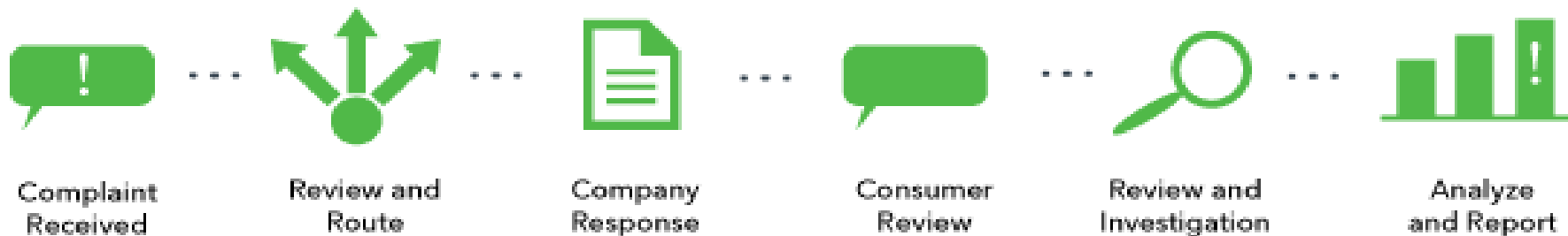
Protect your property rights

CFPB: The Consumer Cop



CFPB Purpose:
“Protect consumers by
carrying out federal
consumer financial
laws.”

CFPB Consumer Complaint Database



- **According to CFPB, a Complaint is:**

- “a written expression of dissatisfaction with or allegation of wrongdoing by a provider of any financial product or service or any entity subject to regulation or supervision by the Bureau or a Prudential Regulator made by a Consumer (including a representative acting on behalf of a Consumer).”

- **Companies Given Opportunity to Respond**

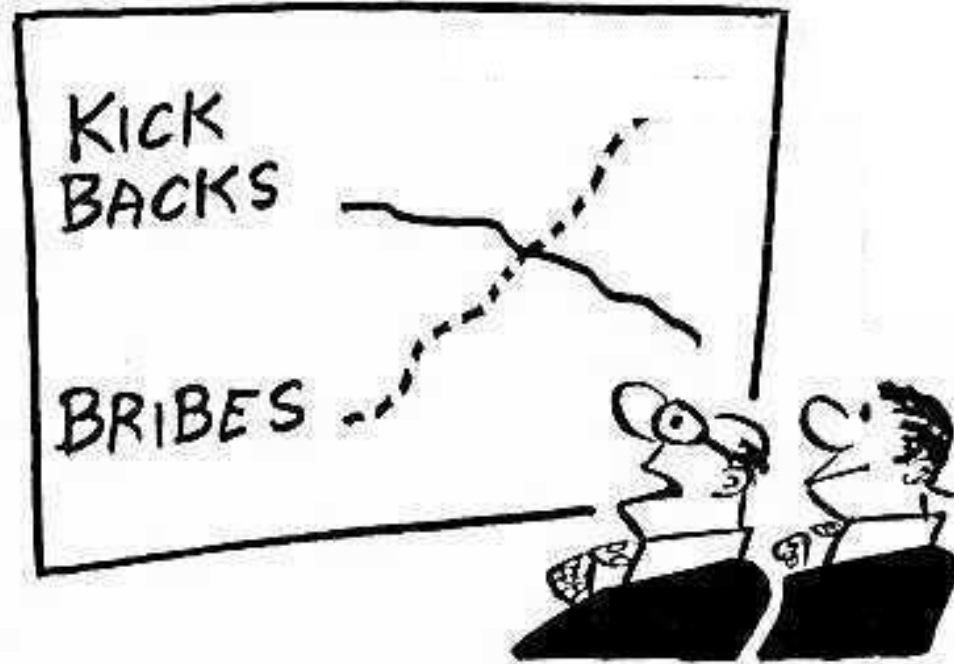
- **More than 770,00 Complaints Received**

A close-up photograph of a red dart with a gold-colored ferrule hitting the bullseye of a target. The target has concentric rings with numbers 7, 8, 9, and 10 visible. The background is dark and out of focus.

Top of the Target List

RESPA Compliance

How Not To Do Business



"Nice to see your dept made a profit,

How to Stay Out of CFPB Jail



Enforcement Actions

- **CFPB More Active Than Other Regulators**
 - Targeting perceived low-hanging fruit
- **Cordray Issues First Ever Agency Appellate Decision in PHH RESPA Case**
 - Held that PHH Corp violated RESPA by accepting payments for the referral of settlement service business
 - Expanded penalty from \$6.4M to \$109.2M
 - Key take away: Every “Kickback” is a violation
 - Cordray said RESPA violation occurred every time there was a “kickback”

Enforcement Actions

- **RESPA Section 8(a) – anti-kickback**

- April 2015 – Genuine Title, loan officers and title company owners
- January 2015 – Wells Fargo, JP Morgan Chase and Todd Cohen
- February 2015 – NewDay Financial
- September 2014 – Lighthouse Title
- January 2014 – Fidelity Mortgage

- **RESPA section 8(c)**

- May 2014 – RealtySouth
- October 2013 – Borders & Borders
- May 2013 – Paul Taylor Homes

Marketing Services Agreements

- **CFPB Issues Guidance (sort of)**

- October 2015 Bulletin
 - Reminds industry of prohibition on kickbacks and referral fees
 - Describes “substantial risks posted by entering into (MSAs)
 - Voices “grave concerns” about use of MSAs that evade RESPA requirements

- **Future of MSAs**

- Will remain complicated
- Each MSA must be evaluated on its own merit
- CFPB’s evaluation of compliance very fact-intensive

4. CONSUMER EXPERIENCE



American Land
Title Association

Protect your property rights

HOMEBUYER LENS



Quotes from Focus Groups

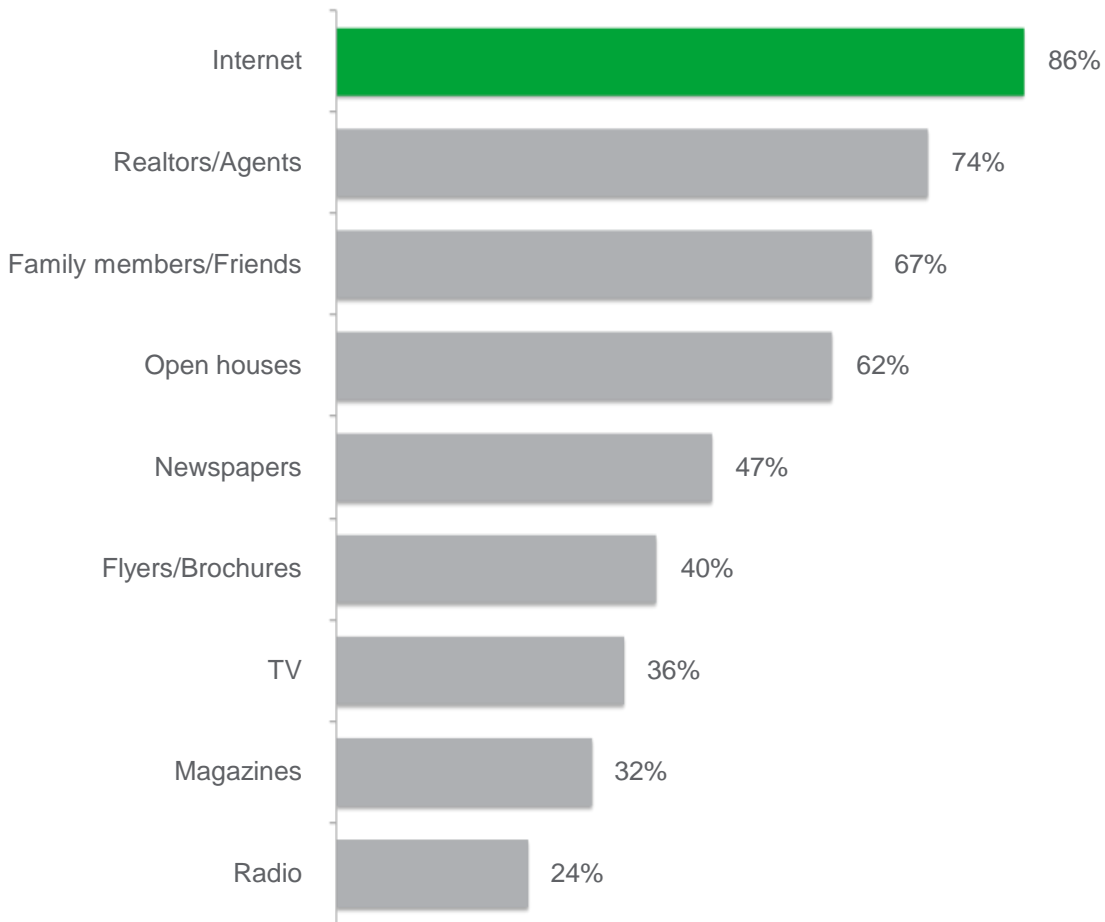
“How long does it take to do a title search? I don’t think it’s a day. I think it’s an hour, two hours at best. And it’s all computerized.”

“My attorney chose my title company. That’s how they get their Yankee Tickets.”

“We don’t talk enough about the deductibles that are involved with title insurance. I mean, some of them are as high as \$25,000 depending on what the defect is. And that’s huge.”

86%

of home buyers
use the internet
in the research
process



ALTA CONSUMER RESEARCH

- ✓ Homebuyers want more information
 - ✓ Early in the process
- ✓ Settlement Agents and Attorneys must take control of the message
 - ✓ Owner's title insurance policy helps protect their property rights and their largest investment

B2B

B2C



American Land Title Association

Protecting the American Dream Since 1907



American Land Title Association

Protect your property rights



American Land
Title Association

Protect your property rights



**We Provide
Peace of
Mind**

**We Protect
Property
Rights**



HOMEBUYER OUTREACH PROGRAM

REVIEW OF THE HOMEBUYER GUIDE



Blogs



Marketing
One-Pagers



PowerPoint
Presentations



Rack Cards



Templates

www.alta.org/homebuyer



THINK OF IT AS A PROPERTY RIGHTS FORCE FIELD

If you're buying a home, get owner's title insurance
and protect yourself from costly hidden problems.



Whatever you call home

**PROTECT IT WITH
OWNER'S TITLE INSURANCE**

For more information, ask an ALTA
member or visit homeclosing101.org



American Land
Title Association

Protect your property rights



American Land
Title Association

Protect your property rights

**CUSTOMIZE.
PRINT.
DOWNLOAD.
EASY**



Introducing a new
ALTA member benefit:
ALTAPRINTS.COM

HOME

FIND. BUY. PROTECT.

Buying a house is an exciting time. Learn what it takes to get the keys to your home and why you should purchase an owner's title insurance policy to protect your property rights.

5. CYBERFRAUD



American Land
Title Association

Protect your property rights

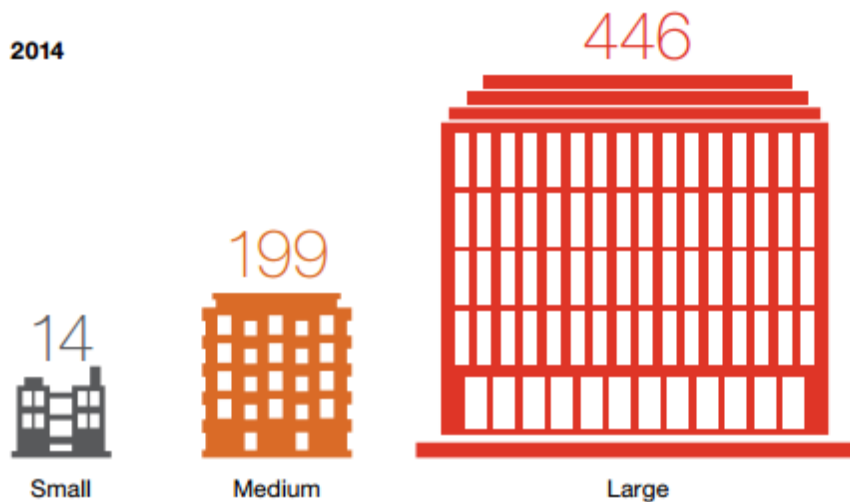
★ DATA ★
SECURITY

IN THIS CORNER, WE HAVE
FIREWALLS, ENCRYPTION,
ANTIVIRUS SOFTWARE, ETC.
AND IN THIS CORNER,
WE HAVE DAVE!!

HUMAN
ERROR

Online Onslaught

Detected incidents by company size*



* Size by number of employees: Small: Fewer than 1,000; Medium: 1,000 to 9,999; Large: 10,000 or more

Fraud Schemes

- **Fake Email**

- Fraudsters intercept email from title agencies and alter bank account information
- Borrowers receive bogus emails from title agency providing wire information to transmit money
- Hackers monitor email traffic to learn timing of deal
- Attack could be used to misdirect funds by any party involved in the transaction

- **Dropbox**

- “urgent and highly confidential” documents
- “final HUD-1”

- **Yahoo**

- Email asks recipient to click link to restore expired email access

Center for Internet Security's Critical Security Controls

Count Connections	Know the hardware and software connected to your network. (CSC 1, CSC 2)
Configure Securely	Implement key security settings. (CSC 3, CSC 11)
Control Users	Limit user and administrator privileges. (CSC 5, CSC 14)
Update Continuously	Continuously assess vulnerabilities and patch holes to stay current. (CSC 4)
Protect Key Assets	Secure critical assets and attack vectors. (CSC 7, CSC 10, CSC 13)
Implement Defenses	Defend against malware and boundary intrusions. (CSC 8, CSC 12)
Block Access	Block vulnerable access points. (CSC 9, CSC 15, CSC 18)
Train Staff	Provide security training to employees and vendors with access. (CSC 17)
Monitor Activity	Monitor accounts and network audit logs. (CSC 6, CSC 16)
Test and Plan Response	Conduct tests of your defenses and be prepared to respond promptly and effectively to security incidents. (CSC 19, CSC 20)

WHAT CAN YOU DO to Protect Your Company?

1. Train Your Employees – Tell the Stories
2. Update Your Patches
3. New Passwords Every 90 Days
4. Use Complex Passwords
5. Require phone call to confirm wire transfers
6. Inform Your Customers Your Wire Instructions Will Not Change – NEVER BY EMAIL
7. ???
8. ???
9. ???
10. ???

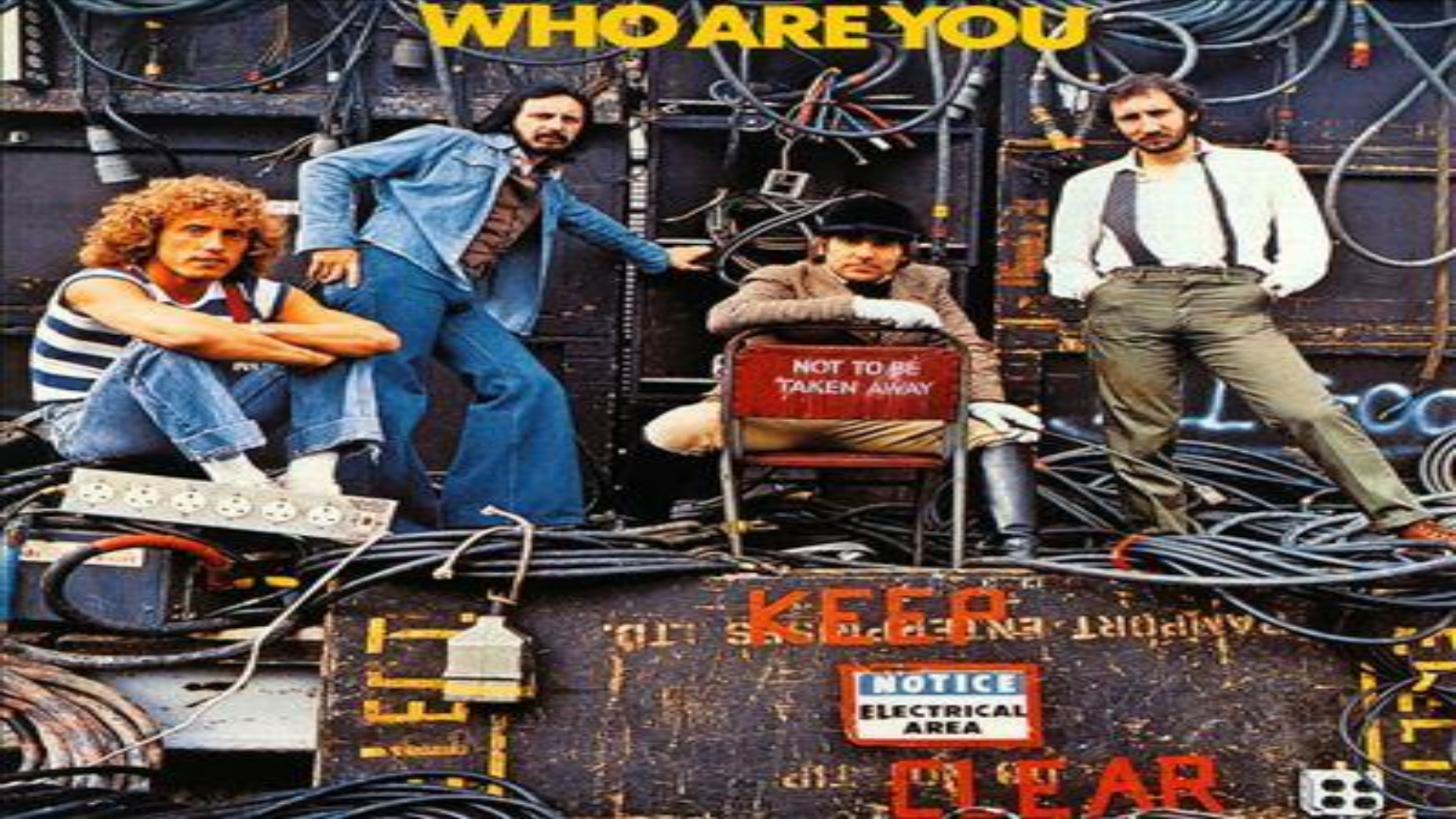
6. ALTA REGISTRY



American Land
Title Association

Protect your property rights

WHO ARE YOU



NOT TO BE
TAKEN AWAY

NOTICE
ELECTRICAL
AREA

KEEP
CLEAR

Search ALTA | Welcome Jeremy | My Account | Log Out | For Members | For Consumers | Join ALTA | Find Your State LTA | ALTA Store

American Land Title Association
Protecting the American Dream Since 1907

FIDELITY NATIONAL Proud sponsor of ALTA visit fntg.com

Consumers | About | Advocacy | Meetings | News Room | Publications | Education | Resources

Home » [Add Bookmark]

ALTA ID Search

- At least one field required to submit search.
- Any part of field searched for value entered unless search from beginning of field indicated.

SEE WHY SOFTPRO IS THE RIGHT SOLUTION FOR ANY SIZE BUSINESS
[CLICK HERE TO VIEW A DEMO](#)

ALTA ID ☐ Return Companies Only

First Name ☐ Search from beginning of field only?

Middle Name ☐ Search from beginning of field only?

Last Name ☐ Search from beginning of field only?

Company ☐ Search from beginning of field only?

City

State

Zip Code

County

Phone 999-9999

If you aren't able to find the agent you are looking for, please contact ALTA's membership department at membership@alta.org. Please advise us if you find any information that is incorrect.

www.alta.org/universolid

What is This?

• Purpose

- Response to market needs
- Lenders increasing oversight of third-parties
- Help lenders, vendors identify settlement agent across industry databases

• What You Should Do

- Update company record
- Learn your Universal ID
- Make updates now

7. A BIT ABOUT ALTA



American Land
Title Association

Protect your property rights

How to get the most out of your ALTA membership

1. TRID Resources
2. Best Practices
3. Education & Training
4. Conferences & Meetings
5. Publications
6. ALTA Policy Forms License
7. National Title Professional Designation
8. Errors & Omissions Insurance
9. Participate on a Committee
10. Homebuyer Guide

Florida Land Title Association All-Stars

- Donna Anderson
- Sandra Austin
- Chris Black
- Deanna Bolger
- Deb Boyd
- Andy Campbell
- Steve Day
- Erik Deppe
- Mary O'Donnell
- Matthew Froning
- Deb Grace
- John Haviland
- Cheryl Jones
- Danielle Kaiser, NTP
- John LaJoie
- Chris Lieser
- Erika Meinhardt
- Melissa Murphy
- JoAnne Quarles
- Susan Pelham
- TJ Roache
- John Roby
- Janet Scanlan
- James Schlimmer
- Nicole Skalka
- Shelley Stewart, NTP
- Jan Wilson

Florida Land Title Association All-Stars

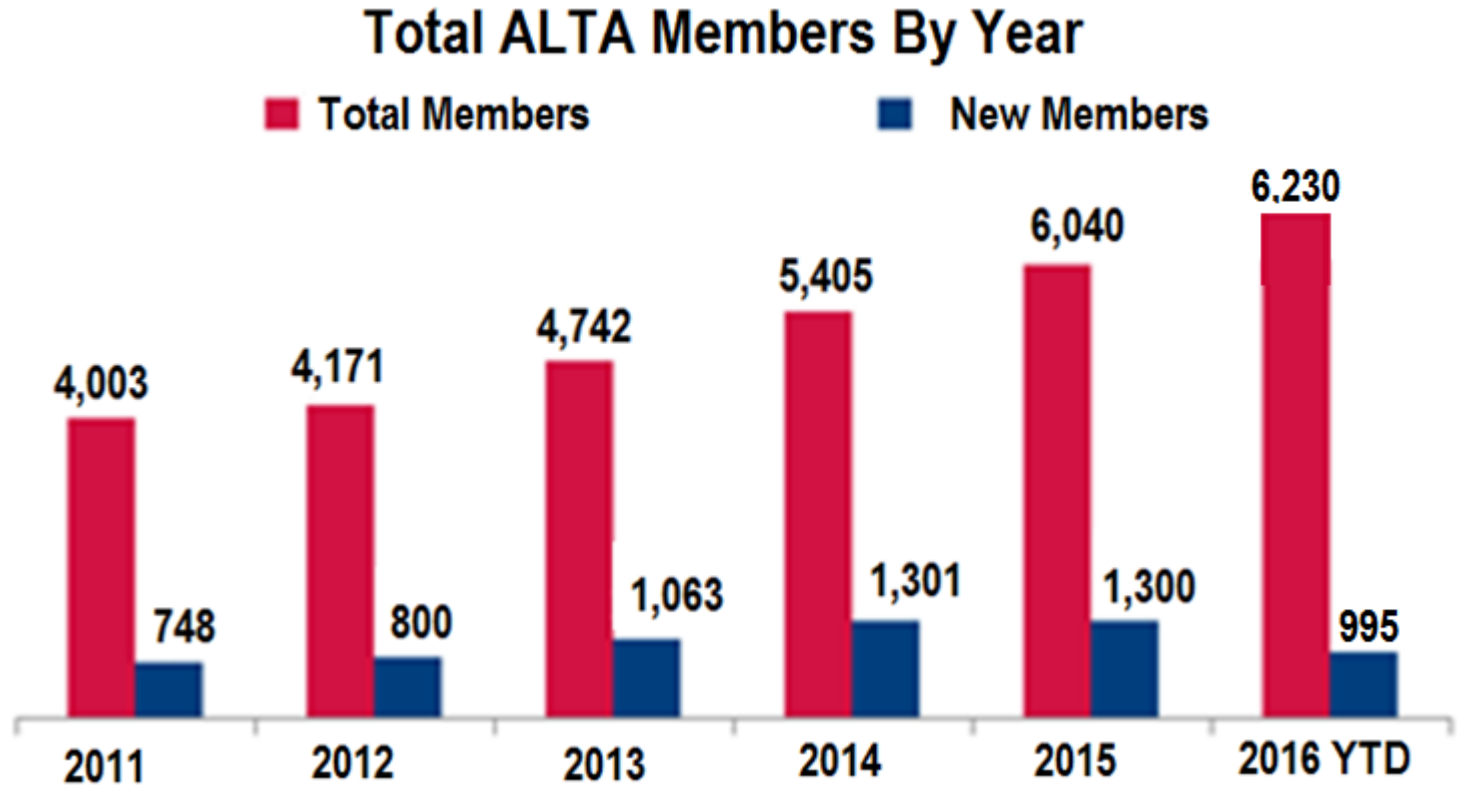
- Mark Bilbrey
- Ron Blitenthal
- Bob Bozarth
- Glenn Bradley
- John Brenton
- Chris Brink
- Donald Cole
- Rob Chapman
- Ted Conner
- Larry Davis
- Jeff Foltz
- Liz Franklin
- Tommye Frost
- Jennifer Geisler
- Matthew Hartman
- Chuck Hoyum
- Valerie Jahn-Grandin
- Ken Jannen
- Ann McKay
- TJ Messineo
- Alexandra Overhoff
- Gene Rebadow
- Patrick Rhodin
- James Russick
- John Sayers
- Katie Schmidt
- Jeff Stein

Florida Land Title Association All-Stars

- Michael Anthony
- Rich Cannan
- Chip Carlton
- Donald Cole
- Larry Deal, NTP
- Sarah Duncan
- Joseph Ghilardi
- Joe Greco
- Kevin Gugenheim
- Randy Quirk
- John Magness
- Beverly McReynolds
- Mike Nolan
- John Obzud

- Marilyn Olliver
- Dan Pearson
- Crystal Peltola, NTP
- Jay Reed
- Ken Rossburg
- Randall Scott
- Kirk Sterling
- Skip Straus Jr.
- Rande Yeager
- Herb Walton CLTP
- Gary Urquhart

Record ALTA Membership



American Land
Title Association

Protect your property rights

4 Tips for Success to Use on Monday

1. TRID

- Evaluate and Improve Processes

2. Best Practices

- Have Your Compliance Management Program in Place

3. ALTA Universal ID –

- Check Your Company Info at alta.org/universalid

4. Develop Cyberfraud Plan

- Review Company Policies and Procedures

QUESTIONS?

THANK YOU



American Land
Title Association

Protect your property rights

1800 M Street, NW, Suite 300S, Washington, D.C. 20036-5828 | P. 202.296.3671 | F. 202.223.5843 | homeclosing101.com