



## Championing the Title Industry

**Don Kennedy**  
*Managing Director, First American Title Insurance Company's Agency Division  
First American Title Insurance Company*



ALTA  
American Land Title Association

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### Our Mission




Advocating on behalf of our members' and the industry's interests



Providing education and information to our members



Offering networking opportunities



Creating and promoting professional industry standards



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### ALTA All Stars: Please Stand Up



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### ALTA's Strategic Priorities



- Champion the title insurance industry and combat regulatory threats
- Promote title insurance as the best way to protect property rights
- Succeed through adaptation and innovation



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### Champion the Industry



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### Title Waiver Pilot Program

- **Biden Administration Revives Previously Shelved Title Waiver Pilot Program**
  - Under the misguided proposal, Fannie Mae will waive the requirement for lender's title insurance on certain refinances with loan-to-value ratios less than 80 percent.
  - Fannie Mae will charge lenders a fee to cover risk under a proposed title waiver pilot program
  - Pushes Fannie Mae into state-regulated insurance business



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## Title Waiver Pilot Program

- **What can you do?**
  - Encourage your members of Congress to support bipartisan Protecting America's Property Rights Act
    - Require title insurance on all loans purchased by Fannie Mae and Freddie Mac
  - Make sure you're a member of the Title Action Network
    - ALTA's free grassroots organization
    - [www.alta.org/tan](http://www.alta.org/tan)



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## Unregulated Title Insurance Alternatives

- **Fannie Mae Expands Use of AOLs**
  - Can now be used in limited circumstances for loans on condo properties and those subject to restrictive agreements or covenants
    - U.S. Census: 82% of new homes sold in 2021, the most recent year for which data are available, were in an HOA
    - 30% of U.S. population lives in a community association
    - 365,000 community associations
    - Condos account for roughly 9% of mortgages sold to Fannie Mae each year
  - Significantly increases risk to consumers and lenders



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## Unregulated Title Insurance Alternatives

- **What can you do?**
  - Talk to your lenders, customers
- **ALTA activity**
  - Comparison chart that highlights the more comprehensive protection an ALTA Loan Policy provides versus an AOL with a liability wrap
  - FAQs for lenders considering title insurance vs. AOLs



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## CFPB Attack on Title Insurance

- **CFPB Says 'Junk Fees' Driving Up Closing Costs**
  - Request for Information
    - Targeting lender's title insurance
    - Bureau considers banning lenders from charging homebuyers for loan policies
    - Could apply to purchases and refinances



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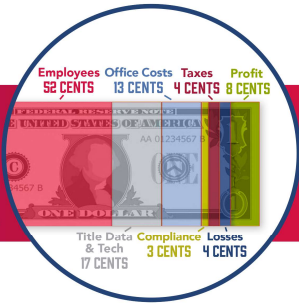
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### DOLLAR COST BREAKDOWN


The median cost of title insurance and settlement services is **0.67%** of the purchase price.  
Source: Fannie Mae



Employees 52 CENTS   Office Costs 13 CENTS   Taxes 4 CENTS   Profit 8 CENTS

Title Data & Tech 17 CENTS   Compliance 3 CENTS   Losses 4 CENTS

COST OF PRODUCING A TITLE POLICY – EACH DOLLAR  
Source: Industry analysis of NAIC Form 9 Annual Statements



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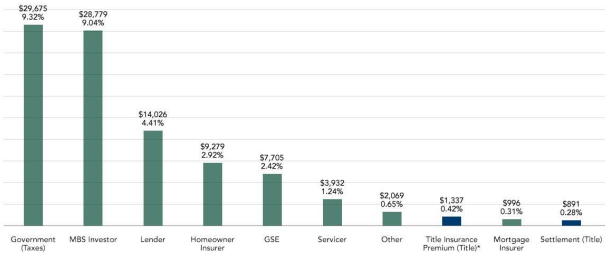
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### Missing the Forest for the Fees – Borrower Life-of-Loan Charges By Recipient

Total Present Value of Borrower Charges (5% of Average Purchase Price—\$319K, over 7 Year Life)



Recipient	Amount	Percentage
Government (Taxes)	\$29,475	9.22%
MBS Investor	\$28,779	9.04%
Lender	\$14,026	4.41%
Homeowner	\$9,279	2.92%
GSE	\$7,705	2.42%
Servicer	\$3,932	1.24%
Other	\$2,049	0.65%
Title Insurance Premium (Title)*	\$1,537	0.48%
Mortgage Insurer	\$996	0.31%
Settlement (Title)	\$891	0.28%

Source: Misa et al. (2011), Fannie Mae; Bogly et al. (2010), Fannie Mae; First American Calculations



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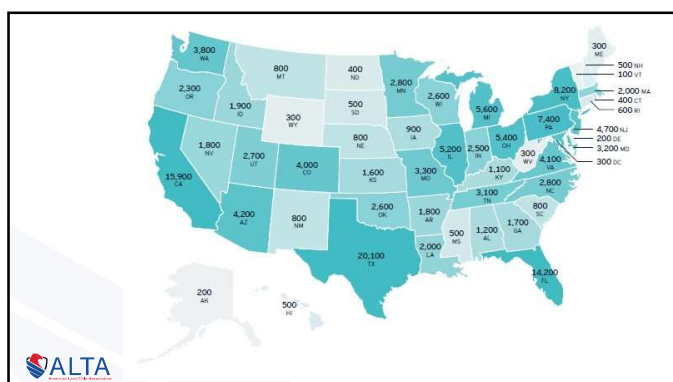
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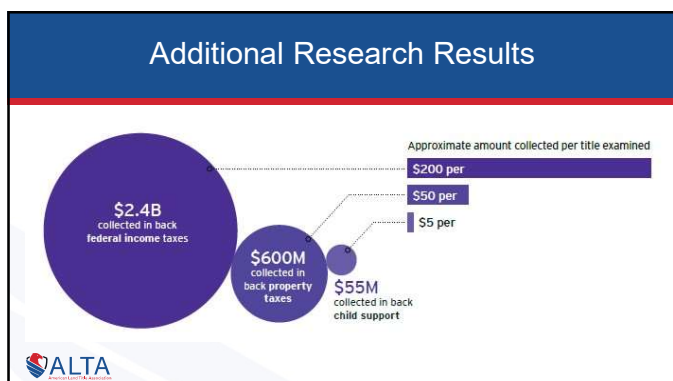
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## FinCEN: BOI Reporting

- **Corporate Transparency Act**
  - Many companies are required to report information to FinCEN about the individuals who ultimately own or control them.
  - FinCEN began accepting reports Jan. 1, 2024
  - How do you report?
  - When do you report?
- **Penalties**
  - Up to \$500 fine for each day violation continues
  - Criminal penalties for up to two years and/or fine up to \$10,000
  - Senior officers of an entity that fail to file a required BOI report may be held accountable for that failure.



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## FinCEN: Real Estate Money Laundering

- **Treasury Issues Proposed Real Estate Anti-Money Laundering Rule**
  - Proposed rule requires certain people involved in real estate closings and settlements to report information to the agency about all-cash residential transactions nationwide involving legal entities and trusts.
  - Expands on current Geographic Targeting Orders
    - Unlike the GTOs, reporting under the proposal is not limited geographically
    - There is no dollar threshold.
    - Under the rule, the person conducting the settlement will have to file a limited purpose suspicious activity report within 30 days of settlement.
    - FinCEN indicated it will develop a specific real estate report form for electronic filing.

• [ALTA.ORG/FINCEN](https://ALTA.ORG/FINCEN)



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## Promote Title Insurance





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## NTRAPS

- **Non-Title Recorded Agreements for Personal Services (NTRAPS)**
  - These agreements obligate the current owner to use the other party's services in the future, and further attempt to bind successor owners by purporting to create a real property interest.
  - Failure to comply with these agreements may give rise to a lien against the property to secure liquidated damages.
  - ALTA model bill
    - 16 states have passed versions addressing NTRAPS



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## Heirs' Property


- **What is heirs' property?**
- **Challenges to heirs' property**
- **What can be done?**
- **Legislative steps**

**HEIRS' PROPERTY** 

**What is Heirs' Property?**  
When a person dies their land or other real estate is passed differently than they planned often and financial costs. If laws concerning a decedent's estate property are not followed through will or court proceedings, and the deceased person didn't take alternative steps planning that doesn't require a probate proceeding, the property becomes their heirs' property. Heirs' property is real estate that official government records indicate is owned by someone who is deceased, and death has been for multiple generations.

**A clear planning path to a final disposition of the decedent's property is needed.**





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## Discriminatory Covenants

- **Background**
- **ALTA position**
  - ALTA is strongly opposed to any form of housing discrimination and is committed to proactively working toward solutions that protect the property rights of all homeowners.
- **Different approaches**
- **Federal legislation**
  - ALTA has endorsed a federal bill that would fund the research and study of discriminatory covenants in land records.



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**Consumer Education**



**7 MOTIVOS POR LOS QUE CADA COMPRADOR DE VIVIENDA NECESITA UN SEGURO DE TÍTULO DE PROPIETARIO**

LA COMPRA DE UNA VIVIENDA ES UN MOMENTO EMOTIVO Y SIGNIFICATIVO PARA MUCHAS PERSONAS. PROCURE OBTENER UN SEGURO DE TÍTULO DE PROPIETARIO PARA COMPRAR SU VIVIENDA CON MAYOR CONFIANZA. A CONTINUACIÓN LE EXPLICAREMOS SU IMPORTANCIA.

 [alta.org/homeowner](http://alta.org/homeowner)

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**ALTA Good Deeds Foundation**



- Over \$1M raised
- Awarded over \$800K to 140+ groups
- Text GOODDEEDS to 44321 to donate!



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**Good Deeds Foundation**





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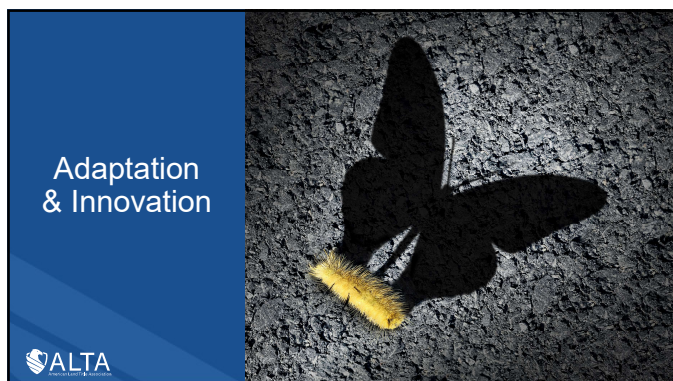
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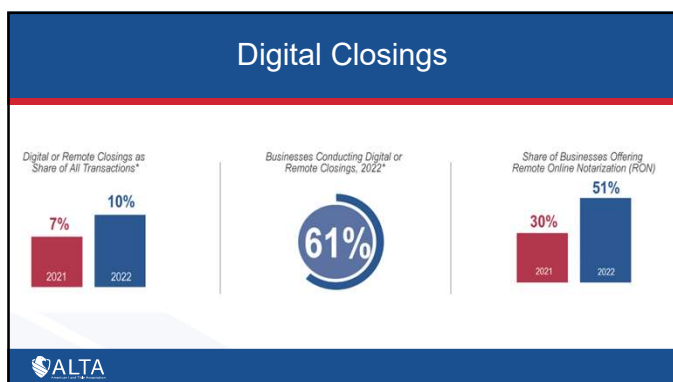
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- ### Digital Payment Methods/Good Funds
- **Payment rail**
    - Wire transfers, RTP, Fed Now, ACH
  - **State law research**
    - Analysis of existing good funds laws
  - **ALTA model law**
    - Enable modern payment rails and protect consumers
- ALTA

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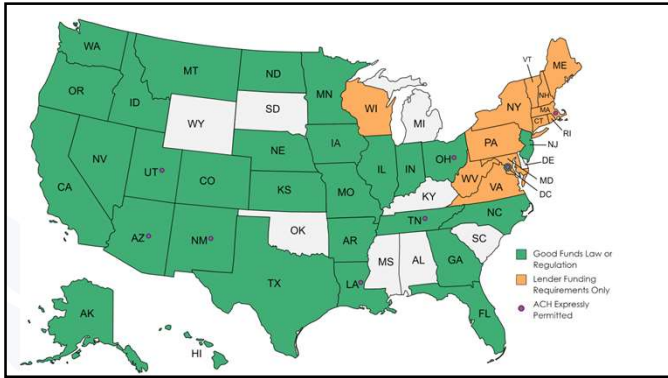
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## Digital Payment Methods/Good Funds

- **Resources**
  - Good Funds Laws Chart
  - Payment Rails - ALTA Use Cases
  - Comparison Chart of Different Funds Transfer Systems
  - ALTA Model Good Funds Legislation
  - ALTA Model Good Funds Law FAQs
  - Good Funds Industry FAQs

[alta.org/advocacy/technology/good-funds](https://alta.org/advocacy/technology/good-funds)

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## Fraud

- **Seller Impersonation**
  - Fraudsters impersonating owners to illegally sell property
  - Typically target vacant lots or unencumbered properties
  - ALTA Infographic
    - Highlights red flags and provides precautions to take to help prevent these scams

**SELLER IMPERSONATION FRAUD IN REAL ESTATE**

**FRAUDSTERS** are impersonating property owners to illegally sell commercial or residential property. Impersonated fraudsters are using the real property owner's Social Security and driver license numbers in the transaction, as well as legitimate return addresses, which may be applied without the owner's knowledge.

Fraudsters prefer to use email and text messages to communicate, allowing them to evade telephone and in-person visits from any buyers.

Given the speed of property listing programs, it can take months or years for the actual property owner to discover the fraud, thereby increasing the risk of costly monetary losses and legal, especially if the fraud is discovered prior to the transfer of funds.

When approved by state regulators, consumers can purchase the ALTA Seller Impersonation Policy, a comprehensive policy of title insurance for additional fraud protection.

**WATCH FOR RED FLAGS**

**SELLER IMPERSONATION FRAUD POLICY OF TITLE INSURANCE**

- Is located in one state, requesting cash or wire transfer
- Is not willing to accept a title commitment or other property transfer document or hold proceeds
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## Fraud

- **Wire Transfer Fraud**
  - FBI: \$400M in losses in 2022 due to BEC scams
  - New industry tools
  - ALTA Best Practices
  - ALTA resources



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## Cybersecurity

- **ALTA Information Security Work Group**
  - Focused on identifying trends
  - Developed industry advisory with guidance
- **Need to evolve and adapt**
  - Important to use caution
  - Email, phone calls, text messages should all be considered suspect
  - Must change behaviors and practices
  - Embrace new technology and update security protocols



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## Human Resources



**ONLINE TRAINING**



**HR LIBRARY**



**DIVERSITY, EQUITY & INCLUSION**



**VIDEOS**



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Get Involved in Advocacy

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## TITLE ACTION NETWORK

ALTA.ORG/TAN | Text TAN to 52886

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Importance of Montana in Congress

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- **2 House Members, 2 Senators**
- **Key Leaders**
  - **Senate**
    - **Jon Tester** (Banking, Commerce, Indian Affairs) FHFA, FinCEN, CFPB; Data Privacy; Native American Lands
    - **Steve Daines** (Banking, Finance, Indian Affairs) FHFA, FinCEN, CFPB; Tax Policy, 1031s; Native American Lands
  - **House**
    - **Ryan Zinke** (Appropriations)
    - **Matt Rosendale** (Natural Resources)

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Oklahoma Political Engagement

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- 3 Oklahoma ALTA Members are Congressional Liaisons, 77 TAN members
- 3 Oklahoma ALTA Members donated \$1,350 to TIPAC in 2024
- 9 Oklahoma ALTA Members have pledged/donated \$3,200 in 2024

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### Montana Political Engagement

- 2 Montana ALTA Members are Congressional Liaisons, 52 TAN members
- 4 Montana ALTA Members donated \$2,600 to TIPAC in 2023
- 1 Montana ALTA Member has donated \$1,000 in 2024
- TIPAC contributed \$4,000 to Montana Delegation member campaigns in 2023-2024



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### ALTA Rebrand



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### Website Redesign



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ALTA Upcoming Events



**ALTA  
ADVOCACY  
SUMMIT™**

May 6-8  
Washington, D.C.  
Conrad Washington D.C.



**ALTA  
ONE**

Oct. 15-18  
Orlando, Fla.  
Signia by Hilton  
Orlando Bonnet Creek



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Questions?



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Thank You



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