

Welcome to the  
Title  
Insurance  
(C)  
Task Force

OUR MEETING WILL BEGIN SHORTLY

NAIC Confidential

- ✓ All audio will be muted upon entry
- ✓ Prior to speaking, unmute both **Webex** and your **cell phone**
- ✓ If you have joined by phone, to mute and unmute your line, press\*6
- ✓ Enter with video on or off (your choice)
- ✓ Use the “Chat” feature for questions, comments or assistance from moderators
- ✓ For any technical challenges please contact the NAIC Technical Support Team at [MeetingTechHelp@naic.org](mailto:MeetingTechHelp@naic.org) or 866-874-4905
- ✓ The meeting is being recorded
- ✓ Task Force members, please post in Chat that you are present

Date: 2/22/21

*WebEx*

**TITLE INSURANCE (C) TASK FORCE**  
**Tuesday, February 23, 2021**  
**12:00 p.m. ET / 11:00 a.m. CT / 10:00 a.m. MT / 9:00 a.m. PT**

**ROLL CALL**

Judith L. French, Chair	Ohio	Troy Downing	Montana
David Altmaier, Vice Chair	Florida	Bruce R. Ramage	Nebraska
Lori K. Wing-Heier	Alaska	Barbara D. Richardson	Nevada
Peni Itula Sapini Teo	American Samoa	Marlene Caride	New Jersey
Karima M Woods	District of Columbia	Russell Toal	New Mexico
Colin M. Hayashida	Hawaii	Mike Causey	North Carolina
Vicki Schmidt	Kansas	Jessica K. Altman	Pennsylvania
James J. Donelon	Louisiana	Raymond G. Farmer	South Carolina
Kathleen A. Birrane	Maryland	Larry D. Deiter	South Dakota
Grace Arnold	Minnesota	Michael S. Pieciak	Vermont
Chlora Lindley-Myers	Missouri	Scott A. White	Virginia

NAIC Support Staff: Anne Oberstedt/Aaron Brandenburg

**AGENDA**

1. Consider Adoption of its Oct. 21, 2020 Minutes—*Judith L. French (OH)* Attachment A
2. Discuss 2021 Work Plan—*Judith L. French (OH)* Attachments B-C
3. Hear a Presentation on Impacts of the Pandemic on the Title Insurance Industry—*Steve Gottheim (American Land Title Association—ALTA), Mary Thomas (Stewart Title) and Nick Hacker (Guaranty & Title Co.)* Attachment D
4. Any Other Matters

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# Consider Adoption of its Oct. 21, 2020 Minutes

— *Judith L. French (OH)*

## Draft Pending Adoption

Attachment One  
Title Insurance (C) Task Force  
11/24/20

Draft: 11/2/20

Title Insurance (C) Task Force  
Virtual Meeting  
October 21, 2020

The Title Insurance (C) Task Force met Oct. 21, 2020. The following Task Force members participated: Michael S. Pieciak, Chair, represented by Kevin Gaffney (VT); James J. Donelon, Vice Chair, and Warren Byrd (LA); Elizabeth Perri (AS); Lori Wing-Heier, represented by Katie Hegland (AK); Michael Conway represented by Neil A. Derr (CO); David Altmaier represented by Anoush Brangaccio (FL); Colin M. Hayashida represented by Paul Yuen (HI); Vicki Schmidt represented by Heather Droge (KS); Kathleen A. Birrane represented by David Zitterbart (MD); Grace Arnold represented by Paul Hanson (MN); Chlora Lindley-Myers represented by Marjorie Thompson (MO); Bruce R. Ramge (NE); Marlene Caride represented by Randall Currier (NJ); Tynesia Dorsey represented by Michelle Brugh Rafeld (OH); Jessica K. Altman represented by Bojan Zorkic (PA); and Raymond G. Farmer represented by Joe Cregan (SC).

### 1. Discussed its 2021 Proposed Charges

Mr. Gaffney stated it has been proposed that the Task Force add a charge to “explore short-term and long-term issues and solutions from the pandemic” to its existing charges. Additionally, it has been proposed that the Task Force elevate the existing charge to “revise the Title Insurance Consumer Shopping Tool Template to include questions and answers about title insurance-related fraud topics, including, but not limited to, closing protection letters and wire fraud” to an essential work item for 2021. This charge was added to the 2020 charges at the suggestion of NAIC consumer advocates Brenda J. Cude (University of Georgia) and Birny Birnbaum (Center for Economic Justice—CEJ).

Mr. Byrd stated he supports elevating the charge to revise the Title Insurance Consumer Shopping Tool (Shopping Tool). He said he was involved with the Shopping Tool’s original development, along with Ms. Cude and Mr. Birnbaum, and believes it to be very valuable. He said it is important to revise it to get the word out on the benefits and pitfalls of title insurance to real estate agents, title agents and others. Ms. Rafeld stated she also supports elevating the charge to revise the Shopping Tool and offered to help in its revision.

### 2. Adopted its 2021 Proposed Charges

Mr. Gaffney stated the Task Force’s 2021 proposed charges (Attachment One-A) were posted to the Task Force’s committee page and circulated with an updated call announcement on Oct. 12. He asked if Task Force members or anyone else thinks additional exposure time is needed to allow for other parties to submit comment letters.

Mr. Byrd stated he believes the 2021 proposed charges have been fully vetted and are ready for adoption. Mr. Yuen stated he also believes the proposed charges are ready for adoption.

Mr. Gaffney asked if anyone else had concerns about the Task Force proceeding with adoption. Hearing none, he asked if anyone wanted to make a motion to adopt.

Director Ramge made a motion, seconded by Mr. Byrd, to adopt the Task Force’s 2021 proposed charges. The motion passed unanimously.

Having no further business, the Title Insurance (C) Task Force adjourned.

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# Discuss 2021 Work Plan

— *Judith L. French (OH)*

**TITLE INSURANCE (C) TASK FORCE  
2021 Draft Work Plan**

**2021 Adopted Charges:**

1. Monitor issues and developments occurring in the title insurance industry, and provide support and expertise to other NAIC committees, task forces and/or working groups, or outside entities, as appropriate.
2. Review and assist various regulatory bodies in combating fraudulent and/or unfair real estate settlement activities. Such efforts could include working with the Antifraud (D) Task Force and other NAIC committees, task forces and/or working groups to combat mortgage fraud and mitigating title agent defalcations through the promotion of closing protection letters (CPLs) and other remedies. Report results at each national meeting.
3. Consult with the Consumer Financial Protection Bureau (CFPB) and other agencies responsible for information; education; and disclosure for mortgage lending, closing and settlement services about the role of title insurance in the real estate transaction process.
4. Consider the effectiveness of changes in financial reporting by title insurance companies, and identify further improvements and clarifications to blanks, instructions, Statement of Statutory Accounting Principles (SSAPs), solvency tools, and other matters, as necessary. Coordinate efforts with the Statutory Accounting Principles (E) Working Group.
5. Revise the Title Insurance Consumer Shopping Tool Template to include questions and answers about title insurance-related fraud topics, including but not limited to, CPLs and wire fraud.
6. Evaluate the effectiveness of CPLs, including but not limited to, intent, state regulation and requirements, consumer protections offered and excluded, and potential alternatives for coverage.
7. Explore short-term and long-term issues and solutions from the pandemic.

**2021 Proposed Work Plan:**

1. Will explore impacts of the Pandemic on the Title Insurance Industry through presentations.
  - a. First presentation will be from American Land Title Association (ALTA) during the Feb. 23 WebEx call.
2. Revise the Title Insurance Consumer Shopping Tool Template through member drafting WebEx sessions beginning March 23.
  - a. Please notify NAIC staff Anne Obersteadt ([aobersteadt@naic.org](mailto:aobersteadt@naic.org)) by March 12 if you would like to participate.
  - b. The drafting group would like to solicit revision suggestions for its consideration. Please submit revision suggestions to NAIC staff Anne Obersteadt ([aobersteadt@naic.org](mailto:aobersteadt@naic.org)) by March 12.
3. Will assist the Antifraud (D) Task Force in combating fraud through joint calls and meetings.
  - a. A request was sent Jan. 28 to Antifraud Task Force members asking them to share reports of title insurance fraud and/or mortgage fraud trends in their state. Responses will be used to develop sharing opportunities through future calls and meetings.
4. Will consult with the Consumer Financial Protection Bureau (CFPB) through regulator-only calls with the CFPB.



**Comments of the Center for Economic Justice to the**

**NAIC Title Insurance Task Force**

**Regarding 2021 Task Force Activities**

**February 10, 2021**

The Center for Economic Justice offers the following comments and suggestions for 2021 Task Force activities to fulfill the following charge:

*Explore short-term and long-term issues and solutions from the pandemic.*

1. Title insurers have been massively profitable over the past several years and even more so for 2020 with profit levels far exceeding any standard of not excessive.
  - a. Why hasn't increased digitalization and automation resulted in lower prices from cost efficiencies?
  - b. What can be done to introduce competitive market pressures on price by purchasers of title insurance? What are the pros and cons of prohibiting lenders from passing through as a separate charge to borrowers' the premium costs for title insurance required by the lender?
  - c. What regulatory mechanisms are needed to ensure timely and fair rate modifications in response to changes in underlying costs and sales volumes?
  - d. Are title insurers adhering to the NAIC's Principles for Artificial Intelligence in the development and deployment of automated underwriting and fraud detection algorithms?

## 2. Increase in Virtual Settlements

- a. What consumer protection issues have arisen, if any, with the rapid increase in virtual settlements and remote closings?
- b. How are title insurers addressing emerging cybersecurity issues associated with virtual settlements?
- c. Has there been an increase in actual or suspected fraud associated with remote closings? What tools have been or need to be developed to address such actual or potential fraud?
- d. Are unreasonable demands being made on consumers as a condition for a virtual closing? For example, is overly broad consent required, such as this actual example:

*By initialing here, you acknowledge that you consent to remote notarization and that your image, voice and comments may be recorded and re-broadcast. I hereby grant to XXXXXXXXl Title the following rights:*

- 1. The right to record my name, image, likeness, photograph, picture, likeness, biographical information, and voice as well as my government-issued photo identification by any technology or means.*
- 2. The right to copy, use, publish, display, distribute, digitize, reproduce and archive such recordings of me for any legitimate purpose, in any manner or medium, whether now known or hereafter developed, for the purposes set forth above.*
- 3. The right to combine such recordings of me with other images, recordings, or printed matter in the production of CD-ROM or any other media.*
- 4. The right to record, reproduce, amplify and simulate my image and all sound effects produced.*
- 5. The right to assign, transfer, or license the above rights to third parties.*

## 3. Claims Settlement

- a. What is the frequency of claims resistance by title insurers? Does the frequency of claims resistance vary by type of sale – direct, captive agency, affiliated business arrangement, independent agency?
- b. What are the reasons for claims resistance and denial? Does the frequency of certain issues raise concern about consumer understanding of the policy and coverages or about the clarity of policy language?



- c. What is the frequency of claims litigation? Of the claims litigated, how many are settled in favor of the insurer? Settled in favor of the consumer or non-insurer party? What are the costs incurred by title insurers for claims litigation?
  - d. What is the frequency of claims under Closing Protection Letters (as a percentage of all CPLs issued)? What are the claims paid, claim settlement costs and premium/revenue for CPL over the past three years?
  - e. What is the number and percentage of all residential and of commercial title policies that include pre-dispute mandatory arbitration provisions? In how many instances have title insurers demanded arbitration in each of the past two years? Has the number of title policies with pre-dispute mandatory arbitration provision increased over the past two years? Has the number of title insurer arbitration demands increased over the past two years?
4. Consumer Complaints
- a. Has the frequency or category of consumer complaints to title insurers or their agents changed from March 2020 and after from prior periods? If so, what is the nature and magnitude of the changes?
5. Regulatory Data
- a. Did regulators have timely and relevant data to assess consumer market outcomes in title insurance?
6. Race and Insurance
- a. How does systemic racism impact the provision, sale and claim settlements of title insurance? Is there racial bias in the provision or cost of title and settlement services? What data are needed to answer these questions? Is there racial bias in the availability of virtual settlements?
  - b. Have title insurers tested automated underwriting algorithms for racial bias or proxy discrimination on the basis of race? If yes, what were the results and actions taken?

7. Consumer Disclosure

- a. The title industry has long complained about the CFPB's TRID Disclosure title premium disclosure requirements. Is this still an issue for title insurers and, if so, why?

# How to Buy Title Insurance in [Insert State]

**This guide:**

- Covers the basics of title insurance.
- Explains the need for title insurance.
- Offers tips to shop for title insurance and closing services.
- Gives you questions you should ask before you buy title insurance.

[Name]  
[Superintendent of Insurance]

[DOI Logo]

[DOI Website Address]

*Drafting Note: This template has been developed for state departments of insurance who are interested in providing a consumer education publication regarding title insurance. The template was developed as a comprehensive guide that can be edited/personalized to meet the individual needs of a state.*

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### Disclaimer:

The information included in this publication is meant to serve as a guide and is not a substitute for legal or professional advice. Please contact a professional if you have any questions.

## Introduction

A real estate transaction may be one of the largest investments you'll ever make. Because the decisions you make when you buy or refinance a home can have effects for years to come, it's important to take time to learn about the process so you can make good decisions.

You may want to hire a licensed professional to help you with the many steps to buy or refinance a home or piece of property. Before you agree to do business with anyone, however, be sure the individual is qualified and licensed.

## Buying or Refinancing a Home or Property

So you're ready to buy or refinance a home or piece of property. Now what?

If you've found the perfect home or property and the seller has accepted your offer, the next steps will most likely be:

- You'll get a loan from a mortgage lender.
- A professional will inspect and appraise the home or property.
- You'll choose an individual or business, known as a closing agent, to organize and finalize your real estate transaction.
- You'll choose a "closing date" to sign paperwork and take ownership of your new home.
- You'll buy homeowners insurance through a licensed property and casualty insurance agent.
- You'll decide if you need flood and/or earthquake insurance, which you can buy through a licensed property and casualty agent.
- You'll decide if you'll need title insurance, which you can buy through a licensed title agent or company.
- A professional may "survey" the property. A survey is a professional drawing of the property's boundaries. It also shows where a home is located on the property.
- You may be able to buy a home warranty that covers the mechanical breakdown of individual parts of a home, such as the electrical and plumbing systems. A warranty doesn't cover the home's structure, may or may not cover appliances, ends at a specific point in time (for example, one year) and has exclusions and limitations that you should review. Home warranties might not be regulated as insurance in your state.
- A final walk through of the home you're buying will be scheduled.
- You'll sign legal paperwork to finalize your new loan.

***Drafting Note:** States may consider including additional types of catastrophe insurance such as wildfire coverage depending on the exposures common to their region.*

If you're refinancing your home or property:

- You'll get a new loan from a mortgage lender.
- A professional may inspect and appraise your home or property.
- You'll give the lender information about your homeowners, flood and/or earthquake insurance coverage.
- You'll decide if you need title insurance, which you can buy from a licensed title agent or company.
- A closing date will be selected.
- You'll sign legal paperwork to finalize your new loan.

When you buy or refinance a home or piece of property, you'll need to decide whether to buy title insurance.

What is title insurance? Why do you need it? This guide will answer those questions and more.

## What is Title Insurance, and What Does it Cover?

**A *title* documents your legal ownership or interest in property.**

Title insurance is an insurance policy that covers *past* title problems that come up *after* you buy or refinance a property.

Lost, forged or incorrectly filed deeds, property access issues and liens on a property are just a few of the title problems that could come up after you buy or refinance a home or piece of land.

For example, if you received a letter telling you there's an unpaid mortgage on the property you just bought, you could submit a claim to your title insurance company. The title insurance company would pay the legal costs to settle the dispute and/or to resolve the problem.

Without title insurance, you might have to pay all of the legal costs to settle the dispute. And if you lose the dispute, you could lose money, the equity you have in your home, and possibly ownership.

### Two Types of Title Insurance—Owner's and Lender's Policies

There are two types of title insurance policies:

- An Owner's Policy
- A Lender's Policy

An *owner's policy* protects *you* for the full price you paid for the home plus legal costs if a past title or ownership issue comes up after you buy your home. An owner's policy is issued for the amount you paid to buy your home, and the policy will cover you as long as you own an interest in the property. You are not required to purchase an owner's policy, but if you choose not to, you may lose the money you've paid for your home.

If a basic owner's policy doesn't cover a specific title issue, often you can add coverage, known as a *policy endorsement*. For example, if you're buying a new home and the owner's policy doesn't cover claims (often known as a mechanic's lien) filed by a contractor, you can add a policy endorsement to ensure you are covered. Some endorsements are free while others can be added for an additional fee.

An *enhanced owner's policy*, which has a higher level of coverage than a standard owner's policy, also may be available in your area. Enhanced owner's policies cost about 20% more than a standard owner's policy, but they cover extra risks. An enhanced owner's policy also may continue to provide coverage after a property has been transferred.

If you borrow money to buy your home or property, your lender is likely to require you to buy a *lender's policy*. A lender's policy only protects *the lender* if a title or ownership problem comes up after the property is purchased. A lender's policy is issued for the amount of the mortgage, and the coverage goes down as you pay down your loan. Unlike an owner's policy, the lender's policy ends when you pay off your mortgage. You may be expected to pay the premium for a lender's policy.

Because a lender's policy only protects the lender from title problems, you'll also need an owner's policy if you want to protect yourself.

### What Doesn't Title Insurance Cover?

Title insurance policies *do not* cover ownership issues that come about *after* you've bought a home.

For example, if your neighbor builds a fence on your property after you've bought your home, your title insurance policy will not cover the costs to settle the dispute.

Also, most title insurance policies don't cover issues such as easements, boundary line disputes, zoning violations and air or mineral rights.

Your title insurance policy may spell out other issues that won't be covered. And if there's a title issue specific to the home you're buying or refinancing, your title policy may not cover it. Ask for a list of what will and will not be covered, and be sure to read your policy.

### **Who Sells Title Insurance?**

Only licensed title insurance companies, agencies and agents can sell title insurance in [INSERT STATE].

***Drafting Note:** If a state permits other individuals and entities to sell title insurance, this sentence should be amended to include those parties.*

You can buy title insurance directly from a title insurance company or a title agent who sells title insurance for a company.

### **The Right to Choose Your Own Title Agent/Company**

**You have the right to shop for and choose your provider of title insurance and settlement services**

A good time to shop for title insurance is when you choose a real estate agent, and a lender has prequalified you for a loan. You'll have an idea of the price you can pay for a home/property and a title insurance agent or company can use that information to estimate your title insurance costs.

There are several ways you can find a title insurance agent or company:

- You can ask the sellers who they used when they bought the home.
- You can check the [INSERT NAME OF DOI] website, [INSERT WEB ADDRESS].
- You can look up title insurance agents, agencies and companies in the phone book.
- You can check online for title insurance agents, agencies and companies in your area.
- You can ask for recommendations from your real estate agent, attorney, mortgage lender, financial institution or builder.

If your real estate agent, attorney, builder or lender offers to arrange title insurance for you, or suggests you use a specific title agent or company, ask if they have a business arrangement with the title company or agent they're recommending and if they'll make money from the referral. Federal law requires real estate professionals, title agents and lenders to tell you about any business arrangements they may have.

Also, beware of statements such as:

- "Everyone charges the same price."
- "We'll give you a discount on something else if you use our title agent."
- "If you choose another title agent, your purchase may be delayed."

These types of statements may be used to convince you to give up your right to choose a title agent or company, and you may pay more for title insurance than if you had shopped around.

### **Who Pays for Title Insurance?**

If you're buying a home, who pays for title insurance depends in part on local custom. It may be something, however, that you can negotiate with the seller of the property. When buying a home, be sure to ask your real estate agent what the custom is in your area and if you'll likely be the one to pay for title insurance.

If you're refinancing your home, it'll be your responsibility to buy and pay for the title insurance policy.

A title insurance policy is paid for with a one-time premium payment.

### **What Does Title Insurance Cost?**

The cost of title insurance is usually tied to the value of the home.

If you're buying an owner's policy, the price of your policy will depend on the home's selling price.

The price of title insurance also can include more than just insurance. One cost included in the price is a *title search*. When a title search is conducted, a title agent or company reviews local records, such as deeds, mortgages, wills, divorce decrees, court judgments and tax records looking for any title issues with the property. In [INSERT STATE NAME], a title search must be done before a company can issue a title insurance policy.

If you're buying a lender's policy, the price of title insurance will depend on your loan amount.

### **Ask if You're Eligible for Discounts**

When you buy title insurance, ask if you're eligible for any discounts.

If there was a previous title policy on the home (because the home changed owners or you're refinancing), you may get a discount known as a "reissue rate."

If you decide to buy both an owner's and lender's policy, you may get a discount if you buy both policies together.

### **The Difference Between Title and Homeowners Insurance**

Title insurance is different from homeowners insurance.

- Title insurance protects you against past title problems. Homeowners insurance protects you against future issues that cause damage to your home or personal property. Homeowners insurance also limits your personal legal responsibility (or liability) if someone is injured while they're on your property.
- Licensed title agents and companies sell title insurance. Insurance agents licensed to sell property, and casualty insurance sell homeowners insurance.
- You pay the premium for title insurance with a one-time payment, when you buy or refinance a home. A homeowners insurance policy is paid for on an ongoing basis and is up for renewal each year.
- Homeowners insurance does not protect your ownership in the property and does not replace the need for title insurance.

### **Questions to Ask Before You Buy Title Insurance**

When you shop for title insurance, be sure to ask the title agent or company the following questions:

- How long have you been licensed to sell title insurance in [INSERT STATE]?
- What title insurance company do you sell policies for?
- Are title insurance premiums regulated in [INSERT STATE]?
- Are any discounts available?
- Are you related or affiliated in any way with my real estate agent, mortgage lender, builder, or attorney?
- Will anyone be paid a referral fee or commission or be compensated if I buy title insurance from you or a company you represent?



- In addition to title insurance premiums, what other fees and charges will I pay?
- What policy endorsements are available?
- Do you charge a cancellation fee if I don't buy title insurance from you after you do a title search?
- Will I need to pay for a survey before you can sell me title insurance?

## **The Real Estate Closing**

The last step to buying or refinancing a home / property is known as the *closing*.

Shortly after the seller accepts your offer to buy their home or the lender approves your refinancing, a closing date will be set.

A closing can be done in person, electronically or by mail. As part of the closing, you'll be asked to sign the legal paperwork required to finalize the real estate transaction. On the day of the closing, you (as well as the seller) will be expected to pay any money owed.

If an in person closing is scheduled, expect the closing to last an hour or two. In addition to you, the seller, real estate agent(s), attorney, title agent and lender may attend the closing.

**Make sure you understand what you're being asked to sign.**

During the closing, you'll be signing documents that are legal binding contracts. Take time to understand what they mean. If you don't understand something, ask someone to explain it to you, or ask for time to contact a trusted friend, family member, attorney or advisor for help.

One document you'll be asked to review and sign is the *closing disclosure*. The closing disclosure shows all of the money to be paid to complete the transaction. Some of the costs listed on the closing disclosure will include:

- Outstanding mortgages to be paid.
- Money to be exchanged between the buyer and seller.
- The amount of the new loan(s).
- Loan origination charges.
- Property appraisal fees.
- Credit report fees.
- Real estate agent fees.
- Tax preparation fees.
- Taxes owed.
- Escrow funds.
- Title insurance premiums.
- Courier fees.
- Settlement or closing fees.
- Closing protection fees.
- Document or recording fees.

Federal law gives you the right to see the closing disclosure at least three business days before closing. It's highly recommended that you ask for a copy of the closing disclosure ahead of time so you have a chance to review it and ask questions.

If everything isn't in order by your scheduled closing date, your closing date may be moved to another date.

After the closing, you'll be given copies of all the documents you signed.

## Closing Agents

*Closing agents* handle real estate closings and coordinate all of the steps required to make the real estate transaction official. They're responsible for getting mortgage and loan pay-off amounts from the seller's lender(s) and the amount of property taxes owed. They also give instructions to the buyer and seller, hold money until the home's title is transferred, prepare documents for the buyer and seller to sign, pay out money owed and file documents with the county recorder, who updates records to show a property has changed owners.

Some title agents do more than just sell title insurance. They also conduct real estate closings by serving as a closing agent. Their responsibilities as a closing agent are separate from what they do as a title agent.

Other professionals, such as attorneys, also can be closing agents.

**Just as you have the right to choose a title agent or company,  
you also have the right to choose your closing agent.**

## Questions to Ask When You Choose a Closing Agent

When you choose a closing agent, be sure to ask the following questions:

- Can you give me a list of all the fees and charges I would pay if you were my closing agent?
- What fees and charges are negotiable?
- Are your closing staff licensed title insurance agents?
- How and when do you conduct closings?
- Who will handle my closing?
- When will you give me a copy of the settlement statement? <sup>1</sup>
- Do you have references or testimonials available?
- Do you offer closing protection coverage?
- How much does closing protection cost?

## Closing Protection Letters

Title insurance doesn't protect the lender or buyer against mistakes made during the closing, or if money is stolen or paid to the wrong parties. For an added fee, title insurance agents and companies that conduct real estate closings offer closing protection letters. If you buy a closing protection letter, the title insurance company will reimburse you for any money you lose from negligence, fraud, theft of funds or errors the closing agent made. Without this, you'd have to sue the agent to get back any money lost.

If you buy closing protection coverage, be sure to ask for a copy of the closing protection letter for your records.

*Drafting Note:* States who do not require closing protection should delete this section.

## Shop Around for Title Insurance and Closing Services

As rates and fees for title insurance and closing services may vary, you should shop for title insurance and closing services. Use the chart that follows to learn how much you'll be charged for certain rates, fees and services.

**Cost Comparison Chart**

	<b>Company Name</b>	<b>Company Name</b>	<b>Company Name</b>
<b>Title Insurance</b>			
Premium Price (Lender's Title Policy)	\$	\$	\$
Premium Price (Owner's Title Policy)	\$	\$	\$
Endorsement Price	\$	\$	\$
Title Search Fee	\$	\$	\$
Closing Protection Letter	\$	\$	\$
Deed Preparation Fee	\$	\$	\$
Other _____	\$	\$	\$
Other _____	\$	\$	\$
<b>Total:</b>	\$	\$	\$

	<b>Company Name</b>	<b>Company Name</b>	<b>Company Name</b>
<b>Closing Costs</b>			
Government Recording Charge	\$	\$	\$
Tax & Other Certifications	\$	\$	\$
Overnight Mail	\$	\$	\$
Wire Fee	\$	\$	\$
Transfer Tax	\$	\$	\$
Notary Fee	\$	\$	\$
Settlement Fee	\$	\$	\$
Document Preparation Fee	\$	\$	\$
Email/Electronic Doc Fee	\$	\$	\$
Other _____	\$	\$	\$
Other _____	\$	\$	\$
<b>Total:</b>	\$	\$	\$

***Drafting Note:** This cost comparison tool has been developed as a guide that may be edited or personalized for the individual needs of the state. States may change the order, add or remove items to adhere to state law.*

## Final Tips to Remember

- Deal only with licensed professionals who're in good standing in [INSERT STATE].
- As soon as you make an offer on a house or choose a lender to refinance with, start shopping for title insurance.
- Decide up front who'll pay for the title insurance policies.
- Whoever buys the title insurance policy has the right to choose the title agent or title company.
- A professional who recommends a title insurance company or agent to you may receive a commission or referral fee.
- Ask the seller which title insurance company they used.
- Ask friends or family who recently bought a home if they would recommend their title agent/company.
- If you buy an owner's policy, be sure the coverage is equal to the price you paid for your home.
- Comparison shop, and get at least three quotes before you buy title insurance and closing services.
- Ask about available discounts.
- Ask title and closing agents for an itemized list of their fees and charges.
- Ask for a copy of the title commitment at least three weeks before your closing date.
- Know exactly what your title insurance policy will cover.
- If your title agent also will be the closing agent, ask if closing protection coverage is available.
- Ask the closing agent for a settlement statement at least one business day before your scheduled closing.
- Knowledge is power, so don't be afraid to ask questions!
- Read and understand all documents before signing them.
- Request copies of all documents.
- Keep a copy of your title insurance policy for as long as you own your property.

## How to File a Title Insurance Claim

If an issue arises about your home's title, contact your title insurance company as soon as possible. If you don't know the name of your title insurance company, check the paperwork you signed when you bought or refinanced your home. You also can contact your title agent or closing agent for help.

## The [INSERT DOI NAME] is Here to Help

For more information about buying insurance, please visit [INSERT DOI WEBSITE ADDRESS], or call [INSERT TELEPHONE NUMBER].

As a consumer protection agency, the [INSERT DOI NAME] also can help if you believe an insurance agent or company has misled you or acted improperly.

To file a complaint, please visit our website at [INSERT WEB ADDRESS], or send a written complaint and any supporting documents to:

[DOI Logo]

[DOI Address]  
[City, State Zip Code]

[DOI Telephone Numbers]

[DOI Website]

[DOI Facebook / Twitter Contact Information]

## Other Resources Available

To verify the license status of the professionals who will be helping you with your real estate transaction, please contact:

Real Estate Agent	[STATE AGENCY NAME] [STATE AGENCY ADDRESS] [CITY, STATE & ZIP CODE] [AGENCY WEBSITE] [AGENCY TELEPHONE NUMBER]
Bank/Mortgage Lender	[STATE AGENCY NAME] [STATE AGENCY ADDRESS] [CITY, STATE & ZIP CODE] [AGENCY WEBSITE] [AGENCY TELEPHONE NUMBER]
Real Estate Appraiser	[STATE AGENCY NAME] [STATE AGENCY ADDRESS] [CITY, STATE & ZIP CODE] [AGENCY WEBSITE] [AGENCY TELEPHONE NUMBER]
Insurance Agent / Insurance Company and Title Agent Title Insurance Company	[STATE AGENCY NAME] [STATE AGENCY ADDRESS] [CITY, STATE & ZIP CODE] [AGENCY WEBSITE] [AGENCY TELEPHONE NUMBER]
Attorney	[STATE AGENCY NAME] [STATE AGENCY ADDRESS] [CITY, STATE & ZIP CODE] [AGENCY WEBSITE] [AGENCY TELEPHONE NUMBER]

To find other useful information regarding the home buying process, please contact:

U.S. Department of Housing and Urban  
Development  
451 7<sup>th</sup> Street S.W.  
Washington, DC 20410  
202-708-1112  
[www.hud.gov](http://www.hud.gov)

National Flood Insurance Program  
500 C Street SW  
Washington, DC 20472  
800-621-FEMA  
[www.FloodSmart.gov](http://www.FloodSmart.gov)

Consumer Financial Protection Bureau  
P.O. Box 4503  
Iowa City, Iowa 52244  
855-411-2372  
855-237-2392 (Fax)  
<http://www.consumerfinance.gov>

# Hear a Presentation on Impacts of the Pandemic on the Title Insurance Industry

*—Steve Gottheim (American Land Title Association—ALTA), Mary Thomas (Stewart Title) and Nick Hacker (Guaranty & Title Co.)*



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# Title Industry & COVID

1800 M Street, NW, Suite 300S, Washington, D.C. 20036-5828 | P. 202.296.3671 | F. 202.223.5843 | [homeclosing101.org](http://homeclosing101.org)

# Agenda

- What happened
- How the industry pivoted
  - To help consumers
  - To help its teams
  - To help its communities
- What's we are watching for

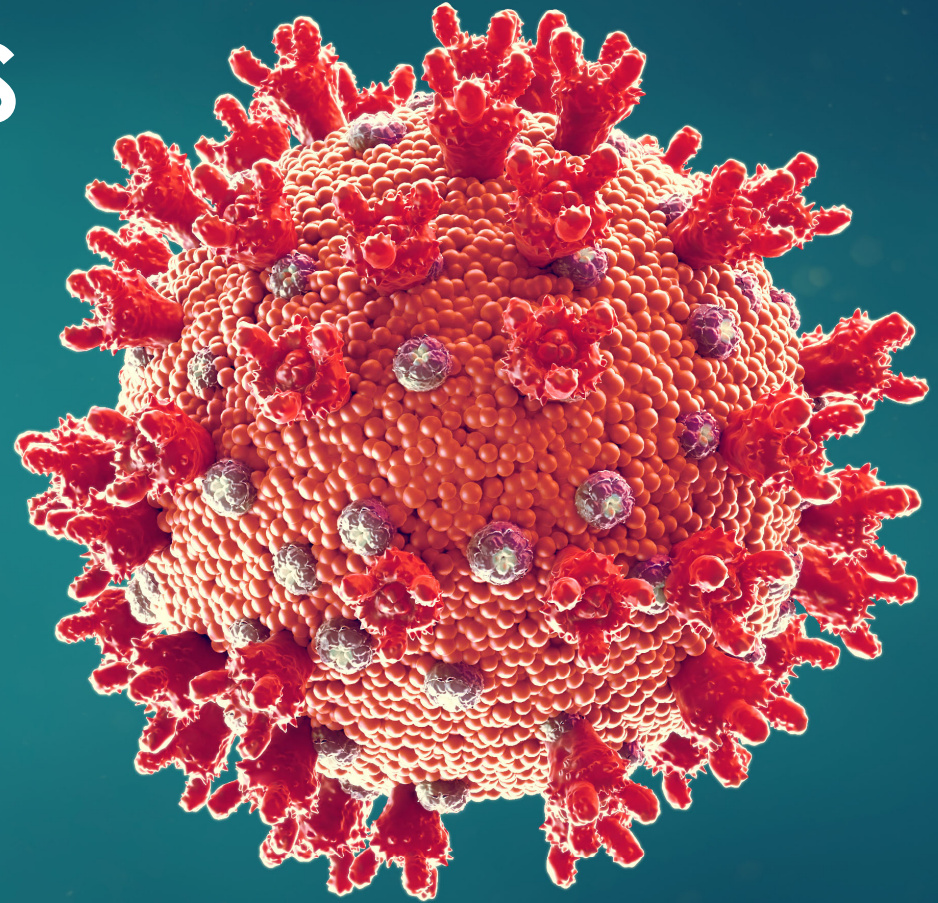


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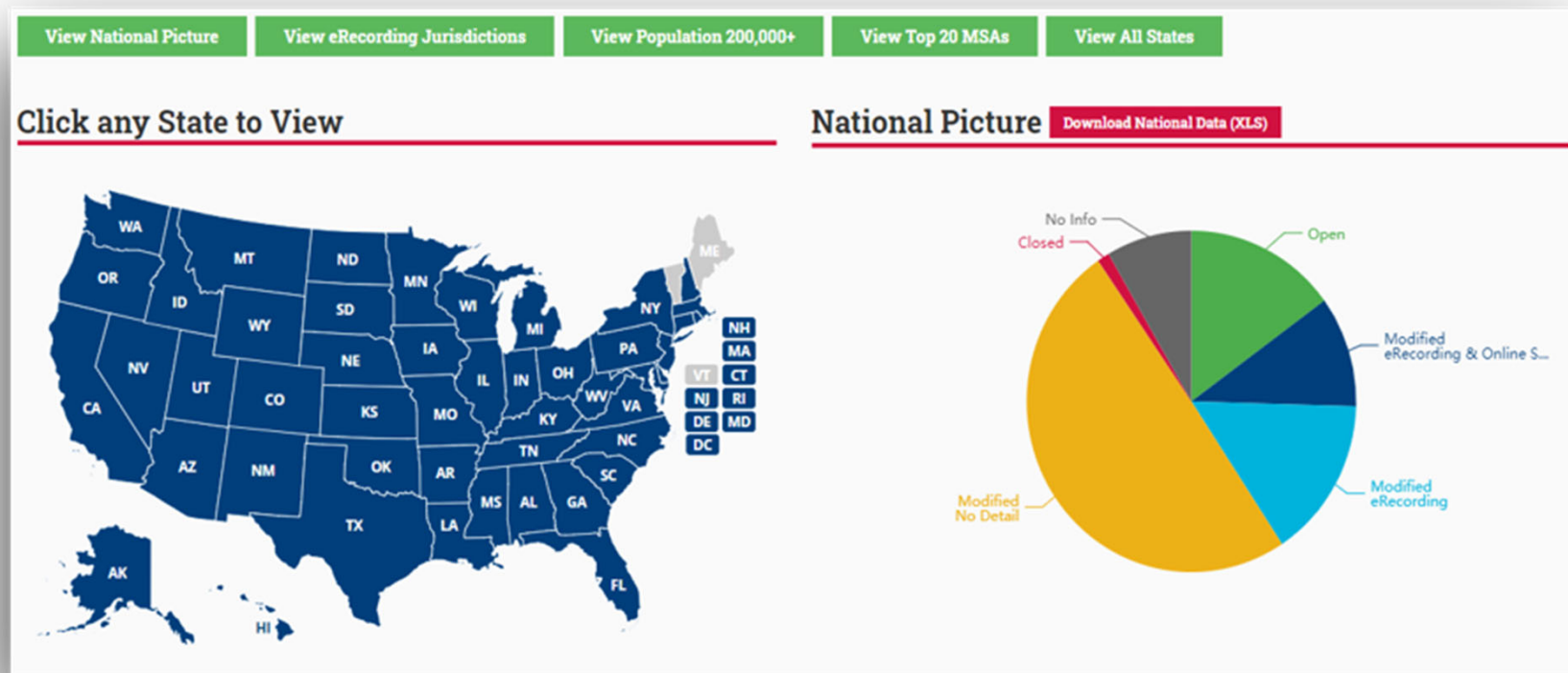
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# THE EARLY DAYS



# Lockdowns and County Closers



## Who is essential

- Treasury Secretary Mnuchin: “State and local governments must ensure the continuity of critical financial sector functions”
- CISA/Homeland Security
  - Financial services, processing financial transactions are essential
  - Updated to include county recorders
- State LTAs worked with their governors and county executives to keep operations open



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# COVID & Importance of HOME

- Home is the “safe place” in pandemic - needed more than ever
  - Takes the roles of: School, Work, Relax, Entertainment, etc.
- Volume spike from new interest in home ownership
  - Industry met the challenge and worked to ensure closings occurred safely and efficiently
- High demand for services due to low rates and higher refinance activity



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# IMPACT ON CUSTOMERS

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Safe Closings



## CLOSING OPTIONS



### In-Person

with accommodations  
for social distancing



### Curbside

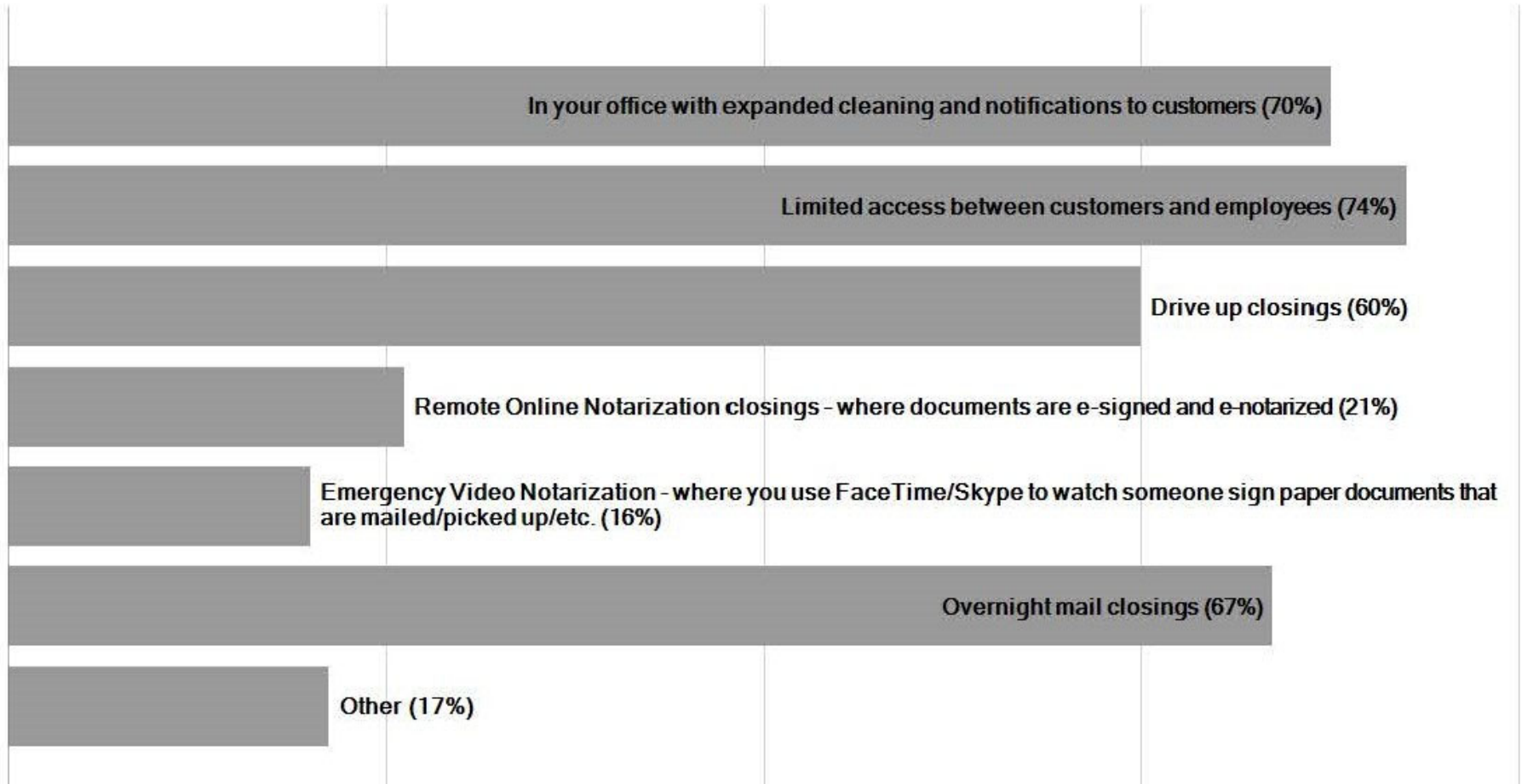
You can remain  
in your car during  
the closing



### Remotely

Via the internet  
with a webcam

## What types of services are you offering to customers to conduct safe closings?





# HOW WE ARE HANDLING COVID-19

## WE ARE OPEN (WITH ADJUSTMENTS):

At this time, we are taking additional measures to help our team and customers remain healthy.



Helping our team members, assisting with solutions and keeping our team and their families as our priority.



Posting signage on all offices restricting those who are sick.



Ramping up our office cleaning efforts.



Requiring our team members to stay home if they are sick/sending team members home if they appear ill.



Those who are high risk are being considered to work remotely.



Using advance screening documents for our customers and notaries before they come into a signing.

# DRIVE-THRU CLOSINGS



HOW TITLE COMPANIES  
ARE MAKING IT SAFER  
DURING COVID-19





# RON

remote online notarization  
*RON is in Arizona!*

We have on staff Arizona  
Remote Online Notaries  
available for to close  
your deals!






































# NOTARIZATION TYPES AND TERMINOLOGY

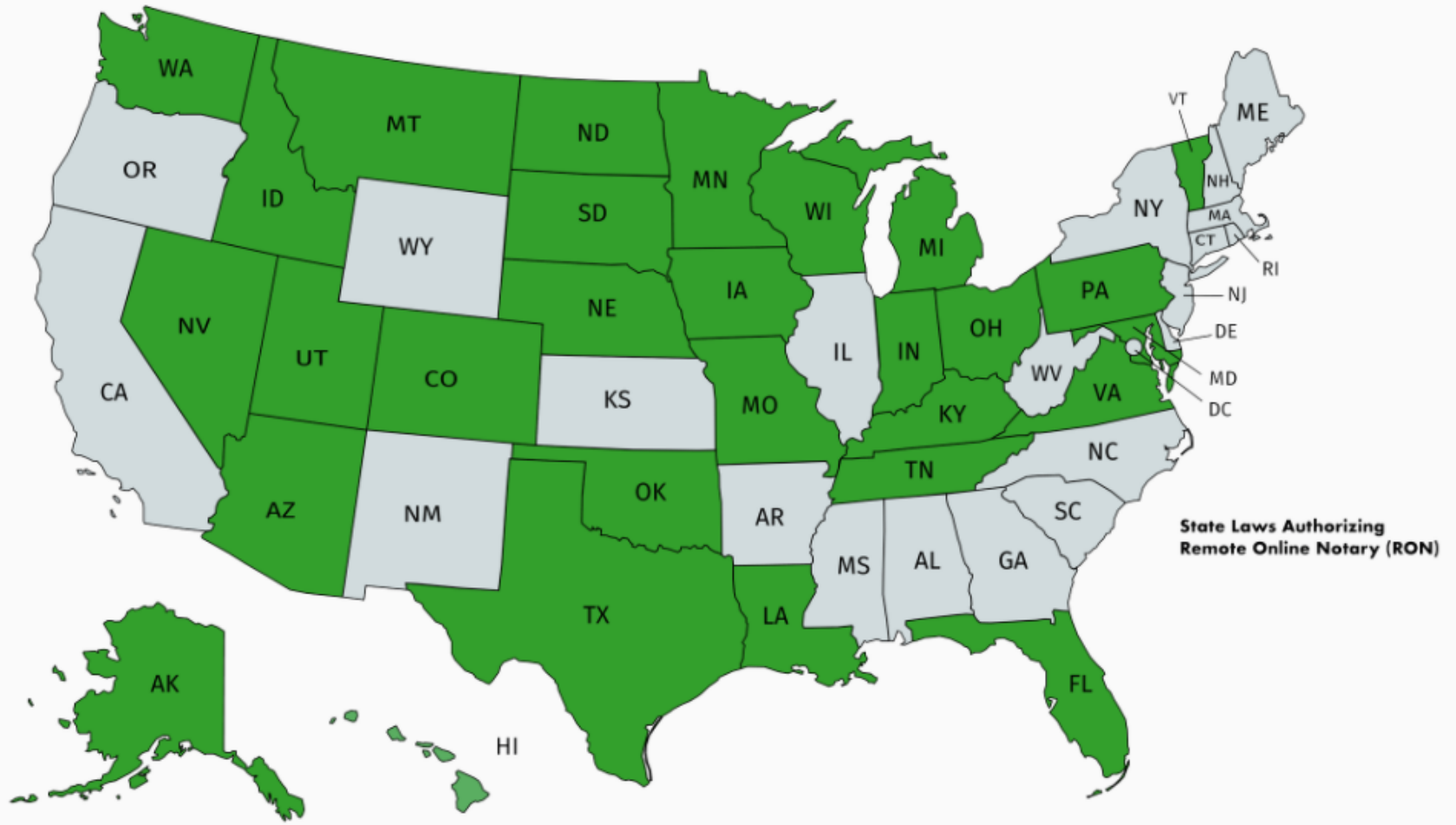
[alta.org/digitalclosings](http://alta.org/digitalclosings)



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Notarization Type	Definition	Authorization Type	Document Type	Multi-Factor Authentication (Credential Analysis & KBA)	Recorded and Retained AV Record	eNote Capability	In Person or Remote
 <b>Remote Online Notary (RON)</b>	Remote online notarization of electronic documents with use of multi-factor authentication.	Permanent State Statute or Temporary Notarization Executive Order or Legislation					
 <b>Paper Remote Online Notarization (PRON)</b>	Remote online notarization of paper documents (delivered via mail, courier, etc.) with use of multi-factor authentication.	Permanent State Statute (RULONA 2018) or Temporary Notarization Executive Order or Legislation					
 <b>Remote Ink Notarization (RIN)</b>	Remote notarization of paper documents via audio-video communication platform (Skype, Facetime, etc.).	Temporary Notarization Executive Order or Legislation	 (some electronic document solutions may exist)		Based on GSE and State Requirements		
 <b>Traditional Wet Ink Notarization (TWIN)*</b>	In person notarization of paper documents.	Permanent State Statute					
 <b>In Person Electronic Notarization (IPEN)*</b>	In person notarization of electronic documents.	Permanent State Statute					
<i>* Not a touchless transaction. In person contact required.</i>		<b>LEGEND</b>  electronic  paper  yes  no  remote  in-person					

**States that have Passed Remote Online Notary Legislation (as of November 9, 2020)**



# IMPACT ON OUR TEAMS & OPERATION

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## OPERATION HEALTHY OFFICE: TOP 10 TIPS TO PROTECT EMPLOYEES' HEALTH



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Develop other flexible policies for scheduling and telework (if feasible) and create leave policies to allow employees to stay home to care for sick family members or care for children if schools and childcare close.



Have conversations with employees about their concerns. Some employees may be at higher risk for severe illness, such as older adults and those with chronic medical conditions.



Actively encourage sick employees to stay home. Develop policies that encourage sick employees to stay at home without fear of reprisals, and ensure employees are aware of these policies.



Perform routine environmental cleaning. Routinely clean and disinfect all frequently touched surfaces, such as workstations, countertops, handrails, and doorknobs. Discourage sharing of tools and equipment.



Talk with companies that provide your business with contract or temporary employees about their plans. Discuss the importance of sick employees staying home and encourage them to develop non-punitive "emergency sick leave" policies.



Consider the need for travel and explore alternatives. Check CDC's Travelers' Health for the latest guidance and recommendations. Consider using teleconferencing and video conferencing for meetings, when possible.



Promote etiquette for coughing and sneezing and handwashing. Provide tissues, no-touch trash cans, soap and water, and hand sanitizer with at least 60% alcohol.



Provide education and training materials in an easy to understand format and in the appropriate language and literacy level for all employees, like fact sheets and posters.



Plan to implement practices to minimize face-to-face contact between employees if social distancing is recommended by your state or local health department. Actively encourage flexible work arrangements such as teleworking or staggered shifts.



If an employee becomes sick while at work, they should be separated from other employees, customers, and visitors and sent home immediately. Follow CDC guidelines for cleaning and disinfecting areas the sick employee visited.

Source: Centers for Disease Control and Prevention

# Companies needed to take care of their teams

- Not possible to pivot every job to work from home
- Volatile swings in demand in early weeks drove uncertainty
  - A number of companies saw volume drop over 40% in March and early April
  - Over 5,000 title companies took PPP loans due to uncertainty
- To stay open, companies incurred many extra costs:
  - PPE for employees, customers
  - masks, sanitizer, Plexiglas, single use pens
  - New equipment to allow work from home and digital closing
  - Internet access
  - Training on new protocols and technology





## Focus on flexibility

- It was inevitable that employees or consumers would test positive
  - How to keep operations going when we needed to have an office or someone quarantine
  - Especially challenging in rural operations where you might have one person doing that job and the nearest overflow staff is 2 hours away.



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# HELPING IN THE COMMUNITY

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## #GoodDeeds Campaign




**ALTA** @ALTAonline · May 21  
 #Gooddeed alert! ALTA is now a corporate donor of @supplylovedc, which provides sewing kits to volunteers who make face #masks. The nonprofit donates the masks & other necessities to #firstresponders, medical facilities & more! Read the story: [ow.ly/eP3250zMSJA](https://ow.ly/eP3250zMSJA) #COVID19




 1
  2
 


**ALTA** @ALTAonline · May 12  
 Here's a little sunshine for your day: Our latest #gooddeed comes from @TexasRegionalT, a Beaumont, Texas-based title company that created hand-picked "A Box of Sunshine" care packages for local #hospital staff. The boxes were delivered on #NationalNursesDay, #insurance #COVID19





 2
 


**ALTA** @ALTAonline · May 1  
 #Gooddeed Friday! ALTA member Andrea Ewan of Dearborn Title #Insurance, Lawrenceburg, IN, helped found Dearborn County Mask Coalition. The Coalition has given tens of thousands of paper surgical #masks to the public & #healthcare workers & 500 N95 masks to #firstresponders. Wow!







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**ALTA** @ALTAonline · Apr 7  
 3: Glen says: "The most incredible part of the visit was watching the dogs interact with Peter and his mom. I think they knew they were working, and they huddled around me and the phone" for 45 min. #titleprotects #lookforthehelpers @NATICsocial Share your #gooddeeds with ALTA!




# WHAT'S COMING DOWN THE PIKE



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# Foreclosure & forbearance

- Federal government staying foreclosures and evictions through June
  - States have similar limits in place
- Black Knight reported 2.7 million Americans have active forbearance plans
  - 308,000 already in modifications
- Keep in mind that in nonjudicial foreclosure states, title companies are often listed as the trustee in a consumer's mortgage
  - Often see foreclosure related complaints directed to title company even though they don't service the loan or institute the foreclosure



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# Claims

- Additional reserving uncertainty given low foreclosure rate
- Mix of claims is changing with more people at home
  - Neighbor disputes & issues related to renovations more prevalent
- Challenges with mail service
  - Continue to see delayed mail delivery and service impacting receipt of policies and claims notifications



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# WHAT REGULATORS HAVE DONE TO HELP



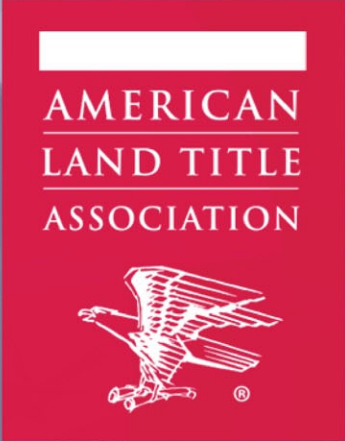
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## What has helped in this pandemic

- Relaxing in person audit or examination requirements
  - Allow more of audits to be conducted electronically
- Waiving notary and original signature requirements on filed forms
- Allowing virtual education and testing for licensing





**THANK YOU**

Q & A