

## **TITLE INSURANCE (C) TASK FORCE**

Title Insurance (C) Task Force Dec. 9, 2019, Minutes

Title Insurance (C) Task Force Sept. 25, 2019, Conference Call Minutes (Attachment One)

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## Draft Pending Adoption

Draft: 12/23/19

Title Insurance (C) Task Force  
Austin, Texas  
December 9, 2019

The Title Insurance (C) Task Force met in Austin, TX, Dec. 9, 2019. The following Task Force members participated: James J. Donelon, Chair, represented by Warren Byrd (LA); David Altmaier, Vice Chair, represented by Anoush Brangaccio (FL); Lori K. Wing-Heier represented by Michael Ricker (AK); Michael Conway represented by Damion Hughes (CO); Colin M. Hayashida represented by Paul Yuen (HI); Dean L. Cameron represented by Jesse Adamson (ID); Vicki Schmidt represented by Heather Droge (KS); Al Redmer Jr. represented by Robert Baron (MD); Steve Kelley represented by Paul Hanson (MN); Chlora Lindley-Myers represented by Carrie Couch and Marjorie Thompson (MO); Mike Causey represented by Fred Fuller (NC); Bruce R. Ramge represented by Peg Jasa (NE); Marlene Caride (NJ); John G. Franchini represented by Anna Krylova (NM); Barbara D. Richardson represented by Stephanie McGee (NV); Jillian Froment represented by Angela Dingus (OH); Glen Mulready represented by Holly Mills (OK); Raymond G. Farmer represented by Lee Hill (SC); Larry Deiter represented by Frank Marnell (SD); Todd E. Kiser represented by Tracy Klausmeier and Reed Stringham (UT); Scott A. White represented by Mike Beavers (VA); and Michael S. Pieciak represented by Karen Ducharme and Kevin Gaffney (VT).

### 1. Adopted its Sept. 25 and Summer National Meeting Minutes

Commissioner Caride made a motion, seconded by Ms. Droge, to adopt the Task Force's Sept. 25 (Attachment One) and Summer National Meeting (*see NAIC Proceedings – Summer 2019, Title Insurance (C) Task Force*) minutes. The motion passed unanimously.

### 2. Heard a Presentation on the Title Industry, Including Types of Endorsements, Market Statistics, CPL Statutes, and the Effect of Mandatory Title Insurance

Joseph L. Petrelli Jr. (Demotech) said title insurance varies from other types of property/casualty (P/C) insurance in that it looks backwards to the effective policy date. The reporting for title insurance has not caught up with this nuance. The relative frequency of the issuance of endorsements varies markedly from endorsement to endorsement. For instance, a \$35 million mansion in Los Angeles, California is a one to four family residence, while a \$300 thousand beer and milk drive-thru in Akron, Ohio is non-residential. Mr. Petrelli provided an overview of endorsements and their coverages.

Endorsements include:

- Street Assessments (American Land Title Association [ALTA] Form 1 Series) ensures that there are no street improvements which have resulted in a lien.
- Zoning (ALTA Form 3 Series) insures against an adverse final court decree, which prohibits zone-specified use.
- Condominium Assessments Priority (ALTA Form 4 Series) insures against several risks with respect to the condominium regime and documentation.
- Planned Unit Development—Assessment Priority—Loan Policy (ALTA Form 5 Series) affords coverage for charges in favor of any association of homeowners referred to in Schedule B over the lien of any insured mortgage.
- Variable Rate (ALTA Form 6 Series) insures a variable rate mortgage, securing a loan in which the unpaid principal balance increases as the result of the addition of unpaid interest.
- Manufactured Housing (ALTA Form 7 Series) may be issued with an Owner's or Loan Policy where the land described in the policy is improved with a manufactured housing unit.
- Environmental Protection Liens (ALTA Form 8 Series) insure the priority of the mortgage lien against existing or subsequently recorded federal or state environmental protection liens.
- Restrictions, Encroachments, Minerals and Loan Policy (ALTA Form 9-6 Series) covers additional improvements that encroach upon easement areas or damage resulting from using the land surface for mineral extraction.
- Assignment (ALTA Form 10 Series) insures against loss resulting from: 1) failure of the referenced assignment to vest title of the insured mortgage in the insured assignee; or 2) any modification recorded prior to the endorsement date.
- Mortgage Modification (ALTA Form 11 Series) insures against loss from modification of the insured mortgage.
- Aggregation (ALTA Form 12 Series) amends Section 7 to provide that the amount of insurance available to cover liability for loss shall be the policy insurance amount aggregate.
- Leasehold—Owner's (ALTA Form 13 Series) modifies the Owner's Policy for insured leaseholder estates.
- Future Advance Priority (ALTA Form 14 Series) provides coverage to a lender for loss sustained if a future advance does not have the same priority as the original mortgage.

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- Non-imputation—Full Equity Transfer (ALTA Form 15 Series) insures the title in the existing entity that owns the land when said owning entity has a total replacement of equity holders in a full equity transfer of the entity.
- Mezzanine Financing (ALTA Form 16 Series) assigns to the mezzanine lender the right to receive payments otherwise payable to the insured under the policy.
- Access and Entry—Direct (ALTA Form 17 Series) provides coverage for loss if the insured lacks both actual vehicular and pedestrian access to and from a specifically identified street.
- Single Tax Parcel (ALTA Form 18 series) ensures that the land identified in the policy is a single and separate tax parcel.
- Contiguity—Multiple Parcels (ALTA Form 19 Series) insures against loss if the boundaries to multiple parcels are not contiguous as described.
- First Loss (ALTA Form 20 Series) provides that the insurer's liability shall be determined without requiring the maturity of the entire indebtedness.
- Location Endorsement (ALTA Form 22 Series) insures against loss from failure of an improvement.
- Co-insurance—Single Policy (ALTA Form 23 Series) is a transaction where total liability is assumed by two or more co-insurers, with the liability being divided between the co-insurers from the first dollar.
- Doing Business (ALTA Form 24 Series) insures a lender against loss from the invalidity of the insured mortgage lien.
- Same as Survey (ALTA Form 25 Series) insures against loss from failure of the land description to match the survey.
- Subdivision (ALTA Form 26 Series) ensures that the land described in the policy constitutes a lawfully created parcel.
- Usury (ALTA Form 27 Series) protects the insured against loss from invalidity of the lien as a result of a final judicial determination that the loan secured by the insured mortgage is usurious.
- Easement—Damage (ALTA Form 28 Series) insures against loss from damage to an existing building on the land.
- Interest Rate Swap Endorsement—Direct Obligation (ALTA Form 29 Series) insures against loss from the invalidity, unenforceability, or lack of priority of the insured mortgage's lien as security for the swap obligation.
- One to Four Family Shared Appreciation Mortgage (ALTA Form 30 Series) insures against loss from the invalidity of the insured mortgage's lien as security for the indebtedness caused by the provisions for shared appreciation.
- Severable Improvements (ALTA Form 31 Series) includes certain losses and costs related to "Severable Improvements" in the calculation of loss under the policy.
- Construction Loan—Loss of Priority (ALTA Form 32 Series) provides coverage to a lender for loss due to the invalidity of the insured's mortgage lien as security for construction loan advances.
- Minerals and Other Subsurface Substances—Buildings (ALTA Form 35 Series) insures against loss from enforced removal or alteration of any building from the use of the land surface for mineral extraction.
- Energy Project—Leasehold/Easement—Owners (ALTA Form 36 Series) issued with an Owner's Policy, alters certain conditions to reflect that the interest insured is a leasehold interest and adds some energy project-specific definitions.
- Assignment of Rents and Leases (ALTA Form 37 Series) insures against loss sustained by the insured due to a defect in the execution of an assignment of rents or any assignment of a lessor's interest in any lease affecting the title.
- Policy Authentication (ALTA Form 39 Series) ensures that the insurer will not deny liability under the policy solely on the grounds that it was issued electronically or lacks signatures in accordance.
- Tax Credit—Owner's Policy (ALTA FORM 40 Series) includes in the loss calculation certain losses related to a "Tax Credit."
- Commercial Lender Group (ALTA Form 42 Series) insures against loss from invalidity or loss of priority of the insured lien from transfers after the date of policy.
- Anti-Taint (ALTA Form 43) insures against loss from loss of priority of the insured mortgage lien as security for the indebtedness advanced on the loan.
- Insured Mortgage Recording (ALTA Form 44 Series) insures against loss from failure of the insured mortgage to have been recorded in the Public Records.
- Pari Passu Mortgage—Loan Policy (ALTA Form 45 Series) insures against loss from invalidity of the insured mortgage lien solely due to the provisions of a Pari Passu Mortgage or an Intercreditor Agreement establishing lien priority.
- Option (ALTA Form 46 Series) insures against loss from: 1) a defect in the option execution resulting from forgery or incapacity of the optionor; 2) failure of the option; and 3) the option not being properly signed or witnessed.
- Partnership/LLC—Permitted Transfer Fairway insures a partnership or limited liability company (LLC) against coverage denial due to the admission/withdrawal of a partner/member in the insured partnership/LLC, respectively.
- Last Dollar provides that payments to a loan secured by the insured mortgage will not cause a proportionate reduction in the amount of insurance until the aggregate principal indebtedness is reduced to the amount of the policy.
- Subdivision assures the insured that the land described in the policy constitutes a lawfully created parcel.

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Mr. Petrelli said the number of title underwriters has declined over the last decade due to a consolidation trend from 2007–2009. Countrywide direct written premium has rebounded to almost the historic levels seen in 2003–2006. Residential policies insure dwellings intended to occupy one to four families. Non-residential policies cover everything else. Texas was the top writer in 2018, with \$2.2 billion in written direct premium or 14.7% of the market. Texas, California and Florida represented over one-third of the countrywide premium in 2018. These three states also held just under one-third of the countrywide residential policies. There are substantially more transactions and written premium on the residential side than the non-residential side. In 2018, the industry had \$11.1 billion in residential written premium as compared to \$3.7 billion in non-residential premium. For the same year, it also had 9.7 million residential policies as compared to 1 million non-residential policies. Premium for title insurance is a graduated dollar amount per every thousand dollars of coverage, typically subject to a minimum. Thus, the single premium typically goes up over time as the value of homes goes up.

Mr. Byrd asked if Texas mandated the seller to provide the buyer with a closing protection letter (CPL) at closing. Diane Evans (Land Title Guarantee Company [LTGC] of Colorado) said it is common, but not required.

Mr. Petrelli said the Task Force has discussed the coverage of CPLs. The ultimate intent of the CPL and the coverage is to make sure that the instructions of the lender are followed to the benefit of the lender, borrower and owner. This includes the financial integrity of the process and the proper authority recording. However, the CPL is a document that is only formally filed in some states. Closing protection coverage, on the other hand, is specifically filed with and approved by the department of insurance (DOI) where it is used. It is important to recognize that some states have instituted the appropriate regulation and legislation to regulate the content, coverage and premium, if applicable.

Mr. Byrd asked if these states had indicated what the coverage needs to be by statute. Mr. Petrelli said that is indeed the case, with the states indicating what needs to be in the coverage, the minimum contents of that coverage, and the filing and amendment process (usually prior approval). Louisiana amended its law in 2009 to address minimum contents, risking appropriation of settlement funds and failure to comply with instructions, prohibit other coverage indemnifying against improper acts or omissions, affirm the insurance department's regulation of "closing protection," and set a single premium for risk premium. Ohio revised its code to provide for the offer of closing or settlement protection to parties. Similar to Louisiana, coverage includes theft and misappropriation of funds and failure to comply with closing instructions. Additionally, the DOI's authority is affirmed, and other coverage indemnifying against improper acts or omissions is prohibited.

Mr. Byrd asked if there are more commercial endorsements than residential endorsements. Mr. Petrelli said there are more commercial endorsements, and their compiled statistics show that much of the premium on the commercial side comes from endorsements.

### 3. Heard a Presentation on the History of CPLs

James Gosdin (Stewart Title) said the CPL is insuring the closing of a real estate transaction. CPLs began in some form in the 1940s with the early issuance of insured closing service letters (ICLS). Use of ICLS grew in the 1960s with Lawyers Title Insurance Company providing these letters for approved attorneys. They were originally developed for commercial lending institutions to cover acts of independent title agents or approved attorneys. The primary concern of the time was misappropriation of funds. ICLS provided basic coverage against: 1) acts of fraud, theft, dishonesty or negligence in handling settlement funds or documents in connection with a closing, but only to the extent that the acts affect the status or priority of title in the real estate insured by the title insurance; and 2) failure to comply with written closing instructions of a proposed insured when agreed to by the title agency or title agent relating to title insurance coverage, but only to the extent that the acts affect the status or priority of title in real estate insured by the title insurance. It is important to remember that escrow and closing services are separate from title insurance coverage. The title insurance underwriter/agent relationship is a limited agency relationship wherein the agent is only granted the authority to act on behalf of the title insurance underwriter for the purpose of issuing title insurance commitments or policies. Although both title insurance underwriters and title agents perform closing and escrow functions, these functions are outside the limited scope of title insurance underwriter's agency contract and relationship with the policy issuing agent.

Ms. Evans said the authorized title insurance agent is allowed by contract to issue a title insurance policy on behalf of the underwriter. Oftentimes, agents are asked by the parties of the transaction to close it (referred to as an escrow on the transaction in some states). The CPL gives the closing agent and the parties to the real estate transaction the confidence that the agent is permitted to close for the underwriter.

Mr. Byrd said the title agent is also the closing attorney for the sale in many states. He asked for clarification on if the insurer is underwriting the risk of an agent absconding with funds received from the lender. Mr. Gosdin said escrow is separate from title insurance. There is indemnity with respect to the theft of transferred funds because it ultimately affects the lien on the mortgage.

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Mr. Gosdin said the ALTA has standardized CPLs across the industry and currently has two versions, one for single transactions and one for multiple transactions (or blanket). It has approved revisions to its CPLs over the years, with the most recent being in 2018. Current ALTA CPL coverage requirements include: 1) the issuer is contractually obligated to issue a policy for the insured's protection in a real estate transaction; 2) the insured is a lender secured by the title's mortgage or a purchaser/lessee of the title; 3) aggregate of funds transmitted to the issuing agent/attorney does not exceed a specified dollar amount; and 4) the loss is caused by failure to comply with closing instructions or fraud, theft or misappropriation.

Mr. Byrd asked how the transaction would work if a buyer of one piece of property placed the land into three different LLC names with the intent of developing the land associated with each LLC at different times and for different commercial purposes. Mr. Gosdin said it would be a multiple transactions and that it was only important that the lender and title agent be the same.

Ms. Evans said CPLs are one of many tools used to assure consumers that transactions are protected against errors, omissions and cyber threats. Lenders currently request CPLs at the time of title order, rather than just prior to closing, and then verify electronically. Recent trends have seen several states pass laws and companies file CPL rates. This raises a competitive question about the issuance of CPLs for transactions involving direct operations and not just agents. The CPL fee is remitted in total to the underwriter, which does not account for the agent's process and tracking expenses. Additionally, explaining to consumers that the CPL fee protects them against fraud from the person doing the explaining is awkward and causes confusion.

Mr. Gosdin said CPLs may be issued in all jurisdictions, except New York where it is deemed to be outside the scope of a monoline title insurer's license and writing authority. About half of the states regulate CPLs in some form. There are three types of authorizing laws. One version states that the CPL may be issued to "a party to a transaction in which a title insurance policy will be issued" (e.g., Alabama, Arizona, Arkansas, Georgia, Louisiana, Nevada and Utah). Another version allows CPLs to be issued to the seller or buyer (or lender) (e.g., Colorado and Texas, subject to limits); to the buyer, lender or seller (e.g., Georgia); or to the buyer, borrower or lender (e.g., Georgia and Maine). The third version allows CPLs to be issued to the buyer, borrower or lender (e.g., Maine). Additionally, there are several states that have special requirements. For example, a Notice of Availability is required in Alabama, Arizona, Arkansas, Colorado, Missouri and Ohio. CPLs are issued through approved websites or through an integration with the issuing agent's title production system. If a transaction exceeds a standard liability set forth in the CPL, issuing agents can request custom coverage for higher liability transactions. Common claims under a CPL include: 1) theft of settlement funds by the title insurance agent; 2) fraudulent flips; 3) fraudulent down payment undisclosed by title insurance agents; 4) unresolved title defects; and 5) claims under both the policy and CPL.

### 4. Received Compiled NAIC Information on CPLs

Mr. Byrd said the materials include a compilation of NAIC proceedings discussions on CPLs and CPL-related questions (namely 58–62) from the Survey of State Insurance Laws Regarding Title Data and Title Matters, last updated by the Task Force in March of this year. The information serves as background materials and is also posted on the Property and Casualty Insurance (C) Committee's webpage.

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

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Draft: 10/8/19

Title Insurance (C) Task Force  
Conference Call  
September 25, 2019

The Title Insurance (C) Task Force met by conference call on Sept. 25, 2019. The following Task Force members participated: James J. Donelon, Chair, represented by Warren Byrd (LA); David Altmaier, Vice Chair, represented by Anoush Brangaccio (FL); Lori K. Wing-Heier represented by Joanne Bennett (AK); Michael Conway represented by Dennis Newman (CO); John F. King represented by Margaret Witten (GA); Dean L. Cameron represented by Jim Scanlon (ID); Vicki Schmidt represented by James Norman (KS); Mike Causey represented by Timothy Johnson (NC); Bruce R. Ramge represented by Matt Holman and Barbara Peterson (NE); Marlene Caride represented by Carl Sornson (NJ); John G. Franchini represented by Otis Phillips (NM); Jillian Froment represented by Michelle Brugh Rafeld (OH); Glen Mulready represented by Joel Sander (OK); Jessica Altman represented by Michael McKenney (PA); Todd E. Kiser represented by Jay Sueoka (UT); Scott A. White represented by Mike Beavers (VA); and Michael S. Pieciak represented by Karen Ducharme (VT). Also participating were: Emma Hirschhorn and Susan Stapp (CA); Holly Zhu (MI); Marianne Baker and Ronda Lee (TX); Eric Slavich (WA); and Donna Stewart (WY).

1. Discussed and Adopted its 2020 Proposed Charges

Mr. Byrd stated comments on its exposed 2020 proposed charges were due Sept. 16. Its 2020 proposed charges include disbanding the Title Insurance Financial Reporting (C) Working Group and moving its charges into the Task Force directly (proposed charge D). They also include additional charges for revising the *Title Insurance Consumer Shopping Tool* (proposed charge E) and evaluating the effectiveness of closing protection letters (CPLs) (proposed charge F).

Its 2020 proposed charges are as follows:

- A. 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.
- B. 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.
- C. 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.
- D. As necessary, 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. Coordinate efforts with the Statutory Accounting Principles (E) Working Group.
- E. 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.
- F. 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.

a. Proposed Charge E

Brenda J. Cude (University of Georgia) and Birny Birnbaum (Center for Economic Justice—CEJ) suggested the charge regarding consumer information be expanded to include the revision of the *Title Insurance Consumer Shopping Tool Template* (Shopping Tool). Specifically, they suggested revisions include questions and answers about title insurance-related fraud topics, including, but not limited to, CPLs and wire fraud.

Ms. Rafeld stated it is a good suggestion to incorporate discussion on fraud topics into the Shopping Tool given the numerous related consumer complaints, especially on wire fraud.

Justin Ailes (American Land Title Association—ALTA) stated the Federal Bureau of Investigation (FBI) attributes \$5 billion to business email compromise. Of that, \$149 million is attributed to criminal real estate closing activities alone, affecting 11,300 victims. However, the FBI estimates this likely represents only 10% to 15% of the full criminal activity, since much is not reported. ALTA supports the incorporation of fraud topics into the Shopping Tool.

Mr. Byrd stated there seems to be a consensus to add a 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.”

b. Proposed Charge F

Andrew Liput (Secure Insight) suggested the charge regarding CPLs should be expanded to include the formation of a subgroup to evaluate whether the CPL is the most effective and appropriate manner and method to protect/cover borrowers, lenders and subsequent lienholders from risk of loss from mortgage closing negligence and fraud. This evaluation should include considering adding a new product option or replacing the CPL with an insurance policy covering consumers, lenders, future lienholders and other relevant stakeholders to a mortgage closing. This insurance policy would have the advantage of being subject to traditional insurance ratings, premium approvals, terms and conditions reviews, consumer education/opt-out requirements, and traditional risk underwriting processes. Additionally, its pricing would be as a transaction-based product commensurate with the current market for a fraud/negligence hybrid policy. Alternately, such a policy could be approved as an alternative to the CPL, with consumers choosing which type of protection they would like to purchase. He advised replacing the CPL with an insurance policy is advisable because the CPL is: 1) a form of warranty letter and not a true insurance product included in the title insurance policy; 2) not available in every state; 3) being billed to consumers as a title charge and packaged in a letter format that appears to a layperson to be a form of insurance; 4) not regulated by state insurance laws addressing claims practices, licensed sales activity and typical transparency/terms explanation/notice provisions usually found when marketing and selling insurance; 5) is not being underwritten like typical insurance policies; 6) not an optional charge to consumers, with charges from \$50 to \$125 per transaction in many states; and 7) does not cover all potential risk to a consumer, lender and future lienholder from negligence and intentional acts that might occur at a mortgage closing. He suggested the Task Force analyze prior discussions it had in 2008–2010 on an initiative to review the CPL to determine whether an insurance alternative made sense. Additionally, the *Title Escrow Theft & Title Insurance Fraud* white paper adopted by the Task Force in 2013 includes a section on CPLs that the Task Force should review again.

Mr. Byrd stated he believes this to be an important issue to look at and would fit under the Task Force’s current charges, requiring no additional charge to be developed. Additionally, he stated the Task Force should undertake the initial discussions before considering the formation of a subcommittee to examine the issue. The Task Force’s recently concluded survey of state laws related to title insurance would provide a great resource in examining how the CPL is being handled across the states. Louisiana took a positive step in 2011 when it enacted La. R.S. 22:515 of the Louisiana Insurance Code with specific revisions that brought CPLs into the title insurance arena fully.

Ms. Rafeld stated this proposal would be interesting for the Task Force to investigate. Ohio requires title agents to offer the option of a CPL to consumers. However, many consumers do not fully understand closing protections, many title agents gloss over them, and disreputable title agents are not likely to offer them at all.

Mr. Byrd stated he agrees. He stated there are only a few states that handle CPLs in the same manner as Louisiana. The Task Force should gain an understanding of how other states handle CPLs by reviewing a cross-section of information related to CPLs from the survey of state laws at the Fall National Meeting.

Ms. Rafeld stated it would also be beneficial for the Task Force to review any discussions on CPLs it has had in prior years. Mr. Byrd directed NAIC to include this information in the Fall National Meeting. Jennifer Gardner (NAIC) stated the NAIC will provide materials at the Fall National Meeting that include questions related to CPLs, including the related statutes, from the survey of state laws that was just updated earlier this year. NAIC staff will also compile discussions on CPLs from old proceedings it has collected for the Fall National Meeting.

Mr. Ailes stated ALTA supports looking into CPLs and would be available to present on the history of CPLs at the Fall National Meeting. He noted charge B and charge F both address CPLs. Mr. Byrd stated while they do cross over, charge F provides more focus on how CPLs should be addressed by the Task Force. Mr. Byrd stated there seems to be a consensus that the Task Force should address this issue at the Task Force level, as drafted in the 2020 proposed charges.

c. Proposed Additional Considerations

Mr. Philips suggested the Task Force consider the following: 1) whether searches and title plants should remain a requirement to issue title insurance when it is issued based on algorithms and if they need to be under separate regulations; 2) if CPLs should be

available upon request to everyone; 3) if insurers should back-up CPLs and hold the agents liable for error; 4) the relation of bonding and error and omissions; 5) best practice requirements; 6) assessing the current accountability of financial fiduciary responsibilities; and 7) if the Consumer Financial Protection Bureau (CFPB) enforces the federal Real Estate Settlement Procedures Act (RESPA).

Mr. Byrd stated these questions are important for the Task Force to consider and can be done within its currently drafted charges. The Task Force should consider discussing the CFPB's potential enforcement of RESPA at the Fall National Meeting. Mr. Philips supported this approach.

Ms. Rafeld made a motion, seconded by Mr. McKenney, to adopt the Task Force's 2020 proposed charges. The motion passed unanimously.

## 2. Discussed Other Matters

Mr. Byrd stated it should be noted that the Federal Trade Commission (FTC) issued an administrative complaint on Sept. 6 seeking to block the merger of Fidelity National Financial and Stewart Information Services. The FTC alleged the merger would substantially reduce competition in state markets for commercial title insurance underwriting. On Sept. 10, Fidelity National Financial stated it would pay \$50 million to Stewart Information Services to terminate their \$1.2 million merger.

Ms. Rafeld stated her state had a situation recently where a legitimate title company's web presence was hijacked by a Mexican timeshare resale scam operation. They were made aware of it after a consumer went to the legitimate company's location and was told they did not know anything. Other states are experiencing similar activity. The scam looks credible because it hijacks the corporate identity of a legitimate company from corporate registration information at the Secretary of State's Office by altering the names of corporate officers.

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

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