



TITLE WAVE

January, 2015

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DLTA MID-YEAR MEETING—MONTGOMERY MARCH 23, 2015



PROGRAM HIGHLIGHTS

- ❖ Ready to go paperless? Scott Fairbanks with Greenfolders and Amanda Brumbelow with WACO Title Company will show you how!
- ❖ Computer hackers, email encryption, passwords, oh my! It's all covered in a session from Michael Canfield
- ❖ E-Recording: How It Works
- ❖ The hot topic of Third Party Compliance and the CFPB will be discussed by Regions Bank's Third Party Compliance Manager
- ❖ Want hands-on training for the new closing disclosure? Then don't miss our 2 hour training sessions with Softpro, TSS and Landtech. You pick the session you want to attend!

HOTEL INFO

We have a limited number of rooms available at the rate of \$139 per night at the Renaissance Montgomery Hotel & Spa. You should call the hotel directly to make reservations at 334-481-5000.

Committee and Board of Directors Meetings will be held on Sunday, March 22, 2015 at the hotel. That evening, we will have an optional dinner for those who wish to attend.

Registration details will be distributed by email soon!

MESSAGE FROM THE PRESIDENT

Happy New Year! It's hard to believe that January is almost over. I hope 2015 is off to a great start for you. It has already been a busy year for DLTA. Your Board of Directors met in Birmingham on January 15th with a full agenda. Our productive meeting consisted of putting together our title school agendas, mid-year meeting updates, membership goals and other DLTA business. You'll hear all about it in this addition of the *Title Wave*.

Before we get too far into 2015, let's wrap up 2014! Since our last *Title Wave* was published, our Education Committees put together a title school in each state. I attended all three, and would like to commend the committee chairs and members for their hard work. All were a success thanks to our members and non-members alike. Thank you for supporting the title schools in your respective state!

I also had the privilege of attending the ALTA Annual Convention in Seattle last October. It was an honor representing DLTA on a national level. For those who attended in person or via the live webcast, you heard Doug Duncan speak at the general session. Doug is Fannie Mae's Senior Vice President and Chief Economist. No time was wasted upon our return from Seattle, and I'm happy to say that we have confirmed Mr. Duncan as a speaker at our annual convention in Sandestin!

Before we get to Sandestin, though, we will have our mid-year meeting coming up in Montgomery on March 22-23rd. We have a technology-themed meeting with emphasis on software training. You don't want to miss this unique opportunity to have hands-on training with your software provider.



Speaking of training, our title schools in Alabama (with MS and GA dates pending) have coordinated with The Koogler Group to provide you with the most in-depth training on the topic of the year – the new closing disclosure! Between the software training at mid-year and the in-depth training with The Koogler Group, DLTA members will be ready for the August 1 implementation of the new disclosure.

I'm sure you now agree that this has been a busy year for DLTA! We're just getting started, so be sure to join us at one, or all, of the upcoming events mentioned in this issue. I'll see you there!

Tammy Robbins
President

"You don't want to miss this unique opportunity to have hands-on training with your software provider."

ALTA ANNUAL CONVENTION—SEATTLE

Dixie Land Title Association was well represented in Seattle, Washington at the ALTA Annual Convention.



DLTA Immediate Past President Amy Niesen receives Title Action Network Award at ALTA Convention.

(L to R) ALTA CEO Michelle Korsmo and DLTA Immediate Past President Amy Niesen



(L to R) Charlie Gray, John Alwood, Tammy Robbins, Linda Alwood, Robbie Robbins and Amy Niesen enjoy the last social event at the ALTA Convention in Seattle.



(L to R) Amy Niesen and Tammy Robbins at opening night with Exhibitors in Seattle.

BREAKING DOWN LIABILITY FOR THE CFPB'S INTEGRATED MORTGAGE DISCLOSURES

As with most regulatory requirements, many things come down to which entities will be responsible when compliance issues come into question.

While the Dodd-Frank Act directed the Consumer Financial Protection Bureau to integrate mortgage disclosures required by the Real Estate Settlement Procedures Act (RESPA) and Truth-in-Lending Act (TILA), Congress did not provide direction on which statute trumps the other in terms of liability. Starting Aug. 1, 2015, a three-page Loan Estimate will replace the Good Faith Estimate and initial TIL disclosure, while a five-page Closing Disclosure will replace the HUD-1 and final TIL disclosure.

According to Ben Olson of the law firm Buckley Sandler, TILA and RESPA have very different liability. Under TILA, there is a private right of action for violations (with attorney's fees and costs). Statutory penalties can range up to \$4,000 for failure to properly provide certain disclosures.

"The bottom line is that there's a private right of action for violation of the TILA disclosure requirements with significant penalties and no private right of action for violations of the RESPA disclosure requirements for the GFE the HUD?1," Olson said.

Despite the lack of statutory private right of action where the individual borrower can go into court, the CFPB still has enforcement jurisdiction over both statutes and has the ability to impose significant penalties. Penalties can range from \$5,000 per day for a violation, \$25,000 per day for reckless violations and \$1 million per day for knowing violations.

The question that companies handling settlements have is what happens if something on the Closing Disclosure is inaccurate or what happens if the document is not provided within the prescribed timeframe. If the dominant statute is TILA, a company could find itself in court. If it's RESPA, a company would be subject to enforcement by the CFPB.

"The Bureau in the final rule did not provide a clear answer back to this," Olson said. "Instead, it pushed the question back to the underlying statutory provisions and said that the Bureau doesn't have the authority to allocate penalties for private rights of action. That authority was not granted by Congress and therefore you look to the statute."

The Bureau has directed companies to read the regulation's preamble and look to what the statutory authority was for the particular provision.

"This is not a scientific answer and I have not reduced to a single document the authority for every single item in here, but thus far I am not aware of many items, if any, that are not in one way or another based on TILA authority," Olson said. "Until that analysis is done, I think the safe assumption is that you are subject to a private right of action for all aspects of these rules."

- See more at: <http://alta.org/news/news.cfm?newsID=25741#sthash.4dUlwK7p.dpuf>

DLTA TITLE SCHOOLS

This fall, DLTA held title schools in all three states. This was a great opportunity for members and non-members to learn about the latest news affecting our industry on a national and state level. A special thanks to our Education Chairs and their committees for all of their hard work this year.

Alabama Title School—Mobile, Alabama



Laura Bryan with Softpro talks to Attendees about the CFPB.



Georgia Land Title School—Atlanta, Georgia



Amanda Calloway, DLTA Secretary and Georgia Education Chair, welcoming the attendees to the Georgia Fall Title School.



Mississippi Land Title School—Jackson, Mississippi



Stephen Reck, First American, and Joe Powell, Fidelity National Title Group, presenters at the Mississippi Title School.



WELCOME NEW DLTA MEMBERS

First name	Last name	Company	City	State
Amelia	Perkins	Amelia & Verla Title Services, Inc.	Robertsdale	AL
Charlotte	Christian	Charlotte Christian Law	Huntsville	AL
Thomas	Pilcher	First Baldwin Land Title	Robertsdale	AL
Joe	Gregory	Gregory Abstract	Montgomery	AL
Brad	Wilkinson	Home-Land Title	Flowood	MS
Calvin	McBride	J. Calvin McBride & Assoc., PC	Decatur	AL
Shannon	Crull	Members Title, LLC	Birmingham	AL
Goodman	Ledyard	Pierce Ledyard PC	Mobile	AL
Matthew	Rekers	PYA	Knoxville	TN
Dustin	Williams	Schwartz, Orgler & Jordan, PLLC	Gulfport	MS
Theron	Warren III	Sellers & Warren, P.C.	Woodstock	GA
Mark	Nelson	Southeastern Land & Title, Inc.	Tuscaloosa	AL
Lister	Crosby	Title Guaranty & Abstract Co., LLC	Mobile	AL

Proforma Title Adds Attorney to Staff

Kenneth St. John is a native of Birmingham, Alabama. He recently joined Pro Forma Title, Inc. as the organization's in-house attorney, serving in the capacity of Chief Counsel. He is a licensed member of the Alabama State Bar, admitted to practice law in the State of Alabama.

Mr. St. John received his *Juris Doctor* degree from the Birmingham School of Law (Class of 2014), where he graduated as the Salutatorian of his law class. While in law school, he was a member of the Judge Hugh Locke Honor Society and Sigma Delta Kappa law fraternity. Prior to attending law school, Mr. St. John completed his undergraduate studies at the University of Louisville (Class of 2010) with a Bachelor's of Science in Business Administration, major in Marketing. He was also a NCAA Division IA cheerleader for the school.

In his spare time, Mr. St. John enjoys spending time with his family and friends and his two dogs Diesel and Ginger.



Mark your Calendar September 10-12, 2015

Hilton Sandestin Beach Golf Resort & Spa
Destin, Florida



Featuring Doug Duncan, Fannie Mae Chief Economist



2015, THE YEAR OF THE CERTIFICATION— WHEN WILL YOUR LENDERS START ASKING?

BY: MATTHEW REKERS

2015 is the Year of the Goat/Sheep, according to the Chinese zodiac. Within the title industry, it may also be the “Year of Certification.” What do I mean by that exactly? Since January 2014, when amendments to Regulation X became effective for residential mortgage lenders, the American Title Association (ALTA) has been working to devise a means of compliance for title insurance and settlement companies. ALTA has developed a set of best practices (the Best Practices), which one might describe as a set of minimum internal controls, for title insurance and settlement companies to follow to assist lenders in satisfying their responsibilities. Implementing the Best Practices helps you protect yourself, your lenders, and ultimately your customers. Independent certification is necessary for lenders to ensure that title companies, with whom they have vendor relationships, have implemented the Best Practices.

So what is all of the fuss about? To give a little background, on January 10, 2014, amendments to Regulation X became effective for residential mortgage lenders, and based on Consumer Financial Protection Bureau (CFPB) Bulletin 2012-03, the lender’s title insurance and settlement companies will also need to comply. The CFPB will now hold mortgage lenders accountable for their relationships with third-party service providers. Since the CFPB has already started auditing mortgage lenders for risk-management compliance, lenders will only want to do business with title insurance and settlement companies that are also compliant with the CFPB rules. This is where ALTA decided to assist, by developing a set of uniform Best Practices to help its members highlight policies and procedures the industry exercises to protect lenders and consumers.

The good news is that, while the Framework is new, from an operational standpoint, many title insurance and settlement companies have already been applying similar best practices. The missing link may be that not all of your current operating practices are formally documented in your policies and procedures. Adopting ALTA Best Practices and having a third-party certify your company’s adoption can provide assurance that you are compliant with Regulation X.

The roll out of Best Practices may have caused many title companies some uncertainty—how, when, and where all of ALTA’s guidance would materialize. In late 2014, ALTA challenged its members to complete the implementation of Best Practices and perform a self-assessment. Fast forward to present—let’s look at what is going on now and potentially what is going to happen in the near future with Best Practices. ALTA has set the stage for the next step of certification. Several lenders have started requiring certification and others are still working out the implementation details of their compliance programs to include certification.

With this momentum in 2015, I believe there are two choices title companies can make. One: wait until their lenders require them to obtain independent certification. Two: be proactive instead of reactive, implementing Best Practices into your operations and written policies and procedures. Once confident that you are in compliance, your title company should engage a third party to evaluate your compliance with Best Practices, and then obtain certification.

With the CFPB’s focus on protecting consumers, along with the lender’s increased accountability over third-party vendor relationships, settlement and title companies will have a competitive advantage when they communicate their compliance with consumer protection regulations. Although assurance of a title company’s compliance with sound policies and procedures has been non-existent, the overarching need has been there for years, and ALTA has come up with a solution—Best Practices. So, it does not appear that the Best Practices will dwindle away.

Why is it important for title professionals to respond? Well, you can expect that your mortgage lenders will be watching and will have to take into consideration your company's responsiveness to becoming compliant with the Best Practices and obtaining certification. If you wait until your lenders start asking for certification, it may be too late.

What is the benefit of becoming an early adopter? Competitive advantage! Once you have obtained certification, you can immediately communicate your compliance to all of your lending customers. In addition, you can use your compliance and third-party certification in your marketing efforts to distinguish yourself from your competition. If, or when, your lender decides to require certification, will you be ready? Why wait to be asked? ALTA Best Practices make good business sense either way, so why not begin the adoption and implementation process today?

ALTA has come up with the solution. Lenders are taking note. Will you be ready for the Year of the Certification?

Matthew Rekers, CPA, CIA, is the Director of ALTA Best Practices Services Group for PYA, a certified public accounting and consulting firm and ALTA Elite Provider, which specializes in ALTA Best Practices implementation and certification. Mr. Rekers can be reached at mrekers@pyapc.com or (800) 270-9629.



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MARK YOUR CALENDAR

MARCH 9, 2015	GEORGIA LAND TITLE SCHOOL—ATLANTA, GA COBB GALLERIA CENTRE
MARCH 23, 2015	COMMITTEE AND BOARD OF DIRECTORS MEETINGS AT RENAISSANCE MONTGOMERY HOTEL & SPA, MONTGOMERY, AL
MARCH 24, 2015	DLTA MID-YEAR MEETING, MORTGOMERY, AL RENAISSANCE MONTGOMERY HOTEL & SPA, MONTGOMERY, AL
APRIL 6, 2015	ALABAMA TITLE SCHOOL—BIRMINGHAM, AL CAHABA GRAND CONFERENCE CENTER
APRIL 21, 2015	ALABAMA TITLE SCHOOL—MOBILE, AL MOBILE AREA ASSOICATION OF REALTORS FACILITY
MAY 5, 2015	ALABAMA TITLE SCHOOL—HUNTSVILLE, AL JACKSON CENTER IN RESEARCH PARK
SEPTEMBER 10-12, 2015	DLTA 2015 ANNUAL CONVENTION HILTON SANDESTIN BEACH GOLF RESORT, DESTIN, FL

Membership Goal 2015—20% Increase



DLTA VISION STATEMENT:

Dixie Land Title Association sets the standard for ethics, knowledge, and success in the land title industry.

DLTA MISSION STATEMENT:

The mission of Dixie Land Title Association is to promote the safe and efficient transfer of real property ownership through education, public awareness, and legislative advocacy.

DLTA COMMITTEES:

- Finance Committee
- Nominating Committee
- Education Committee
- Convention Committee
- Governmental/Legislative Committee
- Membership Committee

If you wish to participate as a member of one of these committees, please notify the Executive Director at 225-291-2806, or LAlwood@AOL.com.

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Baton Rouge, LA 70898

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www.DLTA.net

Join us at the beautiful Destin beach in September!



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