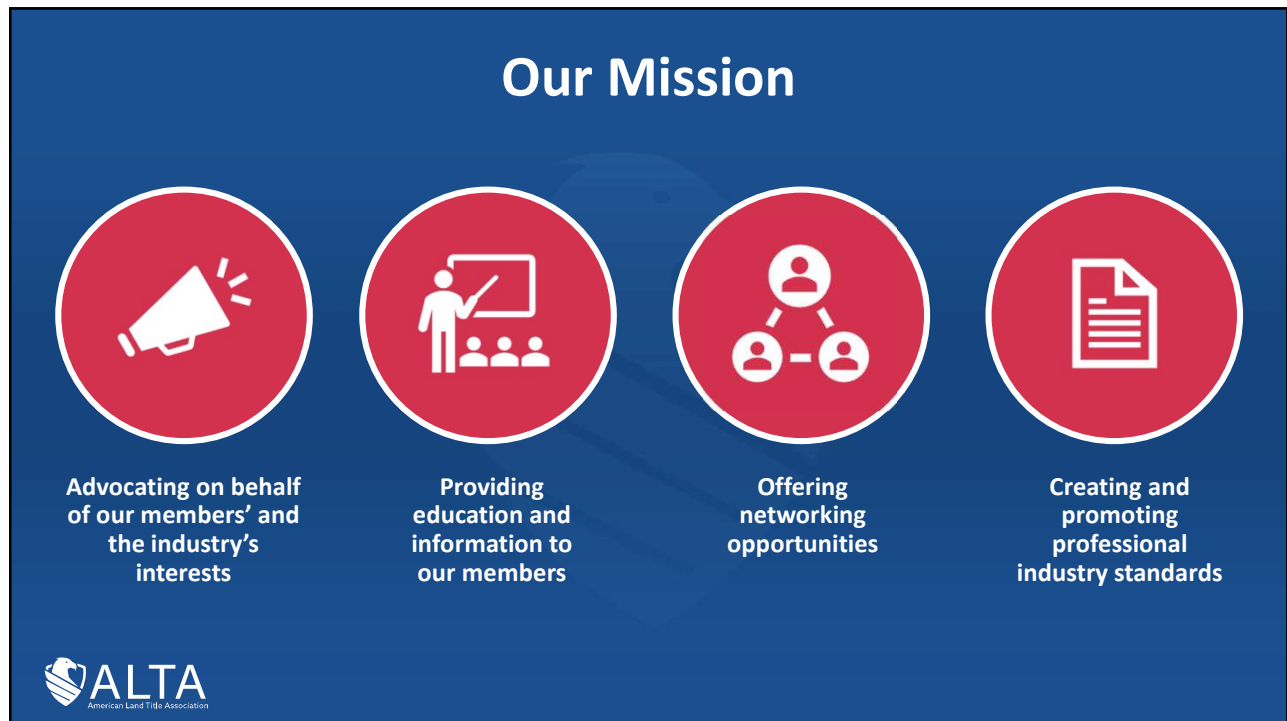


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2

## ALTA All Stars: Please Stand Up



3

## ALTA Names Chris Morton as CEO



- Background
- A little about Chris
- ALTA's priorities



4

## ALTA's Strategic Priorities



**Champion the title insurance industry and combat regulatory threats**



**Promote title insurance as the strongest protection for property rights**



**Succeed through adaptation and innovation**



5

## Champion the Title Insurance Industry



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## FinCEN Real Estate Anti-Money Laundering Rule

### • Impact on Title Industry

- Rule requires certain people involved in real estate closings and settlements to report information to the agency about all-cash residential transactions nationwide involving legal entities and trusts.
- Effective Dec. 1, 2025
- Expands on current Geographic Targeting Orders
- Proposed reporting form to comply with rule

**ALTA.ORG/FINCEN**

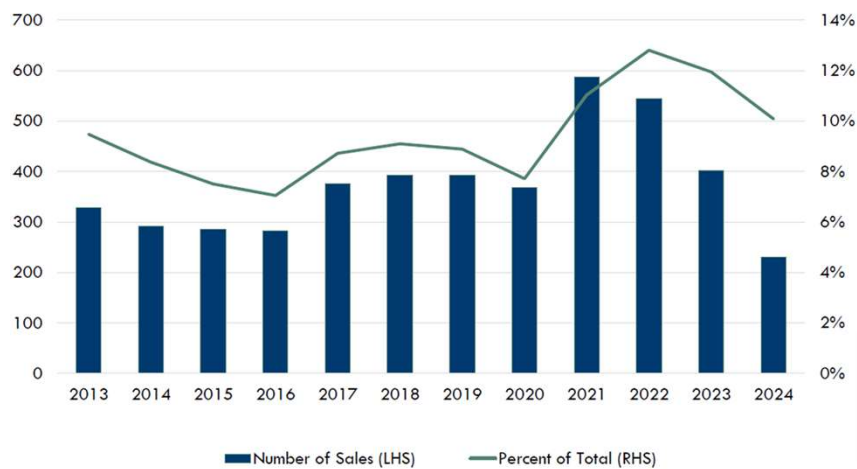


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## FinCEN AML Rule Impact on Industry

### U.S. All-Cash Home Sales to Legal Entities or Trusts

Number of Sales that Meet FinCen Criteria (LHS, 000's) and Percent of Total (RHS)



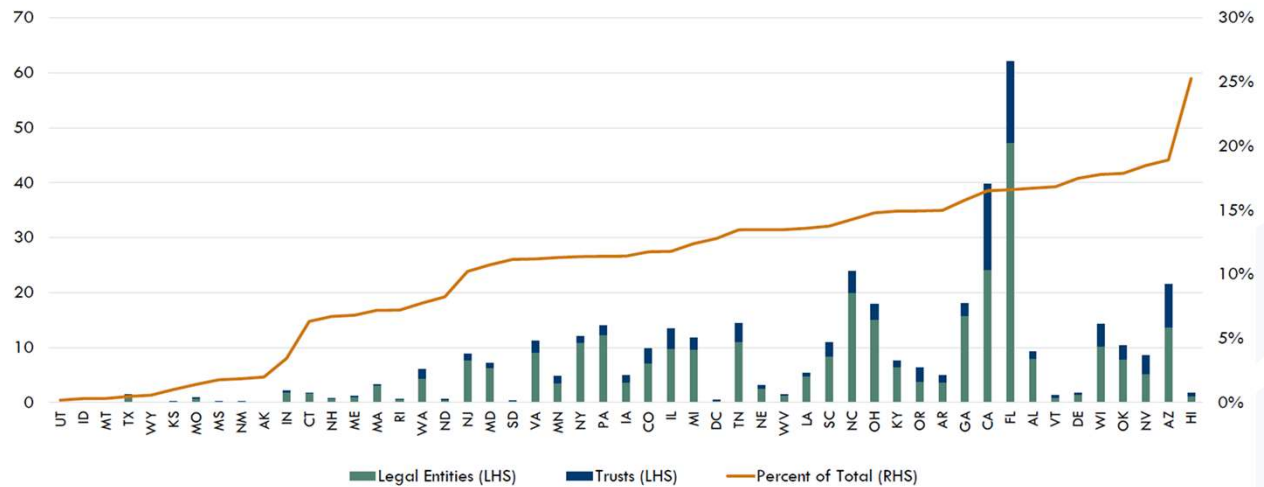
Source: First American Data & Analytics, First American Calculations, Oct. 2024

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## FinCEN AML Rule Impact on Industry

### 2023 All-Cash Home Sales to Legal Entities or Trusts by State

Sales That Meet FinCen Criteria ('000s, LHS) and Percent of Total by State (RHS)



Source: First American Data & Analytics, First American Calculations, Oct. 2024

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## Reporting Is Expensive

### • FinCEN Estimates

- 2.5 to 2.75 hours to file a residential real estate report.
  - 2 hours for collecting the information and
  - 30-45 minutes for filing the report.
- 50 minutes per employee for training and technology implementation
  - 75 minutes per employee in first year

### • FinCEN Estimates Industry Cost Between \$401.2 million and \$663.2 million per year

### • ALTA Urging FinCEN to Narrow Scope to Lessen Burden on Small Business



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## FHFA Title Acceptance Pilot

### • **Concern Over Fannie Mae's Pilot Grows**

- Senate Banking Committee Chairman Tim Scott and House Financial Services Committee Chairman French Hill letters criticize FHFA actions
- Bipartisan support against pilot at federal and state level
- Trump executive order calls for emergency relief for housing, particularly focused on increasing supply and reducing regulatory barriers to development
- ALTA urges Trump administration to hit brakes on pilot
- Bill Pulte confirmed as FHFA Director
  - It's a Different World: Pulte named chair of boards for both Fannie Mae and Freddie Mac
  - Freddie Mac CEO removed, other FHFA execs and employees put on leave
- Bipartisan Protecting America's Property Rights Act



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## FHFA Title Acceptance Pilot

### • **'More Big Government Programs Won't Solve Housing Affordability Crisis'**

- Article written by John Burnett, adjunct assistant professor at New York University
- Urges Trump administration to dial back federal overreach
- Calls pilot an "ineffective policy"

**"More broadly, the pilot program is an example of Washington ignoring state sovereignty with misguided policy that does nothing to fix the problem."**

### • **Fannie Mae plans for 2025 and 2026**



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## Unregulated Title Insurance Alternatives

- **Fannie Mae Expands Use of AOLs**

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



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## Key Takeaways

- **Continue efforts to educate policymakers:** Tell them about the importance of the role that title insurance plays in protecting property rights and reducing risk in real estate and mortgage transactions.
- **Talk to Your Customers:** This is an opportunity to connect with your customers and explain to them the benefits of title insurance and the protection it provides for their investment. ALTA has a host of material, including multilingual handouts, to help in these education efforts.
- **Title Action Network:** To help join the fight against the title waiver pilot and title insurance alternatives, please make sure you are member of the Title Action Network.

**ALTA.ORG/TAN**



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## Fannie/Freddie Multifamily Disbursements

- **Requirements changed for the handling of escrow and settlement functions involving mortgage transactions and the acquisition of multifamily properties**
  - Revisions in response to several fraudulent transactions where actual purchase price was not reported
  - ALTA engaged in discussions with GSEs on this issue



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## Potential GSE Reform

- **Speculation of Releasing Fannie Mae and Freddie Mac**
  - Treasury and FHFA in January announced an agreement to amend the Preferred Stock Purchase Agreements (PSPAs) with Fannie Mae and Freddie Mac
  - As talks progress, ALTA will continue to advocate for the interests of our industry to be clearly accommodated in any new system



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## Research and Data

- Title Insurance Curative Work Study
- Analysis of Claims and Claims-Related Losses in the Land Title Insurance Industry
- Economic Contributions of Title & Settlement Services Industries
- All available at ALTA.ORG



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## Curative Analysis

### SIGNIFICANT WORK IS REQUIRED TO CLEAR TITLES & CLOSE TRANSACTIONS

Homebuyers want to know they own their homes. Since many title issues can be discovered and potentially fixed prior to closing, title insurance companies invest heavily in title research and curative work (which requires far more than an online search of the public record) to protect property rights. Approximately 70 cents of every dollar paid at closing for title insurance and settlement cover this upfront expense.<sup>1</sup> Additionally, title insurance protects against unknown and unidentifiable risks, such as fraud and forgery.

*Time required to close a transaction*

#### Standard Files

**22**

Work  
Hours



#### Difficult Files<sup>2</sup>

**45**

Work  
Hours



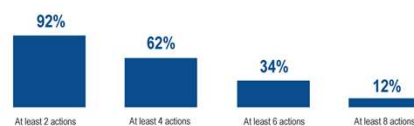
#### ✓ Ten tasks required in the closing process

1. Opening process
2. Title production
3. Clearing to close
4. Lender coordination
5. Non-curative closing requirements
6. Preparation of closing package
7. Signing process
8. Processing signed closing documents
9. Funding and disbursement
10. Final title policy issuance

### 36% OF CLOSING TRANSACTIONS REQUIRE SUBSTANTIAL CURATIVE WORK

Nearly all companies typically perform at least one curative action often or very often in order to produce a clean title. Of these companies, 62% address at least four curative issues per transaction, on average. Title insurance companies estimate that 36% of transactions require a substantial amount of curative work to clear the title.

*Number of curative actions typically taken by companies that perform at least one action "very often" or "often"*

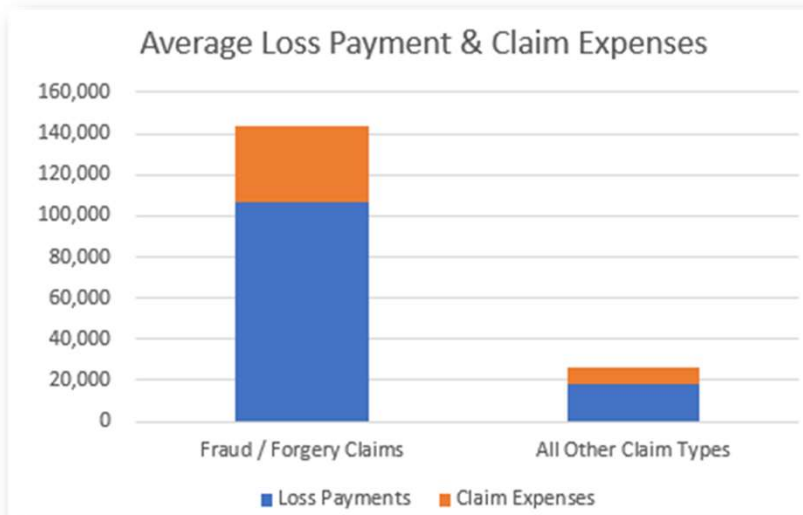


*Avg. share of transactions that require substantial curative work*



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## Claims Analysis



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## Economic Contributions

### JOBS

155K  
jobs supported at title and  
settlement companies

174K  
jobs supported by related  
consumer spending

231K  
jobs supported via  
purchases of goods and  
services from suppliers

560K total jobs  
supported

### WAGES AND BENEFITS

\$13B  
Wages and benefits supported at  
title and settlement companies

\$11B  
Wages and benefits supported  
by related consumer spending

\$19B  
Wages and benefits supported  
via purchases of goods and  
services from suppliers

\$43B total  
wages and benefits  
supported

### GDP

\$30B  
GDP supported at title and  
settlement companies

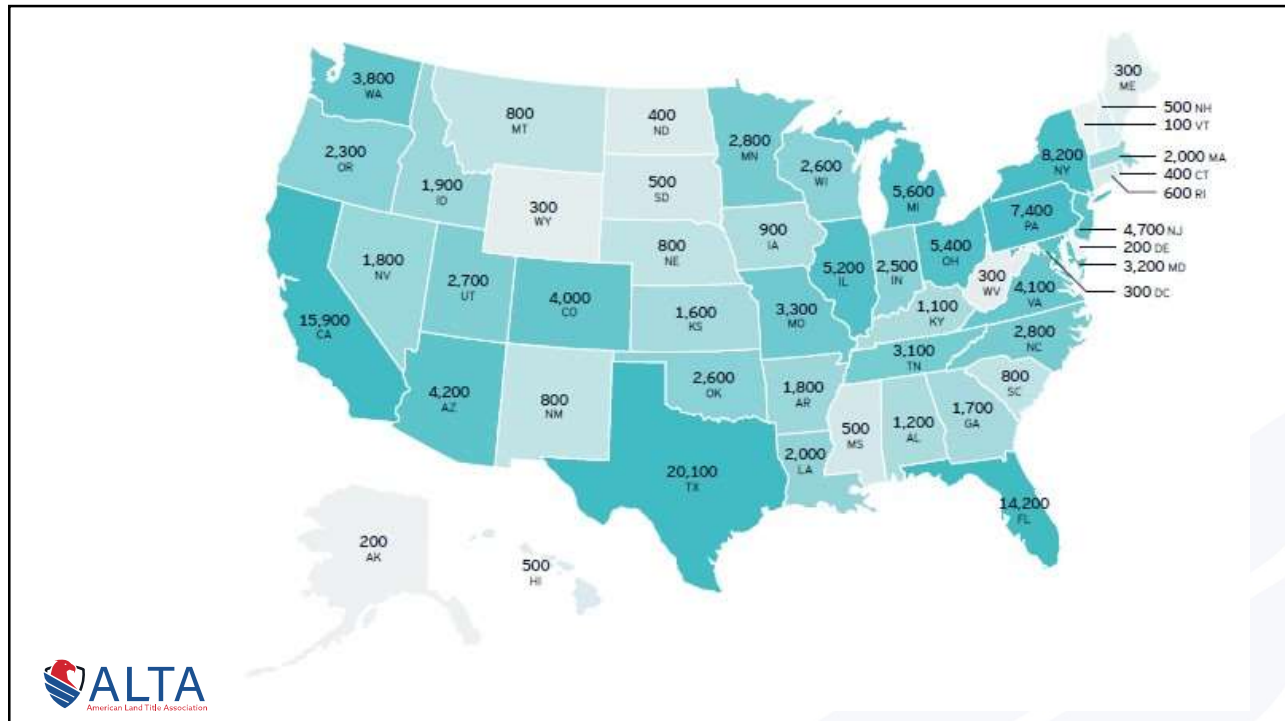
\$20B  
GDP supported by related  
consumer spending

\$32B  
GDP supported via  
purchases of goods and  
services from suppliers

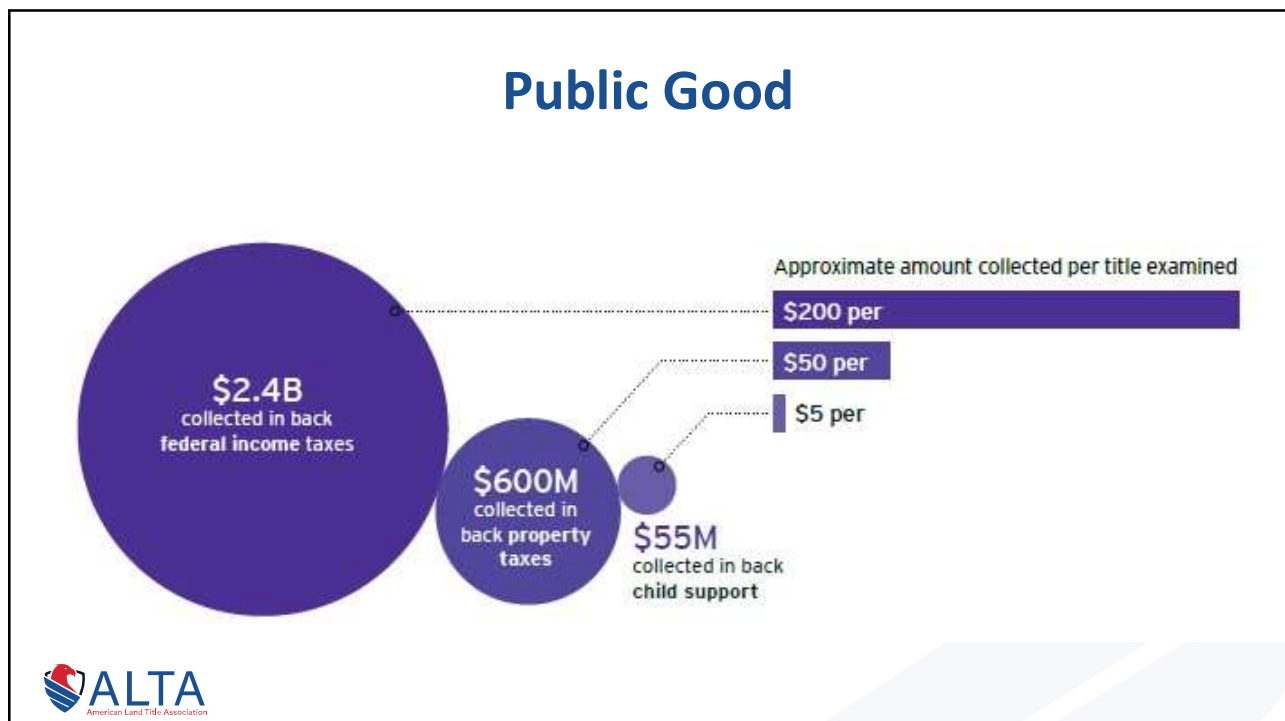
\$82B total GDP  
generated



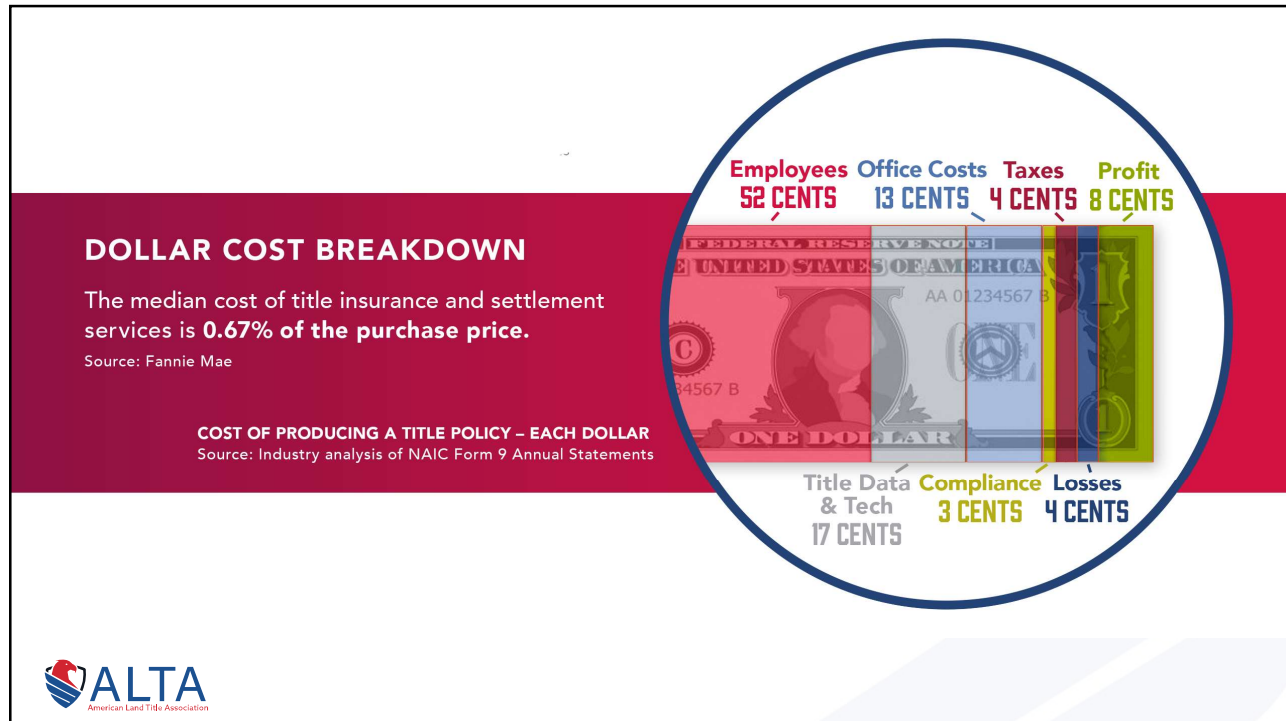
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## Promote Title Insurance



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## ALTA Policy Forms Update

- **New or Revised Forms**

- ALTA CPL – Single Transaction - Dual Issuing Agents or Approved Attorneys
- ALTA 28 Endorsement - Damage or Enforced Removal

**ALTA.ORG/POLICY-FORMS**



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## NTRAPS

- **Non-Title Recorded Agreements for Personal Services (NTRAPS)**

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



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## Heirs Property

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



### HEIRS' PROPERTY



#### What Is Heirs' Property?

When a person dies, their home, land or other real estate is treated differently than their personal effects and financial assets. If new ownership of a deceased person's property isn't determined through a will or court proceeding, and the deceased person didn't use alternative estate planning that doesn't require a probate proceeding, that property becomes heirs' property. Heirs' property is real estate that official government records indicate is owned by someone who is deceased, and maybe has been for multiple generations.

Estate planning such as a trust or transfer on death deed may help heirs avoid a probate process.



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## Consumer Education



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



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

**ALTA.ORG/HOMEOWNER**



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## ALTA Good Deeds Foundation

AMERICAN LAND TITLE ASSOCIATION



- Over \$1.2M awarded to 211 groups
- Text GOODDEEDS to 44321 or scan the QR code to donate



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## Adaption & Innovation



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## Artificial Intelligence

- **Transformative Force in Title Industry**
  - Drive efficiency and allows companies to scale operations
  - Not replacing human workers but acts as augmentation
    - AI can handle time-consuming, repetitive tasks
    - Allows staff to focus on generating revenue
  - Think of AI as having an intern
- **Artificial Intelligence Insights for the Title & Settlement Services Industry**
  - ALTA's Artificial Intelligence (AI) Report provides members with a brief history of AI, various member perspectives on the technology, and guidance for evaluating AI policies, resources, and applications to ensure safe and effective implementation.
- **How Does Your Operation Use AI?**
- **Data Privacy and Ethical Concerns**



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## Cybersecurity

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

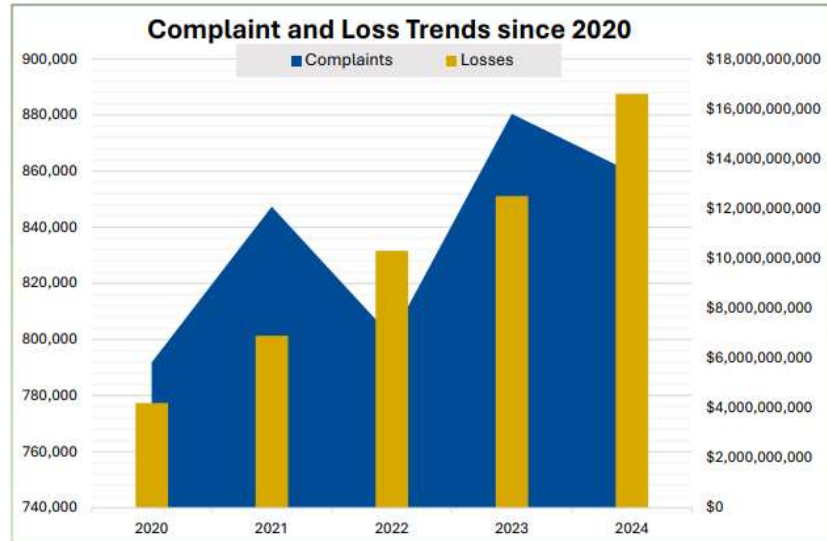


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## Cybersecurity

- **FBI: Cybercrime losses hit \$16.6 billion in 2024**
  - 16,302 complaints resulting in losses of \$242 million in Michigan



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## Fraud

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

### SELLER IMPERSONATION FRAUD IN REAL ESTATE



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

Fraudsters prefer to use email and text messages to communicate, allowing them to mask themselves and commit crime from anywhere.

Due to the types of property being targeted, it can take months or years for the actual property owner to discover the fraud. Property monitoring services offered by county recorder's offices are helpful, especially if the fraud is discovered prior to the transfer of money.

Where approved by state regulators, consumers can purchase the American Land Title Association (ALTA) Homeowner's Policy of Title Insurance for additional fraud protection.

### WATCH FOR RED FLAGS

#### CONSIDER HEIGHTENED SCRUTINY OR HALT A TRANSACTION WHEN A PROPERTY

- Is vacant or non-owner occupied, such as investment property, vacation property, or rental property
- Has no outstanding mortgage or liens
- Has a different address than the owner's address or tax mailing address
- Is for sale or sold below market value

#### CONSIDER HEIGHTENED SCRUTINY OR HALT A TRANSACTION WHEN A SELLER

- Wants a quick sale, generally in less than three weeks, and may not negotiate fees
- Demands proceeds be wired
- Wants a cash buyer
- Refuses or is unable to complete multifactor authentication or identity verification
- Is refusing to attend the signing and claims to be out of state or country
- Is difficult to reach via phone and only wants to communicate by text or email, or refuses to meet via video call
- Wants to use their own notary

SALES REPRESENTATIVE / PHOTO BY SHUTTERSTOCK

www.alta.org



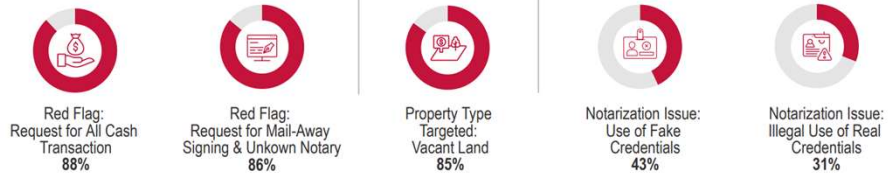
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## Fraud

### COMMON CHARACTERISTICS OF SIF HELP COMPANIES DETECT FRAUD

Fraudsters tend to favor properties that are not owner-occupied, like vacant properties, as well as all cash transactions and mail away-signings with use of their own notary. They also fake notarizations or use real credentials without permission.

*Common SIF characteristics and red flags that signal heightened risk of SIF in 2023 (Share of companies indicating the action was at least somewhat common)\**



- **Identifying & Combatting Seller Impersonation Fraud**
  - 28% of title companies experienced at least one of these incidents in 2023
  - Common characteristics of SIF included notarization issues and use of the property owner's legitimate non-public personal information
  - The vast majority of title insurance companies have adopted tools and resources to fight SIF.



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## Fraud



**[ALTA.ORG/TOPICS/WIRE-FRAUD](https://ALTA.ORG/TOPICS/WIRE-FRAUD)**



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## Digital Closings

- **SECURE Notarization Act**
  - H.R. 1777 was reintroduced in the House this Congress by Reps. Cliff Bentz (R-OR), Julie Fedorchak (R-ND) and Madeleine Dean (D-PA)
  - Bipartisan federal legislation that permits immediate nationwide use of remote online notarization (RON) with minimum standards and provides certainty for the interstate recognition of RON.
  - ALTA leads coalition in letter to House Energy and Commerce Committee Chair and Ranking Member



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## Digital Payment Methods/Good Funds

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



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- **Resources**

- [Good Funds Laws Chart](#)
- [Payment Rails - ALTA Use Cases](#)
- [Comparison Chart of Different Funds Transfer Systems](#)
- [ALTA Model Good Funds Legislation](#)
- [ALTA Model Good Funds Law FAQs](#)
- [Good Funds Industry FAQs](#)

**ALTA.ORG/ADVOCACY/TECHNOLOGY/GOOD-FUNDS**

## Get Involved in Advocacy



# TITLE ACTION NETWORK

**ALTA.ORG/TAN**

**Scan Me!**



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## Importance of Michigan in Congress

### 13 House Members, 2 Senators

#### Senate

- Sen. Gary Peters (D-MI)
- Sen. Elissa Slotkin (D-MI)

#### House

- Rep. Bill Huizenga (MI-04)
  - Member of the Bipartisan Real Estate Caucus
  - Member of the House Financial Services Committee
- Rep. Lisa McClain (MI-09)
  - Member of the House Financial Services Committee
- Rep. Rashida Tlaib (MI-12)
  - Member of the House Financial Services Committee



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## Michigan Political Engagement

- There are **229** Michigan Title Action Network (TAN) members, out of 6,878
- **8** Michigan ALTA Members have donated to TIPAC in 2025
- TIPAC has contributed **\$333,000** to **100** candidates & committees during the 2025-2026 election cycle



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## Upcoming ALTA Events



**Oct. 7-10**  
**New York, N.Y.**  
 New York Hilton Midtown

**ALTA.ORG/EVENTS**



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## ALTA Store



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## ALTA Membership



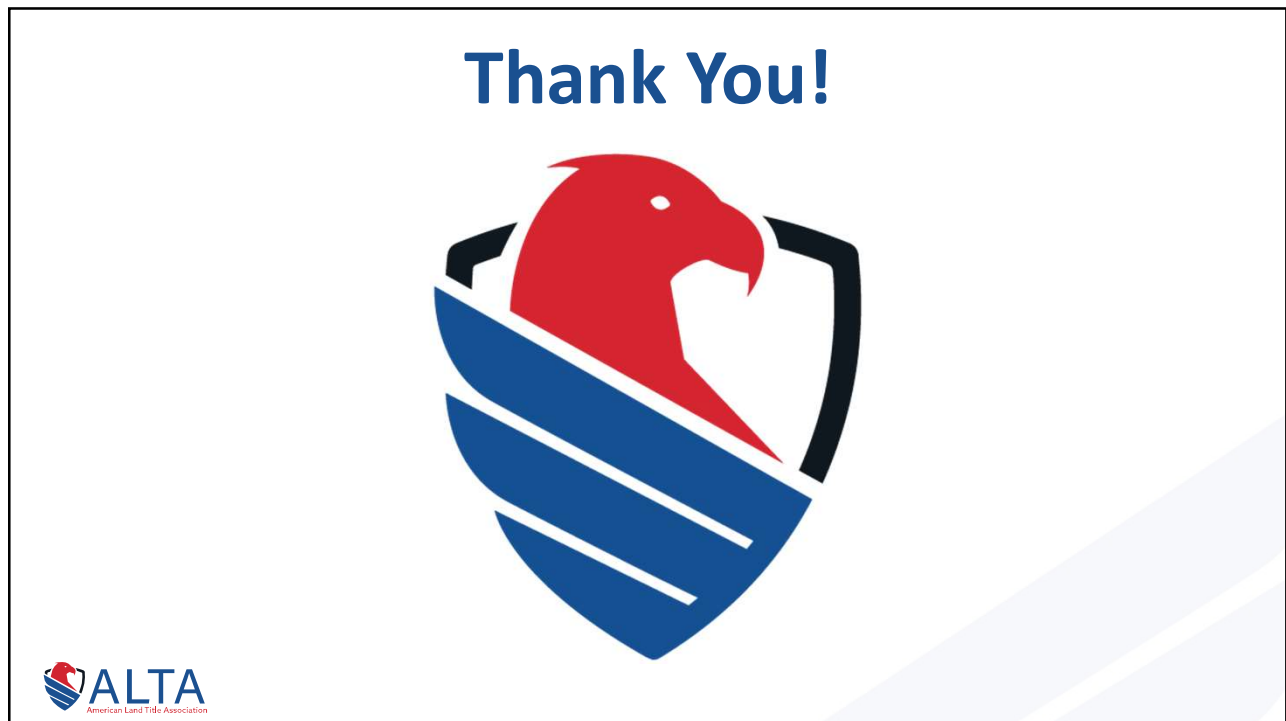
**ALTA.ORG/MEMBERSHIP**



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