

# ALTA Members Pledge to Uphold Principles of Fair Conduct

Dozens of title companies have pledged to adopt the principles of Fair Conduct. We interviewed several of them to learn how the Principles are being put into action.

**I**n the last issue of Title News, we announced the launch of the Title Industry Consumer Initiative, ALTA's multi-faceted strategy to educate and empower consumers, promote high standards of ethical and legal conduct among members, and work more closely with legislators and regulators at the state and federal level.

The centerpiece of the Initiative is the Principles of Fair Conduct. The principles were created to promote the highest standards for ethical and lawful behavior within the title industry—behavior that best serves the needs and interests of consumers who pay for our products and services.

The principles are more than lofty ideals. They include specific actions that members can take and implement within their organizations.

by Michelle Sweet



At press time, more than 45 ALTA members and 11 state and regional affiliated land title associations have pledged to support the principles. To find out how members feel about the principles, ALTA's role, and what specific actions they are taking to implement them, we interviewed a cross section of large and small title agencies from different regions throughout the country, as well as several underwriters and a state land title association. Here's what they had to say.

#### Land Title Guarantee Company (LTGC), Denver, CO

LTGC employs 700 people in more than 50 offices throughout the state of Colorado. After the principles were launched, the company immediately initiated a series of internal discussions with employees to talk about the values the company embodies, and the importance of educating their customers.

"Our company is proud to be a part of the title industry, proud of our employees, and proud to support the Consumer Initiative," said Diane Evans, vice president of LTGC. "It is vitally important that consumers, real estate professionals, and legislators understand what we do."

Evans believes that everyone in the industry has suffered from the "bad actors" and the negative attention that has generated, and she would like to see the focus placed on the vast majority in the industry who are doing everything right. She is pleased that ALTA has taken this proactive step.

"Who else but ALTA, as our national trade association, is better suited to voice the value we place on the economy, the service we provide in maintaining our real estate records,

and the need for that independent party to facilitate a consumer's real property transaction," said Evans. "This Initiative is the first step in reaffirming our value in the 'American dream' of homeownership."

#### Fidelity National Title Group, Jacksonville, FL

Fidelity National Title Group comprises five respected title insurance underwriters throughout the country, Chicago Title, Fidelity National Title, Ticor Title, Alamo Title, and Security Union Title. Through its direct operations and agencies, Fidelity provides title insurance in 49 states and the District of Columbia.

Chris Abbinante, president of Fi-

## ■ If you would like to take the pledge and add your company or association to the list, contact Ed Miller.

delity National Title Group's Eastern Operations, is passionate about the title industry and the vital role it plays in the real estate process. His company takes very seriously the importance of adherence to the laws and regulations governing title insurance.

Fidelity hired a former U.S. attorney to oversee the company's compliance efforts and is cooperating with the FBI on mortgage fraud investigations. They've also installed a fraud hotline, strengthened their auditing programs, and stepped up their agent training efforts.

"The negative attention we've received over the last several years, and the focus on the few who have behaved badly, has affected us all,"

said Abbinante. "We have to stop letting others tell our story. We need to let the public know that what we do has value. Our number one focus should be on the consumer and helping them fulfill their dream of homeownership."

#### TiTan, Wyoming, MI

Judy Sasfy is managing partner of The Independent Title Agents Network (TiTAN), a nationwide title agent referral network. She enthusiastically supports the principles, and has begun to ask all her new applicants to pledge to uphold them.

Sasfy's company sets a great example of working cooperatively with regulators. Prior to launching the

business in June 2007, they met with HUD officials.

"Because our business involves referrals, we wanted to make sure our company was structured properly so that we were in compliance with RESPA Section 8," said Sasfy.

The report by the U.S. Government Accountability Office released in April 2007 strongly encouraged this kind of two-way cooperation between members of the title industry and regulators at the state and federal level. The report also recommended that HUD officials respond in a timely manner to industry requests for clarification on RESPA guidelines. TiTAN's actions are a tangible example of putting this into action.

#### Thomas Title & Escrow, Scottsdale, AZ

Thomas Title & Escrow is a seven-member firm that provides title insurance, real estate settlement, and escrow services in Arizona. The company was founded in 2006 by ALTA member and company President Frank Busch.

Thomas Title & Escrow follows the practice of regularly disseminating federal and state legislative action to clients and staff, as well as relevant articles from title industry publications that emphasize best practices. The company also conducts a variety of education presentations for clients to help them better understand the process. Perhaps the most unique approach to consumer education was the creation of a blog, called The Title Trove. Through this medium, they are educating their clients on a wide range of topics, from basic definitions to more complex issues such as broken priority.

"For our company, adopting the ALTA principles was a natural fit because they address two of our hot buttons: industry practices and commitment to our clients," said Busch. "We need to be more assertive in promoting the important role we play in protecting real estate, and we need to be more assertive in self-policing within our industry."

#### First American Title Insurance Company, Santa Ana, CA

First American Title Insurance Company, a subsidiary of The First American Corporation, operates through an extensive network of agents and hundreds of offices throughout the United States and internationally.

First American has a corporate compliance director and segment

compliance officers in place throughout the organization that oversee industry compliance, including title segment divisional compliance officers and coordinators. The company has integrated employee training programs in RESPA law, ethics, information security, and other key conduct practices. Also, management is encouraged to proactively reach out to the regulators and legislators in their states to ensure communication and understanding of expectations and practices.

"The act of putting these clear principles in writing allows us, as an industry, to consistently measure how we conduct business and provides us with an ongoing measure of oversight," said Curt Johnson, president of First American Title. "I think they also help to clarify for consumers, regulators, and legislators that we do, in fact, uphold these good principles on a daily basis."

#### Illinois Land Title Association, Springfield, IL

The Illinois Land Title Association (ILTA) board of directors met in October 2007, shortly after the Initiative was launched, and passed a motion to officially adopt the ALTA principles.

The association lost no time in taking proactive steps to implement them. In addition to posting the principals on the ILTA Web site, and promoting them to members through the association newsletter, the membership application now asks new members to pledge adherence to the principals.

The association's PR committee is working on a poster of the principles suitable for framing so that their members can post them in their offices. And a new promotional DVD being developed for prospective

members will include a brief segment on the principles.

"This is such a positive step, and ALTA is to be commended for showing leadership," said Executive Director Michael Lane. "But the Principles alone mean nothing without action. We have to take action. And we need to keep telling our members about them to keep them alive."

#### PRINCIPLES COMMITTEE

ALTA approved the creation of a new standing committee that will review the Principles on a regular basis to ensure that they remain relevant and timely and continue to reflect the needs of members and the customers they serve. Immediate past President Greg Kosin, under whose leadership the Consumer Initiative and Principles were launched, has agreed to chair the committee.

"We have taken a big step by proclaiming to our constituents that our industry is serious about these principles," said Kosin. "As we move forward, it will be up to each one of us to let our actions speak louder than our words."

For a current list of ALTA members and state associations that have pledged to adopt the principles, go to ALTA's Web site, under The Title Industry Consumer Initiative tab, at [www.alta.org](http://www.alta.org). If you would like to take the pledge and add your company or association to the list, contact Ed Miller at 800-787-2582, ext. 214, or [ed@alta.org](mailto:ed@alta.org).



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