



Compliance

In 2012, the issuance of Bulletin 2012-03 by the Consumer Financial Protection Bureau (CFPB) raised the bar for all lending institutions by attaching direct liability for the actions of their third party service providers. Consequently, greater focus has been placed on vetting procedures and the selection of vendors. In response, the American Land Title Association (ALTA) created a Best Practices framework to address the concerns of the lending community. We are pleased to share our compliance standards with you.



“Establish and maintain current License(s) as required to conduct the business of title insurance and settlement services.”

- ✓ Properly licensed, insured and bonded in each state where we directly issue title insurance and provide settlement services.
- ✓ Compliant work share arrangements in states where we rely on a third party.
- ✓ Participation in programs, conferences and seminars to meet or exceed state specific Continuing Education (CE) requirements.



“Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation.”

- ✓ Escrow Accounting Manual created to document procedures and establish controls to increase security and reduce risk.
- ✓ Escrow accounts established with well capitalized, federally insured financial institutions. Daily account reconciliation required.
- ✓ Criminal Background and Motor Vehicle inquiry requirement for all new employees and credit inquiry for those with account access.



“Adopt and maintain a written privacy and information security program to protect Non-public Personal Information as required by local, state and federal law.”

- ✓ Information Technology Plan to identify potential risks and establish procedures to improve data security.
- ✓ Disaster Recovery Plan to ensure data backup and recovery of applications, networks and systems.
- ✓ Privacy Plan and Clean Desk Policy to define and establish acceptable standards related to the handling of non-public personal information (NPI).



“Adopt standard real estate settlement procedures and policies that help ensure compliance with Federal and State Consumer Financial Laws as applicable to the Settlement process.”

- ✓ Electronic rate and fee calculator to ensure accurate title insurance, settlement and recording fee quotes.
- ✓ Tracking and reporting created to monitor document recordation process.

- ✓ Electronic document recordation in participating jurisdictions.
- ✓ Corporate training programs provided for education and awareness.



“Adopt and maintain written procedures related to title policy production, delivery, reporting and premium remittance.”

- ✓ Comprehensive annual underwriter audits. Agent in Good Standing status with all of the major underwriters.
- ✓ Process controls for title search, examination, production and remittance procedures that meet the standards required by state law.
- ✓ Automated (RamQuest) title production, closing procedures and audit checklists.



“Maintain appropriate professional liability insurance and fidelity coverage.”

- ✓ Professional Liability/Errors and Omissions insurance policy.
- ✓ Compliance with state specific requirements for surety and fidelity bond coverage.
- ✓ Additional cyber liability insurance policy coverage.



“Adopt and maintain written procedures for resolving consumer complaints.”

- ✓ Consumer Complaint Manual created to identify, define, document and resolve consumer related issues in an expedient manner.
- ✓ Compliance with underwriter standard claims policy and procedures.

To learn more about ALTA Best Practices, please visit www.alta.org/bestpractices/index.cfm

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