



# **10 Years After: A Refreshed Look at Best Practices**

Presented by  
LEGAL EDUCATION DEPARTMENT  
of  
Attorneys' Title Fund Services, LLC

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All references herein to title insurance policy forms and endorsements are intended to refer to the policy forms and endorsements issued by Fund members as duly appointed title agents of Old Republic National Title Insurance Company.

These materials are for educational use in Fund seminars. They should not be relied on without first considering the law and facts of a matter. Legal documents for others can only be prepared by an attorney after consultation with the client.

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# 10 Years After: A Refreshed Look at Best Practices

Linda Monaco, B.C.S.  
Senior Legal Education Attorney

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## Overview

- **Part 1 – 1 hour**
  - Background
  - Basic information
  - **Pillar 1**
    - Licensing
  - **Pillar 6**
    - Professional Liability Insurance
- **Part 2 – 1 hour**
  - **Pillar 5**
    - Title Policy Procedures
  - **Pillar 3**
    - Privacy and Information Security
  - **Pillar 4**
    - Settlement Processes
- **Part 3 – 30 min.**
  - **Pillar 2**
    - Escrow/Trust Accounts
  - **Pillar 7**
    - Resolving Consumer Complaints
  - Review and resources

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## Reaction to CFPB April 13, 2012, Bulletin

- Lender is responsible for the actions of all vendors
  - Settlement agent
- ALTA's Best Practices
  - Seven pillars

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CFPB Bulletin 2012-03

Date: April 13, 2012

Subject: Service Providers

The Consumer Financial Protection Bureau ("CFPB") expects supervised banks and nonbanks to oversee their business relationships with service providers in a manner that ensures compliance with Federal consumer financial law, which is designed to protect the interests of consumers and avoid consumer harm. The CFPB's exercise of its supervisory and enforcement authority will closely reflect this orientation and emphasis.

This Bulletin uses the following terms:

*Supervised banks and nonbanks* refers to the following entities supervised by the CFPB:

- Large insured depository institutions, large insured credit unions, and their affiliates (12 U.S.C. § 5515); and
- Certain non-depository consumer financial services companies (12 U.S.C. § 5514).

*Supervised service providers* refers to the following entities supervised by the CFPB:

- Service providers to supervised banks and nonbanks (12 U.S.C. §§ 5515, 5514); and
- Service providers to a substantial number of small insured depository institutions or small insured credit unions (12 U.S.C. § 5516).

*Service provider* is generally defined in section 1002(26) of the Dodd-Frank Act as "any person that provides a material service to a covered person in connection with the offering or provision by such covered person of a consumer financial product or service." (12 U.S.C. § 5481(26)). A service provider may or may not be affiliated with the person to which it provides services.

*Federal consumer financial law* is defined in section 1002(14) of the Dodd-Frank Act (12 U.S.C. § 5481(14)).

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## ALTA's Best Practices

- Introduced in 2013 – 10+ years ago!
- Way to build confidence with lenders
- Way to stop each lender vetting each closing agent
- Was lender focused
- Written office practices in 7 areas (7 pillars)
- Framework was updated in 2013, 2016, 2019 and 2023
- 2023 update is consumer focused
- Good guide for the office

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## ALTA's Best Practices

- 2013 to help bank have confidence in settlement agents
- Version 4.0 published 1/23/2023 effective 5/23/2023
- Focuses on
  - Consumer experiences in transaction and
  - Continual improvement to operations in
    - Safety
    - Consumer experience
    - Efficiency

## Title Insurance and Settlement Company Best Practices

*Version 4.0*



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## Status of ALTA's Best Practices

- Are lenders really asking for ALTA's Best Practices?
  - Yes, sometimes
  - Review lender requirements
- When lenders ask, it is too late to draft
- It represents what you do every day
- Helps your office run more efficiently
- Guide for your employees
- Samples located:
  - <https://www.thefund.com/information-center/best-practices.aspx>



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## ALTA's Best Practices

- ALTA's Framework updated as needed
  - Now on version 4.0
- Banks have been sporadic in request
- [www.thefund.com](http://www.thefund.com)
  - Resources
    - Deep Dive
      - ALTA Best Practices



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## Self-Certification

Date:  
Subject: ALTA Best Practices

We are providing this letter in connection with the ALTA Best Practices Framework ("Framework") dated January 23, 2023. We intend that it be considered by any consumer, mortgage originator or mortgage servicer doing business with our company during the 24-month period following the date of this letter.

**"Company"** has implemented the ALTA Title Insurance and Settlement Company Best Practices ("Best Practices") dated January 23, 2023. As of the date of this letter, we comply with the Best Practices in all material respects.

We represent that, during the 24-month period commencing on the date of this letter, we will remain in material compliance with each of the Best Practices.

Attached to this letter, please find (i) our ALTA Best Practices Manual, and (ii) a copy of the current Declarations Page for our errors and omissions or professional liability insurance.

Sincerely,  
\_\_\_\_\_, President  
"Company"



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## The 7 Pillars of ALTA's Best Practices

Implementation of a set of industry best practices developed by ALTA can help title professionals meet new market demands by proving regulatory compliance and that funds and information are being protected, which could help capture increased market share.

### 1 Licensing

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

### 2 Escrow/Trust Accounts

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

### 3 Privacy & Information Security

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

### 4 Settlement Processes

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.

### 5 Title Policy Procedures

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

### 6 Professional Liability Insurance

Maintain appropriate professional liability insurance and fidelity coverage.

### 7 Resolving Consumer Complaints

Adopt and maintain procedures for resolving consumer complaints.

## Implementing ALTA's Best Practices

### 4. Settlement Processes

Here you will find materials, source documents and other resources that will assist you in implementing ALTA's Best Practices for your agency. The template source documents can be downloaded for your use and manipulated to fit the processes of your agency. Feel free to use all the sample text, none of the sample text, or mix and match. Just click on the link, save the document to your computer and start the process of documenting your "best practices."

[ALTA Best Practices Pillar #4 - Recording & Pricing Procedures Fund Concept Article \(PDF Instructions\)](#)  
[SAMPLE - Settlement Processes 2023 \(.docx\)](#)  
[SAMPLE - Recording Log \(.xls\)](#)

Is there something missing that you would find helpful? Contact us at [bestpracticequestions@thefund.com](mailto:bestpracticequestions@thefund.com) and we will work to expand our library of resources to suit your needs.

### Tools and Reference Materials

#### DoubleTime

A complete, comprehensive, and flexible real estate closing software package. From Title Commitments to Closing Statements to 1099s, DoubleTime assists you every step of the way.

#### ePolicyManager

ePolicyManager provides our members with electronic serialized jackets and the ability to submit their policy forms to The Fund electronically. This is available to members who do not use DoubleTime as their Closing Software.

#### Rating Worksheets

The Fund is pleased to provide these Rating Spreadsheets to help you calculate promulgated rates and Fund remittances.

Interpretation of compliance with ALTA's Best Practices may vary from party to party. The use of these source documents does not guarantee customer or regulator acceptance or compliance with the American Land Title Association's Best Practices, nor any guarantee of customer relationships.

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(Insert name of entity/agency)

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 1:</b> <b>Establish and maintain current License(s) as required to conduct the business of title insurance and Settlement services.</b>	
1.01	Confirm that Company has a process for monitoring and tracking the current License(s) as required to conduct the business of title insurance and settlement services.	Y / N
1.02	Confirm the active status of Company and/or individual Licenses/registrations for each state in which Company conducts business. In states where Title Insurer appointments are required, ensure that Company and/or individual producers are appointed by each Title Insurer as applicable.  Documentation reviewed may include actual licenses, Department of Insurance or appropriate state regulatory agency websites/screenshots, Bar Association status, corporate registration(s), business registration(s), evidence of appointments with the state, and other documentation as applicable to state/license.  Sample Selection: <ul style="list-style-type: none"><li>Review a list of states in which Company conducts business and a list of licensed employees. Select a sample of files and verify that Company and/or individual(s) disbursing or signing documents maintain appropriate current and valid licensing in accordance with the state's laws and regulations.</li></ul>	Y / N
1.03	View Company's active ALTA Policy Forms License or verify compliance on ALTA website.	Y / N
1.04	For each Company office location performing settlement services, verify that Company has established a listing in the ALTA Registry (subject to those business entity types supported by the ALTA Registry).	Y / N

Policies and Procedures								
Licensing (Small Office)								
Policy	(Insert name of entity/agency), (hereinafter "The Firm") shall maintain all mandated licenses and corporate registrations (as applicable) so that it is able to remain in good standing in Florida. The Firm is small and consists of (insert the number of attorneys) attorneys and (insert the number of support staff) support staff. The Firm only conducts business in Florida.							
Procedures	<b>Licensing (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)</b>  The Firm maintains active business entity licenses in Florida (delete this sentence if you are not a business entity like LLC or P.A. etc.). The Firm's employees maintain active attorney, paralegal, and notary licenses in Florida, as applicable, the only state in which The Firm's employees practice and perform services.  Business licenses are maintained by (insert title of position i.e., Attorney or the name of the attorney) and updated annually. Copy of the same may be obtained from <a href="http://www.sunbiz.org">www.sunbiz.org</a> . The website will also be reviewed for any changes in requirements.  <b>Business License</b> <table><tr><td>Name</td><td>Formation date</td><td>Last annual report</td></tr><tr><td>Law Group, LLC</td><td>01/15/2005</td><td>01/15/2023</td></tr></table> <b>Attorneys</b> Attached is a printout of the current completed continuing education courses for each attorney with The Firm from the Florida Bar website.  Each attorney receives an annual bar dues statement requiring certification of compliance with continuing education requirements. The attorney will review the Florida Bar website for their continuing education completed courses. A printout of the completed courses will be attached to this policy, annually.  Rule 6-10.3, F.B.R. Minimum Continuing Legal Education Standards, is reviewed annually for any changes in requirements. A copy is attached.  <b>Paralegals</b> Attached is a printout of the current completed continuing education courses for each Florida registered paralegal with The Firm from the Florida Bar website.		Name	Formation date	Last annual report	Law Group, LLC	01/15/2005	01/15/2023
Name	Formation date	Last annual report						
Law Group, LLC	01/15/2005	01/15/2023						

(Insert name of entity/agency)

[www.insert.web.address.com](http://www.insert.web.address.com)

Disclaimer:

These policies and procedures are samples only and may not be used without customization to accurately reflect the agent's own policies and procedures.

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# Basic Information

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## Size Matters

- “The scope, complexity, and size of each CFPB-supervised institution’s lending operations vary, and we expect that compliance management systems will be calibrated accordingly.”
  - CFPB Bulletin 2013-11, October 9, 2013
- “Large banking organizations with complex compliance profiles . . . will likely manage compliance differently than entities that may be owned by a single individual . . . .”
  - Supervisory Highlights, Summer 2013, CFPB

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## Basics – Policy

- What should be done
  - Written statement outlining and defining
    - How your company will conduct business during
      - Regular and
      - Special circumstances
    - Why this policy is in place
- Rules of the company
  - Example – policy on dress code



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The Fund

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## Basics – Procedure



- How to do policy
- Instructions to implement policy
  - Step by step
- Should contain sufficient detail so that anyone will understand how to comply
  - Dress code example

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The Fund

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## Goals

- Drafting
  - Connect policy (goal) to steps in procedure
  - **Clear**
  - **Simple** (KISS – Keep It Simple Silly)
  - Easy to understand
  - Include
    - Monitoring or checking provision
    - Written employee acknowledgement
    - Training for employees
    - Job titles (instead of employee's names)



Friday only

## Goals

- ✓ Check – can anyone (employees, lenders, clients)
  - Read policies and procedures
  - Understand and follow the directives?
- Train all
  - Employees and
  - New hires
- Have trained employees sign an acknowledgement
- Review, each policy and procedure should be
  - Signed and dated
  - Reviewed at least annually
    - Update the signature and date

## Easy Way Out?

- Copy the policies and procedures and change the company name to our name?
- Is there an easy way to draft?

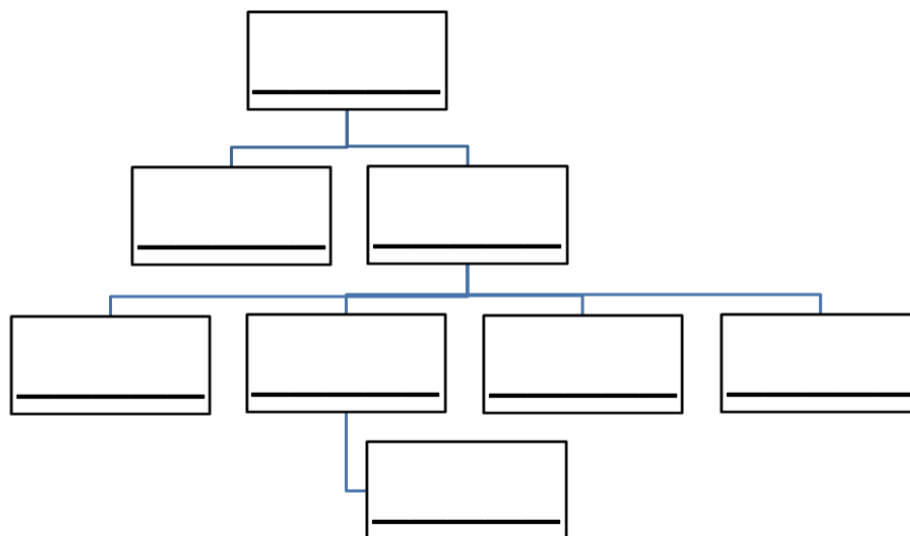
# NO!!

- Policies and procedures **SHOULD** reflect how your business actually works
- Review provided tools

## Job Function

	Job function	Management Employee Subcontractor	Name of employee or Name of subcontractor and phone number	Current job title	Desired job title
1.	Licensing				
	The Fund				
	ALTA				
	State of Florida				
	County				
	City				
	FL Bar				
	NALA				
	DFS				

## Organizational Chart



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## Checklist

### ✓ Management

- ✓ Review
- ✓ Sign
- ✓ Date

### ✓ Who

- ✓ Who will review
- ✓ General oversight
- ✓ Tracking
- ✓ Responsible for data input
- ✓ Maintenance
- ✓ Introduction to staff
- ✓ Training

### ✓ What

- ✓ Log
- ✓ Acknowledgements
- ✓ Other information

- ✓ Resources checked for review

### ✓ Where

- ✓ State in which you practice
- ✓ Location hard copy (logs, acknowledgements and other information)
- ✓ Location digital copy (of same information above)
- ✓ Resources for review

### ✓ When

- ✓ Review
- ✓ How long to retain records
- ✓ Notify supervisor

### ✓ Why

- ✓ Policy should have why it is in place

### ✓ How

- ✓ Step by step

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## Minimum for Each Pillar

- Management to
  - Review
  - Sign
  - Date
- Log
- Train staff
  - Staff to sign acknowledgment
- Annual review of each pillar

# Licensing

## Pillar 1

## 1 Licensing

- Establish and maintain current License(s) as required to conduct the business of title insurance and settlement services
- Purpose: Maintaining
  - State mandated insurance licenses and
  - Corporate registrations, as required, to
  - Ensure compliance with the state requirements for operations



## 1 Gather Information

- Minimum Requirements
  - Florida Bar
    - Attorneys
    - Registered paralegals
  - Department of Financial Services (DFS)
  - American Land Title Association (ALTA)
  - Old Republic – underwriter
  - Notaries
  - Business – [www.dos.fl.gov/sunbiz/](http://www.dos.fl.gov/sunbiz/)
- Incorporate information into policy and procedure



## 1 Minimum Requirements

- Member of Florida Bar
  - 30 hours of continuing education every three years including
    - 3.0 hours of technology
    - 5.0 hours of professional responsibility (ethics) and
    - 2.0 hour of professionalism
      - [Rules Reg. Fla. Bar](#), Rule 6-10.3
- Florida Bar Registered Paralegal
  - 33 hours of continuing education every three years including
    - 3.0 hours of technology
    - 5.0 hours of professional responsibility (ethics) and
      - [Rules Reg. Fla. Bar](#), Rule 20-6.1



## 1 Minimum Requirements

- Member of NALA the Paralegal Association
  - 50 hours of continuing education every five years including
    - 10.0 hours maximum of non-substantive
    - 5.0 hours of ethics
      - [NALA FAQ](#)
- Licensed Title Agent with DFS
  - 10 hours of continuing education every two years including
    - 7 hours of standard and
    - 3 hours of ethics
      - [Rule 69B-228.220, F.A.C.](#)





## 1 Minimum Requirements – ALTA

- Active membership based on volume of business
  - Between \$460 and up to \$11,500
- Associate Membership \$600
  - Marketplace premier is additional \$400
- Real Estate Attorney Membership \$350
  - Individual attorney use only – no primarily engage in the business of land title evidencing
- License
  - Use only \$195 - apply [www.alta.org/licensepurchase](http://www.alta.org/licensepurchase)
- Occasional use \$50 license per year
  - 50 or fewer closing per year
    - Apply [www.alta.org/waiver](http://www.alta.org/waiver)

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## 1 Specifics Requirements

- Old Republic
  - By contract to comply with statutes, rules and regulations relating to the licensing and operation of Agent's business
- Notary
  - Appointment for 4 years at a time
  - Bond of \$7,500
    - [Sec. 117.01, F.S.](#)



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# 1 Additional Requirements

- Florida Department of State Division of Corporations  
[www.dos.fl.gov/sunbiz/](http://www.dos.fl.gov/sunbiz/)
  - Register
  - Annual report
- County requirements
- City requirements





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Member > Best Practices > Licensing

## Implementing ALTA's Best Practices

### 1. Licensing

Here you will find materials, source documents and other resources that will assist you in implementing ALTA's Best Practices for your agency. The template source documents can be downloaded for your use and manipulated to fit the processes of your agency. Feel free to use all the sample text, none of the sample text, or mix and match. Just click on the link, save the document to your computer and start the process of documenting your "best practices."

[ALTA Best Practices Pillar #1 - Licensing Fund Concept Article \(PDF Instructions\)](#)  
[SAMPLE - Licensing Policies & Procedures 2023 \(.docx\)](#)  
[SAMPLE - Acknowledgement \(.doc\)](#)  
[SAMPLE - Licensing Monitoring Spreadsheet \(.xls\)](#)

Is there something missing that you would find helpful? Contact us at [bestpracticequestions@thefund.com](mailto:bestpracticequestions@thefund.com) and we will work to expand our library of resources to suit your needs.

Interpretation of compliance with ALTA's Best Practices may vary from party to party. The use of these source documents does not guarantee customer or regulator acceptance or compliance with the American Land Title Association's Best Practices, nor any guarantee of customer relationships.

### General Best Practices Documentation

Best Practices Letter of Introduction  
Sample General Policies and Procedures

1

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

2

**ESCROW/TRUST ACCOUNTS**  
Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation.

3

**PRIVACY & INFORMATION SECURITY**  
Adopt and maintain a written privacy and information security plan to protect Non-public Personal Information as required by local, state and federal law.

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*(Insert name of entity/agency)*

Policies and Procedures								
Licensing (Small Office)								
Policy	(Insert name of entity/agency), (hereinafter "The Firm") shall maintain all mandated licenses and corporate registrations (as applicable) so that it is able to remain in good standing in Florida. The Firm is small and consists of (insert the number of attorneys) attorneys and (insert the number of support staff) support staff. The Firm only conducts business in Florida.							
Procedures	<p><b>Licensing</b> (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)</p> <p>The Firm maintains active business entity licenses in Florida (delete this sentence if you are not a business entity like an LLC or P.A. etc.). The Firm's employees maintain active attorney, paralegal, and notary licenses in Florida, as applicable, the only state in which The Firm's employees practice and perform services.</p> <p>Business licenses are maintained by (insert title of position i.e., Attorney or the name of the attorney) and updated annually. Copy of the same may be obtained from <a href="http://www.sunbiz.org">www.sunbiz.org</a>. The website will also be reviewed for any changes in requirements.</p> <p><b>Business License</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Formation date</th> <th>Last annual report</th> </tr> </thead> <tbody> <tr> <td>Law Group, LLC</td> <td>01/15/2005</td> <td>01/15/2023</td> </tr> </tbody> </table> <p><b>Attorneys</b> Attached is a printout of the current completed continuing education courses for each attorney with The Firm from the Florida Bar website.</p> <p>Each attorney receives an annual bar dues statement requiring certification of compliance with continuing education requirements. The attorney will review the Florida Bar website for their continuing education completed courses. A printout of the completed courses will be attached to this policy, annually.</p> <p>Rule 6-10.3, F.B.R. Minimum Continuing Legal Education Standards, is reviewed annually for any changes in requirements. A copy is attached.</p> <p><b>Paralegals</b> Attached is a printout of the current completed continuing education courses for each Florida registered paralegal with The Firm from the Florida Bar website.</p>		Name	Formation date	Last annual report	Law Group, LLC	01/15/2005	01/15/2023
Name	Formation date	Last annual report						
Law Group, LLC	01/15/2005	01/15/2023						

*(Insert name of entity/agency)*[www.lawfirm.com](http://www.lawfirm.com)

Disclaimer:

These policies and procedures are samples only and may not be used without customization to accurately reflect the agent's own policies and procedures.

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# 1 Policy

*(Insert name of entity/agency)*

Policies and Procedures	
Licensing (Small Office)	
Policy	(Insert name of entity/agency), (hereinafter "The Firm") shall maintain all mandated licenses and corporate registrations (as applicable) so that it is able to remain in good standing in Florida. The Firm is small and consists of (insert the number of attorneys) attorneys and (insert the number of support staff) support staff. The Firm only conducts business in Florida.

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# 1 Procedure

## Procedures

**Licensing** (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)

The Firm maintains active business entity licenses in Florida (**delete this sentence if you are not a business entity like an LLC or P.A. etc.**). The Firm's employees maintain active attorney, paralegal, and notary licenses in Florida, as applicable, the only state in which The Firm's employees practice and perform services.

Business licenses are maintained by (**insert title of position i.e., Attorney or the name of the attorney**) and updated annually. Copy of the same may be obtained from [www.sunbiz.org](http://www.sunbiz.org). The website will also be reviewed for any changes in requirements.

### Business License

Name	Formation date	Last annual report
Law Group, LLC	01/15/2005	01/15/2023

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# 1 Procedure

## Attorneys

Attached is a printout of the current completed continuing education courses for each attorney with The Firm from the Florida Bar website.

Each attorney receives an annual bar dues statement requiring certification of compliance with continuing education requirements. The attorney will review the Florida Bar website for their continuing education completed courses. **A printout of the completed courses will be attached to this policy, annually.**

Rule 6-10.3, F.B.R. Minimum Continuing Legal Education Standards, is reviewed annually for any changes in requirements. **A copy is attached.**

## Paralegals

Attached is a printout of the current completed continuing education courses for each Florida registered paralegal with The Firm from the Florida Bar website. Each paralegal receives an annual dues statement requiring certification of compliance with continuing education requirements. The Florida registered paralegal will review the Florida Bar website for their continuing education completed courses. **A printout of the completed courses will be attached to this policy, annually.**

Rule 20-6.1, F.B.R. Continuing Education Generally, is reviewed annually for any changes in requirements. **A copy is attached.**

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**Title Agents**

Title agents are required to complete continuing education every two years pursuant to Rule 69B-228.220, F.A.C. **(Insert title of position i.e. Attorney or the name of the attorney)** will review the code each year for any changes. **A copy of this section is attached.**

Each title agent is required to provide a printout of completed continuing education credits annually to ensure compliance. **A copy of the same is attached.**

Requirements:

10 hours of continuing education and 3 hours of ethics every two years.

Name	DFS #	Due date	Credits Comp.	Ethics Comp.
Lucia	L123456	09/30/24	8	2

**Notaries**

Appointments are for four years in Florida. Below is a list of notaries in the office and the expiration of their appointment as well as verification of the required bond.

SEC. 117.01, F.S. is reviewed annually for any changes in requirements. **A copy is attached.**

Name	Expiration date	Amount of bond	Bond
Linda	08/12/2025	\$7,500	General Underwriters 954-555-5557

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**ALTA License**

The Firm maintains a current license for use of ALTA's policies. **A copy of the same is attached.** Each location which performs settlement services has established a listing in the ALTA Registry.

**(Insert title of position i.e., Attorney or the name of the attorney)** duties:

1. Review the appropriate statutes, regulations, and other official documents to ensure The Firm, and all listed persons meet the current requirements for continuing licensure
2. Review the Florida Bar, National Association of Legal Assistants (NALA), state notary, additional sources as deemed necessary and other business requirements annually.
3. Inform the underwriter of each licensed individual and provide copies of their active licenses.
4. Notify the underwriter when a license becomes inactive.
5. Maintain all records of licenses for **(insert the number of years you wish to maintain the records)** calendar years.
6. Keep a copy of the appropriate American Land Title Association Policy Forms License.

Each person's responsibility:

1. Read and understand this licensing policy and procedures.
2. Maintain the necessary continuing education requirements including any necessary ethics requirements.
3. Sign this policy and procedure as an acknowledgement of the employee's responsibilities.

Contact Officer	(Insert title of position i.e., Attorney or the name of the attorney, his/her signature, and date)		
Date Approved	(Insert date approved)		
Date of Commencement	(Insert effective date of policy and procedure; date and how it will be announced i.e. staff meeting; and date of training)		
Amendment Dates			
Date for Next Review	(Insert date for next review)		
Acknowledgement	Name	Signature	Date

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# 1 Log for Pillar 1

- Small office version has log incorporated within the procedure
- What makes a good log?
  - Detailed log
    - Easy to complete
    - Easy to read
    - Easy to determine deficiencies
  - Add or delete information to reflect your practice



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1	<b>Company XYZ - Licensing Monitoring</b>				
2	Company XYZ Firm Name				
3	Date Updated: 10/xx/2023				
4	Objectives:				
5	1. To actively monitor all agency and agent licenses to ensure they are current.				
6	2. To actively pursue additional licenses where necessary or encourage additional employees to become licensed.				
7	3. To provide a consistent method of communicating new and expired licenses with underwriters.				
8	Note: Copies of actual licenses retained include but are not limited to insurance producer, closer, abstractor, and notary.				
9	Note: Copies of actual licenses are kept electronically in the S:\xxxxx\xxxxx\xxxx network drive.				
10	Note: Copies of all completed continuing education materials for license renewals are kept electronically in the S:\xxxxx\xxxxx\xxxxxx network drive.				
11					
12					
13	<b>Name/Entity</b>	<b>State</b>	<b>License Type</b>	<b>License #</b>	<b>Expiration Date</b>
14	John Smith		Agent		
15	Title Company, Inc.		Agency		
16	Escrow Company, Inc.		Escrow		
17					
33					
34					
35					
36					
37					
<div> <div>Multi-State</div> <div>Single State</div> </div>					

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Note: Copies of actual licenses retained include but are not limited to insurance producer, closer, abstractor, and notary, in the Operations Manual.

Note: Copies of actual licenses are kept electronically in the (insert file path).

Note: Copies of all completed continuing education materials for license renewals are kept electronically in the (insert file path).

Name/Entity	State	License Type	License #	Expiration/Report Date	CLE Required	Ethics Needed	CLE Deadline	CLE Complete	Ethics Complete	Professionalism	Technology	CLE Needed
Title Company, Inc.		Agency	Corporation	1/1/2024								
Title Company, Inc.		ALTA	123456	6/1/2024	N/A		N/A	N/A				N/A
Escrow Company, Inc.		Escrow	Corporation	1/1/2024								
Abby Smith	FL	FL Bar	654321	N/A	33	5	6/30/2025	20	5			8
John Smith	FL	Agent	G123654		10	3	5/30/2024	8	2			1

1. Licensing - Single state    1. Licensing - Multi state    2. Escrow-Trust Accounts    4. Recording & Pricing    5. Title Policy Register    5. Title Policy Inver

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## 1 Review Log

- Is it a good reference for your business
- ✓ Does log include all licenses?
  - ✓ Agency
  - ✓ Agent
  - ✓ Bar
  - ✓ Business
  - ✓ NALA
  - ✓ Notary
  - ✓ Other
- Is there something else that would be helpful on this log?

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# 1 Written Acknowledgement

*(Insert name of entity/agency)*

Employee Acknowledgement - Licensee requirements

I \_\_\_\_ (insert employee name) \_\_\_\_\_, \_\_\_\_ (insert employee job title) \_\_\_\_  
\_\_\_\_\_ of the (insert name of entity/agency) do hereby acknowledge that:

1. I have read the Licensing Policy and Procedures effective (insert effective date of policy and procedure).
2. I understand the Licensing Policy and Procedures effective (insert effective date of policy and procedure).
3. I had ample time and opportunity to ask questions in reference to Licensing Policy and Procedures effective (insert effective date of policy and procedure) prior to signing below.
4. I have completed training on Licensing Policy and Procedures effective (insert effective date of policy and procedure).
5. It is my responsibility to maintain my license with \_\_\_\_ (insert which agency oversees the employee's license (Bar, DFS, etc.)) \_\_\_\_.
6. It is my responsibility to ensure that I have completed all requirements to maintain my licenses with \_\_\_\_.
7. It is my responsibility to report all Continuing Education Credits to the (insert title of position i.e. Office Manager) when received, by delivering a copy of proof of credits.
8. It is my responsibility to notify the (insert title of position i.e. Office Manager) of any issue between me and my licensing agency within five business days. Failure to do so could result in my termination.
9. Failure to maintain my license with \_\_\_\_ could result in a change of job position or termination.



\_\_\_\_\_  
Name of employee (for signature)

\_\_\_\_\_  
Date

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# 1 Review Checklist

- Maintaining
  - State mandated insurance licenses and
  - Corporate registrations, as required, to
  - Ensure compliance with the state requirements for operations
- Minimum – Pillar 1
  - Name all licenses
  - Affirm compliance
  - Tracking report (log)
  - Who maintains
  - Who reviews
  - ALTA license specifically mentioned

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## **1** Pillar 1 Complete

- This, as with all policies and procedures, is a work in progress and should change as your business changes
- Train staff
- Periodic review is necessary
  - At least annually – place on calendar
  - If something comes up – just review and update and sign, then
- Testing procedures is also a good idea



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# Professional Liability Insurance Pillar 6

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## 6 Professional Liability Insurance and Fidelity Coverage

- Maintain appropriate insurance and fidelity coverage
- Purpose: Appropriate levels of
  - Professional liability insurance or
  - E&O insurance,
  - Cyber liability insurance, and
  - Crime coverage help ensure
- Company maintains the financial capacity to stand behind their professional services
- Specific types of insurance or coverage may be required by
  - Law, regulation, or contractual obligations



## 6 Requirements

- Errors and Omissions Coverage
  - While acting as title agent for Old Republic
  - Fund Members
    - Minimum \$250,000 per claim
    - Deductible no more than \$10,000
  - Fund Corporate Members
    - \$250,000 per claim
    - Deductible no more than \$10,000
      - Required by [Sec. 626.8419\(b\), F.S.](#)
- Many lenders will require \$1,000,000 or more



## 6 Requirements

### Fund Corporate Member Requirements

- Fidelity Bonds
  - Employer losses caused by employee fraud and dishonesty
  - \$50,000 minimum ([Sec. 626.8419\(a\), F.S.](#))
- Surety Bonds
  - Guarantees compliance with agency contract
  - \$35,000 minimum ([Sec. 626.8419\(c\), F.S.](#))



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(Insert name of entity/agency)

Policies and Procedures						
Insurance Coverage (Small Office)						
Policy	(Insert name of entity/agency), hereinafter "The Firm" shall carry professional liability coverage errors and omissions insurance and make a determination as to the feasibility and appropriateness to obtain cyber and crime insurance so that it has financial capacity to cover its professional services obligations. The Firm currently does business only in Florida. The Firm is small and consists of (insert the number of attorneys) attorneys and (insert the number of support staff) support staff.					
Procedures	<p>Requirements: (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)</p> <ol style="list-style-type: none"> <li>1. Maintain minimum coverage of (insert amount of coverage required by all contracts, i.e., \$250,000 for The Fund), per contract (for title companies add "and per Sec. 626.8419, F.S. a copy is attached").</li> <li>2. Maximum deductible of (insert the maximum amount of the deductible for all contracts, i.e., \$10,000 for The Fund) per their contract (for title companies add "and per Sec. 626.8419, F.S. a copy is attached").</li> <li>3. Florida does not require minimums at this time (for title companies remove this line).</li> </ol> <p>(Insert title of position i.e., Attorney or the name of the attorney) will review the underwriting requirements of agency agreements and state statutes annually, prior to renewal. Further, the review will ensure that insurance coverage and bonds meets or exceeds all requirements, and is appropriate given The Firm's size, practice areas, average amount of real estate transactions and volume of transactions. Copy of most current policy declaration page is attached.</p> <p>(Insert title of position i.e., Attorney or the name of the attorney) will furnish copies of all the insurance policies, declaration page, including all endorsements, and proof of payment of the current premium, applicable bonds to title underwriter(s) and lenders upon request.</p>					
Current coverage:	Type of coverage	Company/Agent	Phone/email	Coverage amount	Ded. amount	Exp.
E & O	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	1,000,000	10,000	12/31/23	
Surety	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	50,000		12/31/23	

(Insert name of entity/agency)

Cyber & Crime	CIS Co.	555-555-1235 <a href="mailto:CIS@CIS.CO">CIS@CIS.CO</a>	500,000	10,000	12/31/23
Fidelity	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	50,000		12/31/23
Closing Protection Letter ("CPL")					
CPL will be issued in connection with the settlement funds and issuance of a title insurance policy via The Fund's (insurer) automated Closing Protection Letter system, when possible, upon request.					
Independent Contractors					
(Insert title of position i.e., Attorney or the name of the attorney) will annually obtain a copy of bonds and/or declaration pages from all independent contractors. A copy of the same will be attached to this policy and procedure. Below is a listing of the independent contractors and the status of insurance protection.					
Name/Phone	Services	JB	Amount	Expiration	
Cheerful Cleaners 954-555-5555	Cleaning	B	25,000	03/01/25	
Geeky IT 954-555-5554	IT services	I	1,000,000	10/01/24	
Bradley Shredder 954-555-5556	Shredding services	I	50,000	12/31/24	
Contact Officer					
(Insert title of position i.e., Attorney or the name of the attorney, his/her signature and date)					
Date Approved					
(Insert date approved)					
Date of Commencement					
(Insert effective date of policy and procedure; date and how it will be announced i.e., staff meeting; and date of training)					
Amendment Dates					
(Insert date for next review)					
Date for Next Review					
(Insert date for next review)					
Related References and Links					
<ul style="list-style-type: none"> <li>• Copy of E&amp;O Declaration page is attached.</li> <li>• Copy of the full policy is filed (insert location of the hard copy i.e., in a file called E&amp;O Insurance).</li> <li>• Copies of Bonds are attached, and additional copies are kept with (insert location of the hard copy i.e., file called Bonds).</li> <li>• A copy of each independent contractor's bond and/or insurance declaration page is attached.</li> </ul>					

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## 6 Procedures

### Procedures

**Requirements:** (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)

1. Maintain minimum coverage of (insert amount of coverage required by all contracts, i.e., \$250,000 for The Fund), per contract (for title companies add "and per Sec. 626.8419, F.S. a copy is attached").
2. Maximum deductible of (insert the maximum amount of the deductible for all contracts, i.e., \$10,000 for The Fund) per their contract (for title companies add "and per Sec. 626.8419, F.S. a copy is attached").
3. Florida does not require minimums at this time (for title companies remove this line).

(Insert title of position i.e., Attorney or the name of the attorney) will review the underwriting requirements of agency agreements and state statutes annually, prior to renewal. Further, the review will ensure that insurance coverage and bonds meets or exceeds all requirements; and is appropriate given The Firm's size, practice areas, average amount of real estate transactions and volume of transactions. **Copy of most current policy declaration page is attached.**

(Insert title of position i.e., Attorney or the name of the attorney) will furnish copies of all the insurance policies, declaration page, including all endorsements, and proof of payment of the current premium, applicable bonds to title underwriter(s) and lenders upon request.

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## 6 Procedures

### Current coverage:

Type of coverage	Company/ Agent	Phone/email	Coverage amount	Ded. amount	Exp.
E & O	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	1,000,000	10,000	12/31/23
Surety	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	50,000		12/31/23
Cyber & Crime	CIS Co.	555-555-1235 <a href="mailto:CIS@CIS.CO">CIS@CIS.CO</a>	500,000	10,000	12/31/23
Fidelity	Fund Insurance Solutions	855-780-4711 <a href="mailto:Insurance@ATIF.com">Insurance@ATIF.com</a>	50,000		12/31/23

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**Closing Protection Letter ("CPL")**

CPL will be issued in connection with the settlement funds and issuance of a title insurance policy via The Fund's (insurer) automated Closing Protection Letter system, when possible, upon request.

**Independent Contractors**

(Insert title of position i.e., Attorney or the name of the attorney) will annually obtain a copy of bonds and/or declaration pages from all independent contractors. **A copy of the same will be attached to this policy and procedure.** Below is a listing of the independent contractors and the status of insurance protection.

Name/Phone	Services	I/B	Amount	Expiration
Cheerful Cleaners 954-555-5555	Cleaning	B	25,000	03/01/25
Geeky IT 954-555-5554	IT services	I	1,000,000	10/01/24
Bradley Shredder 954-555-5556	Shredding services	I	50,000	12/31/24

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<b>Contact Officer</b>	(Insert title of position i.e., Attorney or the name of the attorney, his/her signature and date)
<b>Date Approved</b>	(Insert date approved)
<b>Date of Commencement</b>	(Insert effective date of policy and procedure; date and how it will be announced i.e., staff meeting; and date of training)
<b>Amendment Dates</b>	
<b>Date for Next Review</b>	(Insert date for next review)
<b>Related References and Links</b>	<ul style="list-style-type: none"> <li>• Copy of E&amp;O Declaration page is attached.</li> <li>• Copy of the full policy is filed (insert location of the hard copy i.e., in a file called E&amp;O Insurance).</li> <li>• Copies of Bonds are attached, and additional copies are kept with (insert location of the hard copy i.e., file called Bonds).</li> <li>• A copy of each independent contractor's bond and/or insurance declaration page is attached.</li> </ul>

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**ACORD** **CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/DD/YYYY) 04/19/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Insurance Services, LLC 1234 Main St Coral Springs, FL 33065	<b>AGENT</b> Smiling Jack P.O. Box 305-555-JACK SmilingJack@Insurance.com www.insurance.com/endorsement	<b>INSURER</b> Underwriters at Lloyd's of London AA1122000
<b>INSURED</b> Loyal Fund Member, Eng. 123 Fund Drive Orlando, FL 32609	<b>INSURER B</b>	<b>INSURER C</b>
	<b>INSURER D</b>	<b>INSURER E</b>

**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIODS INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	INS. CO.	POLICY NUMBER	PRODUCT / ENDORSEMENT	LIMITS
<b>GENERAL LIABILITY</b>				
COMMERCIAL GENERAL LIABILITY				EACH OCCURRENCE \$
CLAIMS MADE				AGGREGATE \$
				PERSONAL & ADV. INJURY \$
				GENERAL AGGREGATE \$
				PRODUCTS/COMPL. \$
<b>GENERAL AGGREGATE LIMIT APPLIES FOR</b>				
POLICY				
<b>AUTOMOBILE LIABILITY</b>				
OWNED				PER OCCURRENCE \$
NON-OWNED				PER OCCURRENCE \$
HIRING AUTOS				PER OCCURRENCE \$
<b>UMBRELLA / EXCESS</b>				
EXCESS				EACH OCCURRENCE \$
UMBRELLA				AGGREGATE \$
<b>WORKERS COMPENSATION</b>				
EMPLOYER'S LIABILITY				PER EMPLOYEE \$
DISABILITY BENEFIT				PER EMPLOYEE \$
SALE OF STOCK				PER EMPLOYEE \$
<b>ADDITIONAL COVERAGE</b>				
A		AMS-0117805		Each Claim \$1,000,000.00
				Annual Aggregate \$1,000,000.00

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (attach ACORD 101 Additional Remarks Schedule, if item listed is required)

Title Agency

Each Claim Deductible: \$2,500.00

Effective Date: 05/15/2023

**CERTIFICATE HOLDER** **CANCELLATION**

Evidence of Coverage

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Bond No. \_\_\_\_\_

**FLORIDA TITLE AGENT'S BOND**

KNOW ALL MEN: BY THESE PRESENTS, that \_\_\_\_\_ (FENR) whose place of business is in \_\_\_\_\_, Florida, as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto the following title insurance companies listed below:

Name, Address, Phone Number \_\_\_\_\_

Name, Address, Phone Number \_\_\_\_\_

Name, Address, Phone Number \_\_\_\_\_

Name, Address, Phone Number \_\_\_\_\_

as Obligee(s), in the penal sum of Thirty-five Thousand (\$35,000) dollars in aggregate, lawful money of the United States of America, for payment of which well and truly to be made, we bind ourselves, and each of our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents:

WHEREAS, the Principal, as a title agency, is required under subsection (1) of section 626.8419, Florida Statutes, to obtain a surety bond for the benefit of title insurers appointing the agency;

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT if the Principal shall faithfully perform all duties and responsibilities under the said Principal's agency contract with each title insurer listed above, then this obligation shall be null and void, otherwise, it shall remain in full force and effect.

IT IS MUTUALLY AGREED AND UNDERSTOOD BETWEEN ALL PARTIES HERETO, that if the Surety shall so elect, this Bond may be cancelled and discontinued by giving thirty (30) days notice in writing to the Principal, by United States registered mail and this Bond shall be deemed cancelled at the expiration of the said thirty (30) days from the service of said notice, the Surety remaining liable for all or any part of the obligations covered by this Bond, which may have accrued by default of the Principal prior to the effective date of the cancellation. The Surety shall provide a copy of said notice to the title insurer listed above. However, the failure to provide a title insurer said notice shall not render cancellation ineffective.

In the event a claim is made upon this Bond, the surety shall notify the Obligee(s) listed above (at the address(es) provided on this Bond) that a claim has been made. However, failure to provide this notice shall not constitute a default or breach under this Bond.

Regardless of the number of Obligees named above or by rider, the number of years this Bond is in effect, the number of premiums paid, or the number of claims made, the Surety's aggregate liability shall not be more than the penal sum of this Bond.

IN WITNESS WHEREOF the said Principal has caused these presents to be executed by affixing hereto his or her signature, or if a corporation, the signature of its President, or if a partnership, the signature of an authorized partner, and the said surety has caused presents to be executed by the signature of its attorney-in-fact and its corporate seal to be affixed hereto attested by its attorney-in-fact this \_\_\_\_\_ day of \_\_\_\_\_ year of \_\_\_\_\_.

This Bond shall become effective on the \_\_\_\_\_ day of \_\_\_\_\_ year of \_\_\_\_\_, and remain in force until cancelled.

Principal \_\_\_\_\_ Surety \_\_\_\_\_

Signature \_\_\_\_\_ (seal) Signature of Attorney-in-Fact \_\_\_\_\_

Print Name & Title \_\_\_\_\_ Print Name \_\_\_\_\_ Attorney-in-Fact \_\_\_\_\_

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## 6 What about a log?

- Pillar 6 does not require a log
- May want to calendar the expiration of each policy
- May want to include other business insurance within policy



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## 6 What about a log?

Type of Insurance Coverage	Carrier	Agent	Agent Phone	Coverage Amount	Deductible	Exp. Date	Type of Policy (claims made vs. incident)	State Stat. Ref.	Coverage per Claim	Ded. Max.	Underwriter Para. Ref.	Underwriting Requirement	Ded. Max.	Mgr. Rev.	Coverage Rev.	Mgmt. Rev. Date	Next Rev. Date	Next Rev. Day Cal.
<b>Professional Liability</b>																		
Errors and Omissions	Fund Insurance Soluti	Susan	855.780.4711	\$1,000,000	\$2,500	12/1/25	claims made	626.8419(b)	\$250,000	\$10,000	10.A.1.	\$250,000	\$10,000	Linda	5/8/24	5/8/24	11/1/24	Yes
Fidelity																		
Surety																		
Bond																		
Employee Acts																		
Contractors Acts																		
<b>General Business</b>																		
Business interruption																		
Fire/Hazard																		
Wind																		
Flood																		
Employee Acts																		

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## 6 Written Acknowledgement

*(Insert name of entity/agency)*

Employee Acknowledgement - Professional Liability Insurance

I \_\_\_\_ (insert employee name) \_\_\_\_, \_\_\_\_ (insert title of position  
i.e. Office Manager) \_\_\_\_ of the (insert name of entity/agency) do hereby  
acknowledge that:

1. I have read the Professional Liability Insurance Policy and Procedures effective  
(insert effective date of policy and procedure).
2. I understand the Professional Liability Insurance Policy and Procedures effective  
(insert effective date of policy and procedure).
3. I had ample time and opportunity to ask questions in reference to Professional  
Liability Insurance Policy and Procedures effective (insert effective date of  
policy and procedure) prior to signing below.
4. I have completed training on Professional Liability Insurance Policy and  
Procedures effective (insert effective date of policy and procedure).
5. It is my responsibility to notify the (insert title of position i.e. Managing  
Partner) 60 days prior to the expiration of any insurance policy.
6. It is my responsibility to ensure that a copy of the Errors and Omission Policy is  
given to (insert the job titles of all employees which should have a copy of  
the E & O declaration page, i.e. the Real Estate Clerk, Title Clerk, Real  
Estate Paralegal) and any other employee who would require the same.

\_\_\_\_\_  
Name of employee (for signature)

\_\_\_\_\_  
Date

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## 6 Review Checklist

- Minimum – Pillar 6
  - Requirement to maintain professional liability insurance/bond
  - Who is responsible for
    - Tracking
    - Reviewing
  - Who receives proof of insurance
  - Amount of coverage
  - Amount of deductible
  - Carrier
  - Issuance of a CPL letter

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## 6 Review Checklist

- Appropriate levels of
  - Professional liability insurance or
  - E&O insurance,
  - Cyber liability insurance, and
  - Crime coverage help ensure
- Company maintains the financial capacity to stand behind their professional services
- Specific types of insurance or coverage may be required by
  - Law, regulation, or contractual obligations



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## 6 Pillar 6 Complete

- Calendar 60 to 90 days in advance of insurance expiring for competitive shopping
- Train employees on cyber risks regularly and log such training to reduce risk
- Warn all clients about cyber risks to reduce risks and notate such notifications in file
- Inform insurance companies of trainings and notifications practices and share logs



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# Title Policy Procedures

## Pillar 5

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### 5 Title Policy Procedures

- Adopt and maintain written procedures related to title policy production, delivery, reporting, and premium remittance
- Purpose: Adopting and implementing appropriate procedures for
  - Production
  - Delivery, and
  - Remittance of title insurance policies
  - Ensure that companies can meet their
    - Legal and
    - Contractual obligations



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## 5 When to Issue Policies

- Policies can now be issued directly after disbursement in many cases
- All policies not issued at closing table should be issued within two weeks
- The Fund says you can rely on estoppel letters, plus documented payment for institutional lenders
- Private/small lenders – require simultaneous exchange or escrow of satisfaction



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## 5 Policy Remittance

- Per agency agreement, policy reports are due monthly
- Premium remittance is due by the end of the month after the month of closing pursuant to agency agreement
  - Close in March – premium due by end of April
- Policies may be remitted
  - Electronically or
  - Paper
- Payment may be remitted
  - Electronically or
  - Mailing a check

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## 5 Remitting Policies and Payment

By Mail

- Checks payable to Old Republic National Title Insurance Company, and remit with final policy(ies) to:

**The Fund**  
**P.O. Box 628601**  
**Orlando, FL 32862-8601**



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## 5 Remitting Policies and Payment

By Mail – Send documents in following order:

- Check
- Printed copy of rating worksheet after policy jacket number(s) has been issued,
  - ClosingVue,
  - DoubleTime, or
  - ePolicyManager
- Owner's policy - Schedule A and B
  - Endorsements related to owner's policy
- Loan policy - Schedule A and B
  - Endorsements related to loan policy



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## 5 Remitting Policies and Payment

- Electronically-delivered policies are submitted using
  - ClosingVue
  - DoubleTime
  - ePolicyManager or
  - DisplaySoft
- Once policies are submitted electronically, subsequent related forms and changes should also be submitted electronically
- Payment may be made by
  - Electronic via software platform or
  - Mail



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## 5 Policy Production and Delivery

- Have a written policy and procedures for title policy production and delivery (by electronic means or via mail)
- Have controls to ensure that title insurance policies are issued and delivered to
  - Lender in accordance with lender's instructions and
  - Buyer within 30 days of Settlement
- Issue at the closing table:
- ["Shortcut To The Finish Line: Fund Introduces 'Policy – Express Checkout',"](#) 46 *Fund Concept* 1 (Jan. 2014)

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## 5 Procedures



- Ensure premiums are remitted in accordance with
  - Contractual and/or
  - State law requirements
- Require premium remittance is due by the end of the month after the month of closing pursuant to agency agreement

## 5 Checklist for Procedures

### File Review

- Open files to check for any materials outstanding from commitment
- Track and verify customer's receipt of title insurance policy
- Title policies are reported to underwriter in accordance with its requirements
- Ensure collected amount of premium collected and remitted to underwriter
- Ensure policy data reported to underwriter

# 5 Policy and Procedure

(Insert name of entity/agency)

Policies and Procedures	
<b>Policy Production</b> (Small Office)	
<b>Purpose</b>	(Insert name of entity/agency) (hereinafter referred to as "The Firm") shall maintain written procedures related to title policy production, delivery, reporting and premium remittance to insure to help ensure that it meets its statutory, regulatory and contractual obligations.  The Firm currently does business only in Florida.
<b>Procedures</b>	Requirements (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for title policy production, delivery, reporting and premium remittance and incorporate those requirements in these procedures.)  Please note that lender's more stringent instructions will supersede the stated policy and procedure.  <b>Policy Inventory</b>  The Firm only uses electronically issued forms and has no inventory  Use "SAMPLE CLOSING FILE" for reference  Train staff to minimize errors in completing settlement. There should be at least one back up person for each position. Training will include timely response to client concerns and questions as well as lender's requests. All employees are required to follow written procedures.  <b>Policy Issuance</b>  All policies are issued electronically from The Fund, via ClosingVue  (Insert function or role name, e.g., Closer) duties 1. Mark up the commitment 2. Issue policies at closing 3. Have customer sign acknowledgement of receipt of owner's policy 4. Send Lender's policy with closing package a. Place a neon paper with "Lender's Title Policy" in large black letter just prior to policy b. Include policy in stacking order, if provided c. If not provided for in the stacking order, place at the beginning d. Send closing package to Lender via (insert carrier name(s), e.g., Federal Express) with a signature required for delivery e. Lender's signature upon delivery shall serve as acknowledgement of receipt of lender's policy f. Notation of same shall be made in ClosingVue

(Insert name of entity/agency)

5. After closing, input information from marked up commitment into ClosingVue 6. Monitoring procedures, below, help ensure necessary documents are recorded 7. If a policy is not issued at closing table a. It will be given to (insert title of position, e.g., Attorney) b. Perform an ATIDS or public records update daily for recording information and give to (insert title of position, e.g., Attorney) c. Issue policies as soon as possible d. All policies should be issued within two weeks after closing e. If recording information cannot be obtained within two weeks (insert title of position, e.g., Attorney) will give further instruction  <b>Closing Follow Up, Premium Remittance and Policy Reporting</b>  Premium remittance will be made at the time policies are issued via target settlement as the time policies will be issued.  Per Agency Agreement, policy reports are due monthly. The Firm uses ClosingVue, which automatically reports to The Fund all information regarding policies and their status. ClosingVue provides copies of policies to The Fund.  (Insert function or role name, e.g., Closer) duties 1. Use ClosingVue to determine policies and premiums which have not been remitted on first and fifteenth of each month 2. At a minimum, on the first and fifteenth of each month, review ATIDS for outstanding OR book and page numbers for each deed and mortgage as well as for satisfactions as a follow up 3. Enter updated information into ClosingVue 4. If no satisfaction is recorded 60 days after closing notify (insert title of position, e.g., Attorney) 5. Remit policy electronically a. Validation of key data for rating b. Upload pertinent policy information c. Assignment of policy serial number d. Automatically audit jacket serial number e. Automatically updates The Fund, creating an invoice f. Includes payment via web pay from trust account 6. Review outstanding report from ClosingVue on a monthly basis to ensure compliance with stated policy 7. Upon notice of no satisfaction recorded after 60 days from closing a. Review file b. Ensure payment has cleared bank c. Send follow up letter to lien holder, via certified mail return receipt d. Review ATIDS for satisfaction 30 days after return of receipt of reminder notice e. Enter information regarding satisfaction, if recorded f. Notify (insert title of position, e.g., Attorney), if no satisfaction can be obtained 30 days after certified letter 8. Ensure that premiums are remitted no later than the end of the month following the closing via ClosingVue
---

(Insert name of entity/agency)

(Insert title of position, e.g., Attorney) duties 1. Review policy and procedure annually 2. Take necessary steps to obtain satisfactions of liens 3. Train employees on the policy and procedure		
<b>Contact Office</b>	(Insert title of position, e.g., Attorney, his/her signature, and date)	
<b>Date Approved</b>	(Insert date approved)	
<b>Date of Commencement</b>	(Insert effective date of policy and procedure; date and how it will be announced, e.g., staff meeting; and date of training)	
<b>Amendment Dates</b>	(Insert date for next review)	
<b>Related References and Links</b>	• Outstanding policies are found in the Policies in Progress Report in ClosingVue	
<b>Acknowledgement</b>	By signing below each person does hereby acknowledge that they 1. Have read Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure) 2. I understand Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure) 3. I had ample time and opportunity to ask questions in reference to Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure) prior to signing below 4. I have completed training on Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure)	
<b>Name</b>	<b>Signature</b>	<b>Date</b>
Chris Keefe - Attorney		
Kathy Johnson - Paralegal		

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# 5 Log

## Policy Register Report (aka Remittance Report)

(Insert name of entity/agency and your company logo as well)

Date Updated: xx/xx/xxxx

Report Period:

- Objectives: 1. To document premiums and fees sent to underwriter.  
2. To ensure policies are issued to the customer timely.

Certification: I, \_\_\_\_\_  
certify that this is a true and correct report of all transactions of this Agency for this Underwriter.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

File Number	Title Product	Property Type	Property State	Prop County	Settlement Date	Policy Issuance Date	Policy Issuance Delay	Owners Policy #	Lenders Policy #	Owners Policy Date
987654321	Refinance	Residential	AL	Montgomery	12/7/2022	12/10/2022	3 n/a		MX SF 08123456	NA

Lenders Policy Date	Owners Insurance	Lenders Insurance	Owners Premium per HUD	Lenders Premium per HUD	Owners Net	Lenders Net	Total Net Due U/W	Total per HUD	Endorsement Net Due U/W	state fees	CPL per HUD	CPL Due U/W	Total Balance Due U/W
12/7/22	n/a		\$ 169,000.00	n/a	\$ 200.00	\$ 0.00	\$ 60.00	\$ 60.00	\$ 0.00	\$ 0.00	\$ 50.00	\$ 50.00	\$ 110.00

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## 5 Log

Policy Inventory								
(Insert name of entity/agency and your company logo as well)								
Date Updated: xx/xx/xxxx								
Objective: 1. To actively monitor all title policy forms (used and un-used).								
Date	Policy #	File/Order #	Date of Commitment	Date Closed	Date Disbursed	Date Recorded	Date Policy Issued	Date Policy Reported to U/W
6/1/2023	OX2468542	9764208	8/1/2023	9/1/2023	9/4/2023	9/4/2023	9/5/2023	10/5/2023
6/1/2023	OX2468543	9764209	8/3/2023	9/3/2023	9/3/2023	9/3/2023	9/4/2023	
6/1/2023	OX2468544	9764210	8/5/2023	9/5/2023	9/5/2023	9/5/2023		
6/1/2023	OX2468545	9764211	8/7/2023	9/7/2023	9/10/2023			
6/1/2023	OX2468546	9764212	8/10/2023					
6/1/2023	OX2468547	9764213						
6/1/2023	OX2468548	9764214						
6/1/2023	SF9876543							
6/1/2023	SF9876544							
6/1/2023	SF9876545							
6/1/2023	SF9876546							

Note: From the data above, personnel will know the status of each policy allocated to the agent from the U/W.

This template represents a sample document that can be downloaded and manipulated to fit the desires of the user. The use of this document does not guarantee customer or regulator acceptance or compliance with the American Land Title Association's Best Practices, nor any guarantee of customer relationships. Any representation by Old Republic Title Insurance Group is not intended to and does not constitute legal advice.

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## 5 Written Acknowledgement

### Acknowledgement

- By signing below each person does hereby acknowledge that they
1. Have read Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure).
  2. I understand Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure).
  3. I had ample time and opportunity to ask questions in reference to Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure) prior to signing below.
  4. I have completed training on Title Policy Production/Premium Remittance Policy and Procedures effective (insert effective date of policy and procedure).

Name	Signature	Date
Chris Keefer – Attorney		
Kathy Johnson - Paralegal		

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## 5 Review Checklist

- Procedures for
  - Production
  - Delivery, and
  - Remittance of title insurance policies
  - Ensure that companies can meet their
    - Legal and
    - Contractual obligations



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## 5 Pillar 5 Complete



- If not already issuing at closing – give it a try
  - Big time saver = big money saver
  - Then just following up for releases and recordings
- Unissued policies tend to stack up quickly
- Write the policy to fit your office
- Remember if you choose to issue at closing you are not required to do that on every closing
  - Some closings it may not work

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# Privacy and Information Security

## Pillar 3

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### **3** Pillar 3 Privacy and Information Security

- Adopt and maintain a WISP (written information security plan) and a written privacy plan to protect NPI (non-public priate information) as required by local, state, and federal law
- Federal and state laws (including the Gramm-Leach-Bliley Act)
  - Require title companies to develop a WISP
  - Describing procedures employed to protect NPI



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### 3 Pillar 3 Privacy and Information Security

- Adopt and maintain a WISP and a written privacy plan to protect NPI as required by local, state, and federal law
- WISP is to be appropriate to
  - Company's size and complexity
  - Nature and scope of company's activities and
  - Sensitivity of the consumer information
  - Evaluating and adjusting its program considering relevant circumstances, changes in business, operations, or results of security testing and monitoring



### 3 Pillar 3 Privacy and Information Security

- Adopt and maintain a WISP and a written privacy plan to protect NPI as required by local, state, and federal law
- WISP
  - Access to NPI
    - Multifactor authentication
    - Unique login and passwords (difficult to guess requirements)
    - Auto lock
    - Time expire
  - Timely software updates
  - Non-employees – such as service providers who may have access to NPI, IT, 3<sup>rd</sup> party software employees, etc.
  - Software and tools to comply with WISP



### 3 What is NPI?

- Generally – information not available to general public
  - Tax identification numbers
  - Birthdates
  - Employer
  - Mother's maiden name
- Location of NPI – digital or physical
  - Forms – intake
  - Applications
    - Employment
    - Loan
    - School



### 3 Federal Law

- [16 CFR Sec. 313.3](#) Definitions – (n), (o), (p), (k)(2)(x)
- [16 CFR Sec. 314](#) Standards for safeguarding customer information
- [16 CFR Sec. 314.4](#) – Elements
  - (a) Specified employee to coordinate information security program
  - (b) Identify foreseeable internal and external risks
  - (c) Design and implement information safeguards
  - (d) Oversee service providers
  - (e) Evaluate and adjust
- [16 CFR Sec. 682](#), Disposal of Consumer Information
  - Must take reasonable measures to protect against unauthorized access

### **3** Florida Law – Sec. 501.171, F.S. – NPI

- (1)(g) 1. Personal information
  - Name plus
    - Social security or other government issued number or
    - Financial account, credit card, debit card number with required security code, access code or password
    - Medical history
    - Health insurance policy number
- (2) Requirements for data security
  - Shall take reasonable measures to protect and secure data in electronic form containing personal information



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### **3** Florida Law – Sec. 501.171, F.S. – Breach

- Breach
  - Unauthorized access of electronic data containing personal information
- Covered entity
  - Entity which acquires, maintains or stores personal information
- Requires written notification of breach within 30 days to:
  - Individuals
  - Department of Legal Affairs, if more than 500 individuals compromised
  - Consumer reporting agencies if more than 1000 individuals compromised
  - Police – may need to provide police report



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### **3** Florida Law – Sec. 501.171, F.S. – Notification

- No notification necessary if after consultation with relevant federal, state or local law enforcement agencies it is determined breach not likely to result in identity theft or harm
  - Retain the written determination for 5 years
  - Provide Department of Legal Affairs with written determination within 30 days after determination
- Late notifications subject to fines from
  - \$1,000 per day
  - \$50,000 for 30 day's late with
  - Maximum \$500,000



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### **3** Florida Rules of Professional Responsibility

- 4-1.6 Confidentiality of information
  - (e) Inadvertent disclosure of information must make reasonable efforts to prevent inadvertent or unauthorized disclosure of, or access to NPI
  - Acting competently to preserve confidentiality
  - Beyond scope – state and federal laws regarding privacy laws and notice of loss of information or unauthorized access
  - Transmitting information – reasonable precautions



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### 3 Assessment

- Identification of potential threats – internal and external
  - Hard copy
  - Physical
  - Soft copy
  - Computer
    - Storage
    - In use
  - Disposal of information
- Risk – likelihood of it actually happening
- Impact – if it happens
- Steps to reduce risk

### 3 Audit and Oversight

- |                                |                  |
|--------------------------------|------------------|
| • Who performs                 | • Review Results |
| • Who is Audited               | • Adjustments    |
| • What is being evaluated      | • Train          |
| • Review                       | • Test           |
| • Observe                      | • Document       |
| • Test Policies and Procedures | • Test Again     |



### 3 Documentation – Each Section

- Policies and procedures – include
  - Date of last review of same
  - Date of last update
- Training
- Testing
- Audits
- Oversight
- Risk mitigation efforts
- Breaches



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### 3 Annual Review

- Pillar 3 (as with all Best Practices)
- Reviewed at least annually
  - Update
  - Re-train
  - Re-acknowledge
- Incident may give rise to re-review
  - If no changes necessary
    - Note review was completed
- Set up pillars to review one per month
- Document review date



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### 3 Third-party Requirements



- Lender
- Insurance companies
- Clients
- Your own requirements may be most stringent
- Additional steps
  - Educate real estate agents and clients
    - Fraud
    - Targets
    - Email address

### 3 Digital Security

- Network
- Computers
- Identification of potential threats
- Identification of infection
- Impact on business of loss of digital security
- How to secure – software, fire walls, training, etc.
- Know your system
- Have a plan to react
  - Response to a cybersecurity incident incorporating ALTA's Cybersecurity Incident Response Plan template



### 3 Digital Security

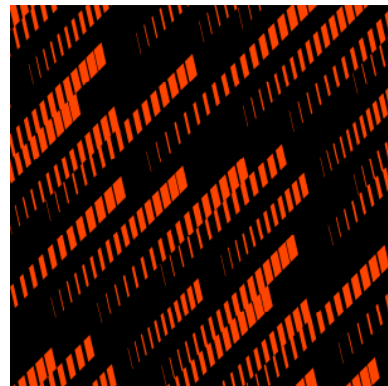
#### Router and VPN

- Change Router's name and password
  - Set up separate access for Conference rooms, different departments and guest
- VPN – Virtual Private Network –
  - Creates a private network from a public internet
  - Establishes secure and encrypted connections
    - More privacy
  - Prevents “eavesdropping”
- Document everything



### 3 Digital Data Protection

- Identification of potential threats
- In use, transmission, storage or disposal
- Security breaches
- Recovery plan
- Risks
- Evidence of intrusion or attempt
- Impact
- Steps to reduce risk
- Steps in reaction



### **3** Data in Use

- Accessible to only those who need to know
  - Background checks for employees and non-employees service providers who have access to NPI – every 3 years
- Use strong passwords
  - Long passwords are strong passwords
- Require multipart authentication
- Privacy screen
- Automatic lock device
- Automatic backup
- Encrypt information
- Restrict or block use of removable media

### **3** Data in Storage, Disposal and Recovery

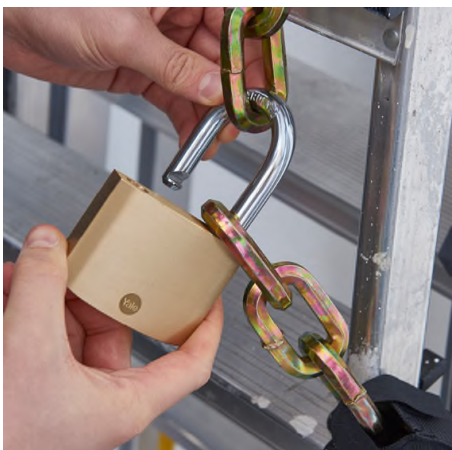
- Encrypt
- Back up
- Cloud – what security does it have
- Removable/Disposal of items – true destruction or just a write over (use a hammer)?
- What steps?
- Train employees not to hide problem
- Notifications addressed in security breach section

### 3 Data in Storage, Disposal and Recovery



- Helpful resources
- “You've Been Hacked – Now What? Responsibilities Under Florida's Information Protection Act and ALTA,” 49 *Fund Concept* 63 (May 2017)
- [ALTA Rapid Response Plan for Wire Fraud Incidents](#)

### 3 Physical Security



- Intentional
- Unintentional
- Employees
- Visitors
- Lock the door
- Appointment only
- Clean desk – even the attorneys
- Lock all files at the end of the day
- Document

### 3 Electronic Devices

- Computers
- Cellphones
- Tablets
- Laptops
- Fax machines
- Copiers
- Anything else used to access documents with NPI



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### 3 Creating, Movement, Storage and Destruction

- Who attends closing – buyers and those buyers invite
- Take precautions sending items containing NPI
- Storage warehouse or document custodian
  - Who has access, what is their disaster plan, what is their insurance
- Destruction – when
  - Shredding company
  - Self-shredding
    - At each desk or central location
    - Adequate shredding
- Document



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### 3 Disaster Preparedness


- AKA Business continuity and disaster recovery plan
- Assessment – what type of disasters and possibility of affecting business
- You evaluate
  - Threats
  - Probability &
  - Severity
- Kind of disasters
  - Pandemic
  - Hurricane
  - Fire
  - Flood
  - Earthquake
  - Tornado
  - Civil unrest/terrorism/war
- Plan for each kind

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### 3 Resources

- [www.usa.gov/prepare-for-disasters](http://www.usa.gov/prepare-for-disasters)
  - Re-directs to [Ready.gov](http://Ready.gov)
- [Ready.gov](http://Ready.gov)
  - Department of Homeland Security
- [www.floridadisaster.org/business/planning-for-business](http://www.floridadisaster.org/business/planning-for-business)
  - Florida Division of Emergency Management
  - Re-directs to [Ready.gov](http://Ready.gov)
- [www.ibhs.org](http://www.ibhs.org) 
  - Insurance Institute for Business and Home Safety
- [www.disastersafety.org](http://www.disastersafety.org)
  - Insurance Institute for Business and Home Safety

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### 3 Where to begin

- [www.ighs.org/guidance/policyholders/](http://www.ighs.org/guidance/policyholders/)



Business Continuity  
Planning Made Easy



Emergency  
Preparedness &  
Response Planning



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### 3 Employees

- Specific training for protection and security of NPI
  - Ensure access to NPI is on an as needed basis
- No “ride-along” – take your child to work
- Terminate employee’s access upon separation from company or change in position
  - Employee separating from company will have access to physical and digital items terminated on the same day as separation
- Documentation



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### 3 Non-employees

- Non-employees who might have access to Office
  - Background checks every 3 years
- Examples – housekeeping, shredder pickup, exterminator, repair persons, building management, maintenance and IT professional
- What exposure of NPI
- Set standards for entering office
  - Appointment required, sign-in, check ID, wear name tag
- Physical access - escorted during entire stay
  - All NPI locked away
- Digital access - only by employees and IT professional
  - No guest privileges

### 3 Breach Notice

- Written notice to be sent
- With minimum contents of notice
- Follow [Sec. 501.171, F.S.](#)
- Document





### 3 Pillar 3 Write Separately Each

- Network
- Digital data
- Wiring funds
- Data storage and disposition
- Electronic devices
- Clean desk
- Disaster preparedness
- Employees and non-employees
- Notification of security breaches



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### 3 Review Checklist

- Federal and state laws
  - [Gramm-Leach-Bliley Act](#)
- Develop a WISP
- Write a separate policy, procedure, assessment, training, test and acknowledgement for each topic in pillar 3
- Document everything
- Test everything
- Review at least annually



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### **3** Pillar 3 Complete

- Remember to run “fire drills”
- Audit your own people
- Require visitor badges
- Empower employees to question unknown persons in office
- Continually train on security
- Wire fraud is a security issue



# Settlement Processes

## Pillar 4

## 4 Settlement Processes

- Adopt standard real estate settlement policies and procedures that help ensure compliance with:
  - (i) Federal and state consumer financial protection laws and regulations, and
  - (ii) Contractual obligations as applicable to the settlement process
- Adopting appropriate policies and procedures, including
  - Employee training
    - To meet federal, state, and contractual obligations
    - Appropriate to the locale
    - Effective to safeguard settlement documents



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## 4 Settlement Processes

- Adopt standard real estate settlement policies and procedures that help ensure compliance with:
  - (i) Federal and state consumer financial protection laws and regulations, and
  - (ii) Contractual obligations as applicable to the settlement process
- Procedures to help maintain
  - Accuracy,
  - Minimize errors in completing the settlement, and
  - Provide a framework for a positive consumer experience



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## 4 Pillar 4 Settlement Processes

### Title Insurance Pricing Procedure

- [Rule 69O-186.003, F.A.C.](#)
  - Specifies Original Issue Rate
  - Available discounts must be applied to the original issue rate
    - Simultaneous Issue Rates
    - Reissue Rates
    - Substitution Loan Rates
    - New Home Purchase Discount
    - Leasehold Rates
    - Contract Vendee Rates
  - Premium must be remitted to the insurer by the agent

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## 4 Settlement Processes – Purpose

- Adopting appropriate policies and procedures, including
  - Employee training
    - To meet federal, state, and contractual obligations
    - Appropriate to the locale
    - Effective to safeguard settlement documents
- Procedures to help maintain
  - Accuracy
  - Minimize errors in completing the Settlement, and
  - Provide a framework for a positive consumer experience



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## 4 Pillar 4 Settlement Processes

- Have written settlement procedure manual
- Train staff on settlement procedure
- Timely respond to client questions and concerns
- Prepare a “sample closing file” for staff to use as a reference
- Update training as needed
- Have back-up person in case someone is out
- Have call sheet for employees to ask questions

## 4 Pillar 4 Settlement Processes

### Settlement Procedures



- Contacting parties
- Sending out representation or
  - Non-representation letters
  - Including specific pricing information
  - Disclosure of affiliated business arrangements
- **Fraud warnings** to all parties
- Preparing the file

## **4** Pillar 4 Settlement Processes

### Settlement Procedures

- Establish written procedures in preparing settlement documents
- Background checks for employees who
  - Conduct settlements or
  - Have access to settlement document or funds



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## **4** Pillar 4 Settlement Processes

### 3<sup>rd</sup> Party Signing Professionals

- Provide evidence of
  - Insurance and
  - Bonds in addition to state licensure
- 3<sup>rd</sup> party signing vendor may assume responsibility for compliance with ALTA Best Practices
  - Is this a good practice? Think fraud
- Guidance when using
  - RON in-house and with a vendor
  - E-recording vendor
  - Escrow trust accounts to pay costs to record documents

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## 4 Pillar 4 Settlement Processes

### eRecording Vendor

- Policy to vett the vendor
- Ensure compliance with local laws and requirements
- Have a written contract
- Obtain and retain their
  - Insurance declaration page and/or
  - Bond information



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## 4 Pillar 4 Settlement Processes

### Recording Procedure – Florida is a notice state

- Public is **NOT** on notice until recorded
  - GAP closes upon recording
  - Agency agreement requires recording no later than 2 business days after settlement
- Record same day as closing to put the world on notice
  - Use eRecording when ever possible
    - Closes the GAP faster
- Order of recording documents
- Add to list to check for
  - Recording information and
  - Satisfactions



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## **4** Pillar 4 Settlement Processes

### Releases or Satisfactions

- Ensure that all mortgages are releases or satisfactions
- Pay careful attention to HELOC or RLOC
  - Have special procedures for payoffs involving HELOCs or RLOCs

**Satisfaction  
of Mortgage**

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## **4** Pillar 4 Settlement Processes

### File Review

- Review open and not closed files as needed
- Review closed files without satisfactions monthly
- Review random files monthly for
  - Proper documentation
  - Signing professional licensing up to date
  - Other items
- Refund any overpayment by consumer – even if it is 0.01¢

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(Insert name of entity/agency)

Policies and Procedures	
Settlement Processes (Small Office)	
Purpose	(Insert name of entity/agency) (hereinafter referred to as "The Firm") shall record documents and set rate and pricing procedures in compliance with contractual obligations and applicable Federal and State Consumer Financial Laws. The Firm currently does business only in Florida.
Procedures	<p>Requirements (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for recording documents and set rate and pricing procedures and incorporate those requirements in these procedures.)</p> <p>Please note that lender's more stringent instructions will supersede the stated policy and procedure.</p> <p>Prepare and have ready a sample closing file for reference</p> <p>Use "SAMPLE CLOSING FILE" for reference</p> <p>Train staff to minimize errors in completing settlement. There should be at least one back up person for each position. Training will include timely response to client concerns and questions as well as lender's requests. All employees are required to follow written procedures.</p> <p>Title Insurance Pricing Procedures</p> <p>The Firm utilizes online calculators to help ensure correct fees are being charged for title insurance policy premiums</p> <p>(Insert title of position, e.g., Real Estate Clerk) duties for each file</p> <ol style="list-style-type: none"> <li>Determine if a discount is available (such as simultaneous issue, reissue, new home purchase discount, and substitution rates etc.)</li> <li>Use the rate calculator in software program or on The Fund's Website, including any discounts</li> <li>Additional charges               <ol style="list-style-type: none"> <li>Charge \$25 for simultaneous issue, if applicable</li> <li>Charge 10% for ALTA 9 endorsement</li> <li>Charge minimum promulgated rates for all other endorsements</li> </ol> </li> </ol>

(Insert name of entity/agency)  
www.insert-Web-address.com

Page 1 of 6

(Insert name of entity/agency)

<p>d. If there was additional documented work with any of the above see (insert title of position, e.g., Attorney) for direction if a different amount should be charged</p> <p>4. Print out calculation worksheet and place in file (with additional documented work, if applicable)</p> <p>(Insert title of position, e.g., Attorney) duties</p> <ol style="list-style-type: none"> <li>Review rate change bulletins               <ol style="list-style-type: none"> <li>Ensure online calculators will be up to date and on date change is to be effective</li> <li>If not, direct all (insert title of position, e.g., Real Estate Clerk) to forward all rate calculations to (insert title of position, e.g., Attorney) for proper calculation</li> </ol> </li> <li>Review random files monthly to ensure               <ol style="list-style-type: none"> <li>Proper rate charges</li> <li>Post-closing checklist</li> </ol> </li> <li>Refund any over charges to consumer within ten business days</li> <li>If there was an under charge, fund shortage from operating account immediately</li> </ol> <p>Settlement Pricing Procedures</p> <p>(Insert title of position, e.g., Real Estate Clerk) duties for each file</p> <ol style="list-style-type: none"> <li>Contact customer               <ol style="list-style-type: none"> <li>Obtain a verbal agreement to either                   <ol style="list-style-type: none"> <li>Represent customer in closing                       <ol style="list-style-type: none"> <li>Inform customer that a retainer letter will be forthcoming detailing                           <ol style="list-style-type: none"> <li>Services</li> <li>Costs for services or approximations</li> <li>Additional costs for additional services or approximations</li> </ol> </li> <li>Not represent customer in closing                           <ol style="list-style-type: none"> <li>Inform customer that a no-representation letter will be forthcoming detailing                               <ol style="list-style-type: none"> <li>Services</li> <li>Costs for services or approximations</li> <li>Additional costs for additional services or approximations</li> </ol> </li> </ol> </li> </ol> </li> <li>Request that customer sign and return last page of letter agreement</li> <li>Review data on the purchase sale agreement                   <ol style="list-style-type: none"> <li>If there is a problem with any data on purchase sale agreement                       <ol style="list-style-type: none"> <li>Tell customer that (insert title of position, e.g., Attorney) will call them back about the problem</li> <li>Inform (insert title of position, e.g., Attorney) of the problem</li> </ol> </li> </ol> </li> </ol> </li> </ol> </li></ol>
--

(Insert name of entity/agency)  
www.insert-Web-address.com

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## 4 Log

Recordings as of (Insert Date)

Source: Employee First Last Name, Title

Type of document	Title Policy #	Borrower name(s)	Address	City	State	County	Zip	Date Docs Sent for Recording	How docs sent	Rejected Date (if applicable)	Date Recorded	O.R. Book	O.R. Page	Recording Vendor Name (if applicable)	Lender Name	Comments	Tracking number	Delivered
Deed	OF6-8070077	Bobbie Buyer	123 Main St	Big City	FL	Broward	33309	6/1/2024	E-Recording		6/1/2024	12345	121			Sent to Bobbie Buyer 06/03/2024	FQ122345638676394	6/4/2024
Mortgage	MF6-8070078							6/1/2024	E-Recording		6/1/2024	12345	122		Wells Fargo	sent to Wells Fargo 06/03/2024	FQ122345638676395	6/4/2024
Satisfaction - Mortgage															Bank of America			
Satisfaction - Fed Tax															IRS			

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## 4 Written Acknowledgement

### Acknowledgement

By signing below each person does hereby acknowledge that they

1. Have read Settlement Processes Policy and Procedures effective (insert effective date of policy and procedure).
2. I understand Settlement Processes Policy and Procedures effective (insert effective date of policy and procedure).
3. I had ample time and opportunity to ask questions in reference to Settlement Processes Policy and Procedures effective (insert effective date of policy and procedure) prior to signing below.
4. I have completed training on Settlement Processes Policy and Procedures effective (insert effective date of policy and procedure).

Name	Signature	Date
Chris Keefer – Attorney		
Kathy Johnson - Paralegal		

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## 4 Review Checklist - Procedures

- To determine rate for settlement fee
- To verify title insurance fee calculations are correct
  - To determine if discounted rates, including refinance or reissue rates, are available in a transaction
- Are all fees and charges recorded in the file?
- To perform post settlement quality checks
  - To verify that consumers were charged correctly in all aspects
  - All Satisfactions received
  - Other items completed
- Are overpayments immediately refunded to consumers?

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## 4 Review Checklist

- Employee training
  - To meet federal, state, and contractual obligations
  - Appropriate to the locale
  - Effective to safeguard settlement documents
- Maintain
  - Accuracy,
  - Minimize errors in completing the Settlement, and
  - Provide a framework for a positive consumer experience



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## 4 Pillar 4 Complete

- Training and cross training is the key to this pillar
- Having examples is always useful and helpful to employees
- Change your procedures as your practice changes
- Think of Pillar 4 as a guide for a new employee to follow when no one is available to answer questions



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# Escrow/Trust Accounts Pillar 2

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## 2 | Escrow/Trust Accounts

- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation
- Appropriate and effective escrow controls and staff training help companies meet federal, state, and contractual requirements for safeguarding of funds
- These procedures help ensure accuracy and minimize the risk of loss of funds



(No commingling)

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## 2 Escrow/Trust Accounts

- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation
- Loss of funds may not be covered by the Title Agency's errors and omissions ("E&O") insurance or contract with its Title Insurer
- Such losses would then become the responsibility of Title Agency
- Settlement companies may engage outside contractors to conduct Escrow Trust Accounting duties



## 2 Reporting and Accounting for Funds

- Insurer funds such as premiums held in fiduciary capacity
- Records kept for at least 3 years for DFS inspection if a policy issued
  - At least 10 years per Agency agreement
- Grounds for suspension or revocation of title agency's license or appointment
  - [Sec 626.651, F.S.](#)



## 2 Escrow Requirements

- Rule 69O-186.008 F.A.C.

- Monies held by title insurance agent or title insurer are held in a fiduciary capacity and
- May not disburse funds unless the funds are “collected funds”
- Funds received by licensed title insurance agent cannot be transfers to an interest-bearing account without written permission of the buyer and the seller
- Licensee shall keep books, accounts and records such as will enable department to determine compliance for 3 years
  - By Agency Agreement at least 10 years



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## 2 Reconciliation of Escrow Accounts

- Rule 69O-186.009

- Monthly bank statement
- List of all outstanding checks as of the date of reconciliation which are not shown on monthly bank statement
- Records maintained for a period of 5 years
  - Available for DFS inspection
- Licensed title agent shall maintain a separate ledger card for each real estate closing transaction and
  - Maintained for 3 years
  - Kept in chronological order
  - Amounts of moneys received and disbursed including name of remitter and payee and each check number issued on such escrow account



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## 2 Rules Regulating Trust Accounts

Rules Reg. Fla. Bar, Rule 5-1.1, Trust Accounts

- Trust accounts defined
- IOTA (Interest on Trust Accounts) Program
- Interest on funds that are not nominal or short term (h)
- Disbursement against uncollected funds (j)
- No overdraft protection (k)

# IOTA

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## 2 Rules Regulating Trust Accounts

Rules Reg. Fla. Bar Rule 5-1.2, Records and Procedures

- Minimum records
- Reconciliations – 3-way
  1. **Trust ledger** (internal book overall)
    - Everything in and out of the trust account
  2. **Client ledgers** (each one to itself)
    - Each client ledger
  3. **Trust account bank statement** (from the bank)
- Agency Agreement requires 3-way reconciliation within 30 days of bank statement

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## 2 Reminders

- Money in trust account belongs to the parties, not the attorney
- Parties to the transaction own specific amounts
- Checks may not be written from trust account to adjust closing costs
- Cannot “borrow” from one transaction to disburse to parties of another
- Each closing handled must balance to the penny
- Cannot keep any excess, even .05¢



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The Fund

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## 2 Reminders

- Must wait for collected funds
  - “Fintech” applications – can be recalled
  - 3<sup>rd</sup> party earnest money platforms – which can be recalled
- Florida Bar and DFS require attorneys and title agents to reconcile their trust accounts frequently, regularly, and precisely
- Allowing an employee to both access trust accounts and to reconcile those accounts creates substantial risk and is strongly discouraged

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The Fund

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## 2 Escrow/Trust Accounts

### Additional Protections

- Wire transfer procedures include
  - Multi-factor authentication and
  - Follow ALTA's published guidance
  - If service used – they should be vetted
- Background checks for all employees when hired and every 3 years
- Manager review and approval of aging escrow balances
- Daily reconciliation of escrow account including
  - Identifying and
  - Investigation of any discrepancies



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## 2 Escrow/Trust Accounts – Tips

- Segregation of duties for security (fox watching hen house)
- Reconciliation results reviewed by management and Accessible electronically by underwriter(s)
- Daily reconciliation of Trust / Escrow Account
- Automated Clearing House (ACH) Blocks
- Use positive pay
  - You upload information about each check issued
  - Bank only pays check, if it matches information



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## 2 Escrow/Trust Accounts – Tips

- Reverse positive pay
  - Bank notifies you daily of checks presented for payment
  - You alert bank of items not to be paid
  - Failure to timely notify bank (very short time) bank will pay
- Standalone computer for banking only
  - Block all other websites
- Checks signed in person
- Checks made out in indelible ink
- Transactions conducted by authorized employees



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## 2 Escrow/Trust Accounts – Employee

- Each employee who has access to your Trust / Escrow Accounts give a copy of your company's written policies and procedures on Trust / Escrow accounting
  - When hired
  - When the procedures are updated
- Background checks when hired and
  - Every 3 years

*(Insert name of firm)*

Policies and Procedures	
Trust Accounting (Small Law Firm)	
Purpose	(Insert name of entity/agency) (hereafter referred to as "The Firm") shall establish internal controls to meet requirements for safeguarding client funds and to minimize the exposure to loss. The Firm currently does business only in Florida.
Procedures	<p><b>Requirements</b> (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for trust accounts and incorporate those requirements in these procedures.)</p> <p><b>Questions regarding any of The Firm's trust accounts shall be directed to</b> (insert title of position and the name, e.g., Gene Esposito, Attorney)</p> <p>Use "SAMPLE CLOSING FILE" for reference.</p> <p>Trust staff to minimize errors in completing settlement. There should be at least one back up person for each position. Training will include timely response to client concerns and questions as well as lender's requests. All employees are required to follow written procedures. Training includes how to determine if funds in trust account are "collected" funds.</p> <p><b>1. Trust Accounts</b></p> <p>A. Trust accounts and operating accounts are separate and are listed on such:</p> <ol style="list-style-type: none"> <li>The Firm maintains five bank accounts.</li> <li>Trust funds maintained under a fiduciary capacity by The Firm are not commingled with The Firm's, employer's, or attorney's funds.</li> <li>The Firm shall maintain funds in each trust account to cover bank charges related to each trust account, in no event over \$150.00 per account.</li> <li>Trust accounts will not have overdraft protection.</li> <li>Trust accounts will not have debit cards.</li> <li>Checks shall be:                             <ol style="list-style-type: none"> <li>Secure "blind" check.</li> <li>Killed in a locked cabinet in (insert title of position and the name, e.g., Gene Esposito, Attorney's) office.</li> </ol> </li> <li>Any un-deposited funds will be kept in a locked cabinet overnight for deposit next business day.</li> <li>Cash disbursements will be logged in the cash receipts and disbursements journal.</li> <li>Disbursements from trust account will only be made from collected funds, unless the funds fall within an exception as outlined in a rule, regulation, or statute.                             <ol style="list-style-type: none"> <li>If an exception is used, The Firm is prepared to pay the same amount from The Firm's operating account if the funds are not collected at the time of disbursement.</li> </ol> </li> <li>Disbursement of The Firm's funds shall occur at the time of settlement.</li> <li>The Firm has a dedicated standalone computer for online transactions and is configured to block all other web sites.</li> </ol>

Name of Firm  
Address or Website of Firm

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## 2 Escrow/Trust Accounts – Employee Training

- Training for employees to address
  - Management of escrow funds and escrow accounting
  - Procedures for handling receipts, disbursements, and wires
  - Procedures for the handling of check stock
  - Authorization of wires and approval of bank transactions
  - Procedures for making deposits and
  - With reconciliation recorded and maintained

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**2** *(Insert name of firm)*

Policies and Procedures	
Trust Accounting (Small Law Firm)	
Purpose	(Insert name of entity/agency) (hereafter referred to as "The Firm") shall establish internal controls to meet requirements for safeguarding client funds and to minimize the exposure to loss. The Firm currently does business only in Florida.
Procedures	<p><b>Requirements (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for trust accounts and incorporate those requirements in these procedures.)</b></p> <p>Questions regarding any of The Firm's trust accounts shall be directed to (insert title of position and the name, e.g., Gene Esposito, Attorney)</p> <p>Use "SAMPLE CLOSING FILE" for reference Train staff to minimize errors in completing settlement. There should be at least one back up person for each position. Training will include timely response to client concerns and questions as well as lender's requests. All employees are required to follow written procedures. Training includes how to determine if funds in trust account are "collected" funds.</p> <p><b>I. Trust Accounts</b></p> <p><b>A. Trust accounts and operating accounts are separate and are labeled as such</b></p> <ol style="list-style-type: none"> <li>The Firm maintains five bank accounts</li> <li>Trust funds maintained under a fiduciary capacity by The Firm are not commingled with The Firm's, employee's, or attorney's funds</li> <li>The Firm shall maintain funds in each trust account to cover bank charges related to each trust account, in no event over \$150.00 per account</li> <li>Trust accounts will not have overdraft protection</li> <li>Trust accounts will not have debit cards</li> <li>Checks shall be           <ol style="list-style-type: none"> <li>Secure "blind" check</li> <li>Kept in a locked cabinet in (insert title of position and the name, e.g., Gene Esposito, Attorney's office)</li> </ol> </li> <li>Any un-deposited funds will be kept in a locked cabinet overnight for deposit next business day</li> <li>Cash deposits will be logged in the cash receipts and disbursements journal</li> <li>Disbursements from trust account will only be made from collected funds, unless the funds fall within an exception as outlined in a rule, regulation, or statute           <ol style="list-style-type: none"> <li>If an exception is used, The Firm is prepared to pay the same amount from The Firm's operating account if the funds are not collected at the time of disbursement</li> </ol> </li> <li>Disbursement of The Firm's fees shall occur at the time of settlement</li> <li>The Firm has a dedicated standalone computer for online transactions and is configured to block all other web sites</li> </ol>

Name of Firm  
Address or Website of Firm

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*(Insert name of entity/agency)*

Policies and Procedures	
Escrow Accounting (Small Title Agency)	
Purpose	(Insert name of entity/agency) (hereafter referred to as "The Agency") shall establish internal controls to meet requirements for safeguarding client funds and to minimize the exposure to loss. The Agency currently does business only in Florida.
Procedures	<p><b>Requirements (Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for escrow accounts and incorporate those requirements in these procedures.)</b></p> <p>When there is a material change to these policies and procedures, there shall be</p> <ol style="list-style-type: none"> <li>Announcement at a staff meeting</li> <li>At staff meeting everyone will           <ol style="list-style-type: none"> <li>Receive a copy of new policy and procedure and</li> <li>Sign original policy</li> </ol> </li> <li>Training on new procedure</li> </ol> <p>Questions regarding any of The Agency's escrow accounts shall be directed to (insert title of position and the name, e.g., Gene Esposito, Manager)</p> <p>Use "SAMPLE CLOSING FILE" for reference Train staff to minimize errors in completing settlement. There should be at least one back up person for each position. Training will include timely response to client concerns and questions as well as lender's requests. All employees are required to follow written procedures. Training includes how to determine if funds in trust account are "collected" funds.</p> <p><b>I. Escrow Accounts</b></p> <p><b>A. Escrow accounts and operating accounts are separate and are labeled as such</b></p> <ol style="list-style-type: none"> <li>The Agency maintains five bank accounts</li> <li>Escrow funds maintained under a fiduciary capacity by The Agency are not commingled with The Agency's, employee's or manager's funds</li> <li>The Agency shall maintain funds in each escrow account to cover bank charges related to each escrow account, in no event over \$150.00 per account</li> <li>Escrow accounts will not have overdraft protection</li> <li>Escrow accounts will not have debit cards</li> <li>Checks shall be           <ol style="list-style-type: none"> <li>Secure "blind" check</li> <li>Kept in a locked cabinet with supervisor access only</li> </ol> </li> <li>Any un-deposited funds will be kept in a locked cabinet overnight for deposit next business day</li> <li>Disbursements from escrow account will only be made from collected funds, unless the funds fall within an exception as outlined</li> </ol>

Name of Title Company  
Address or Website of Title Company

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AutoSave On logs for BP - Saved Search (Alt+Q)

File Home Insert Page Layout Formulas Data Review View Help Nuance PDF

Paste Cut Copy Format Painter Clipboard Font Alignment Number Styles

C11 Escrow - FL

Bank Name	Type of Account (Escrow, Trust/Operating, Recording, etc.)	Account Number	Bank Contact	Name of each authorized check signer and title	Authorized Wire Users	Positive Pay utilized?	ACH debit blocks activated?	Int'l wires prohibited?
1 Bank of the Midwest	Escrow	xxxx9876	Joe Banker, VP 555-976-1234	Matthew Mattson (Escrow Officer) Jason Jameson (President) Matthew Mattson (Escrow Officer)	Matthew Mattson (Escrow Officer) Jason Jameson (President) Matthew Mattson (Escrow Officer)	Yes	Yes	Yes
2 Chase	Escrow - FL	xxxxx88332	Mr. JP Morgan, 333-444-5555	Jack Close (Escrow Officer) Betty Jackson (Escrow Officer)	Jason Jameson (President)			
3 Wells Fargo	U/W Premium	xxxx5432	Mr. Stage Coachman, 555-123-4567	Jason Jameson (President)	Jason Jameson (President)	n/a	n/a	n/a
4 Union Bank	Dormant/Inactive	xxxx6778	Susan B. Anthony	Jason Jameson (President)	n/a - no wire capabilities	No	No	No
5 US Bank	Operating-Payroll	xxxx7777						
6 Wells Fargo	Recording	xxxx5433	Mr. Stage Coachman, 555-123-4567	Matthew Mattson (Post-Close Mgr)	Matthew Mattson (Post-Close Mgr)			

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## 2 Written Acknowledgement

### Acknowledgement

- By signing below each person does hereby acknowledge that they
1. Have read Trust Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.
  2. I understand Trust Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.
  3. I had ample time and opportunity to ask questions in reference to Trust Accounting Policy and Procedures effective **(insert effective date of policy and procedure)** prior to signing below.
  4. I have completed training on Trust Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.

Name	Signature	Date
Gene Esposito – Operations Managing Attorney		
Kathy Johnson - Paralegal		

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## 2 Written Acknowledgement

### Acknowledgement

By signing below each person does hereby acknowledge that they:

1. Have read Escrow Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.
2. I understand Escrow Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.
3. I had ample time and opportunity to ask questions in reference to Escrow Accounting Policy and Procedures effective **(insert effective date of policy and procedure)** prior to signing below.
4. I have completed training on Escrow Accounting Policy and Procedures effective **(insert effective date of policy and procedure)**.

Name	Signature	Date
Chris Keefer – Owner		
Gene Esposito – Manager		
Jody Lau – Closer		
Kathy Johnson - Closer		

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## 2 Review Checklist - Procedures

- Effective escrow controls
- Staff training
- Meet federal, state, and contractual requirements safeguarding of funds
- Minimize the risk of loss of funds
- Loss of funds coverage



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## 2 Pillar 2 Complete



- It is NOT your money
- Fiduciary duty to protect
- No commingling
- 3-way reconciliation
- Each file has its own account
- Must have collected funds prior to disbursement
- Follow lender's instructions

# Resolving Consumer Complaints

## Pillar 7

## 7 Resolving Consumer Complaints

- Adopt and maintain written procedures for resolving consumer complaints
- Purpose: a process for
  - Receiving and
  - Addressing consumer complaints
  - Helps ensure reported instances of
    - Poor service or
    - Non-compliance does not go undiscovered or unresolved



## 7 What is a Complaint?

- What is a complaint?
  - You know it when you see it
  - What if it is about:
    - Lender
    - Real Estate Agent
    - Broker
- What if just a comment?
- When should a complaint be noted?
  - Multiple calls
  - Unhappy with time of closing



## 7 How Should a Complaint be Handled?



- What do you want to happen in your office?
- Who can attend to an angry consumer?
- Who can assign complaint resolution?
- Cheat –
  - What do you want to happen when you have a complaint?
  - How do you want to be treated?
  - What kind of resolution would you seek?

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## 7 Basic Policy

- Who is the intake person for a complaint
  - Gather all information (on form)
    - About the person making the complaint
    - The file
    - Information and documentation related to complaint
  - Organize and pass the complaint to the assigned attorney
  - Log the complaint
  - Check the log weekly for progress on complaints
- Attorney to
  - Address the complaint in proper fashion
  - Update the intake person who will update the log

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*(Insert name of entity/agency)*

Policies and Procedures	
Consumer Complaints (Small Office) (Internal Document)	
<b>Policy</b>	<p>(Insert name of entity/agency) (hereinafter "The Firm") is committed to providing outstanding service to all of its clients. The Firm has a process for receiving and addressing consumer complaints to help ensure that any instance of poor service or non-compliance is addressed. The Firm is small and consists of (insert the number of attorneys) attorneys and (insert the number of support staff) support staff. The firm only conducts business in Florida. These procedures are to be followed by all employees and independent contractors where applicable.</p>
<b>Procedures</b>	<p>(Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)</p> <p>All complaints are taken seriously. Everyone is responsible for customer satisfaction.</p> <p>(Define a consumer complaint for your office). A consumer complaint is anyone who is dissatisfied with services provided by our office. However, anyone who expresses dissatisfaction with any other entity should have a complaint form filled in by (insert title of position i.e. Attorney or the name of the attorney).</p> <p><b>Single point of contact</b> for all complaints is (insert title of position i.e. Attorney or the name of the attorney).</p> <p><b>Complaint procedure:</b></p> <ol style="list-style-type: none"> <li>1. Fill in the complaint form.</li> <li>2. Inform the consumer when you will contact them next.</li> <li>3. Determine the consumer's desired resolution.</li> <li>4. Determine the type of risk to The Firm (legal, regulator, reputation or financial, etc.).</li> <li>5. Fill in the log.</li> <li>6. Pull file and review all information.</li> <li>7. Notify the consumer of the results of the investigation and propose a resolution.</li> <li>8. Obtain agreement for a solution from the consumer.</li> <li>9. Notate agreement on complaint form.</li> <li>10. Update log.</li> </ol> <p><b>Review complaints:</b></p> <ol style="list-style-type: none"> <li>1. Review log on Friday of each week to ensure complaints are being resolved.</li> <li>2. Review log for repeat patterns of poor service.</li> <li>3. Provide additional training, if necessary.</li> </ol>

*(Insert name of entity/agency)*  
[www.fundwebaddress.com](http://www.fundwebaddress.com)

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**Disclaimer:**  
 These policies and procedures are samples only and may not be used without customization to accurately reflect the agent's own policies and procedures.

*(Insert name of entity/agency)*

	<p>4. Annual review of the Consumer Complaint Policy and Procedures.</p> <p>5. Incorporate any complaint procedures contractually required by lenders into the current procedures within (insert how long to implement lenders request to change policies i.e. 30 days).</p> <p><b>Additional provisions:</b></p> <ol style="list-style-type: none"> <li>1. Lenders are not allowed to review consumer complaints or the consumer complaint log due to attorney client privilege (if you are a title company change to read "Lenders are not allowed to review consumer complaints or the consumer complaint log due to the inclusion of non-public personal information, see pillar 3, Privacy and Information Security for more details")</li> <li>2. Lenders may receive a copy of redacted consumer complaint or consumer complaint log at their request.</li> <li>3. If a consumer express dissatisfaction or is upset with any services and does not want us to complete the complaint form, details will be noted in the log.</li> </ol>
<b>Contact Officer</b>	(Insert title of position i.e. Attorney or the name of the attorney)
<b>Date Approved</b>	(Insert title of position i.e. Attorney or the name of the attorney, his/her signature and date)
<b>Date of Commencement</b>	(Insert effective date of policy and procedure; date and how it will be announced i.e. staff meeting; and date of training)
<b>Amendment Dates</b>	
<b>Date for Next Review</b>	(Insert date for next review)
<b>Related References and Links</b>	<ul style="list-style-type: none"> <li>Blank Consumer Complaint Forms are kept (insert location of the hard copy i.e. file called "complaint forms – blank").</li> <li>Filled in Consumer Complaint Forms are to kept with the related file. If there is not a file, they will be kept with the (insert location of the hard copy i.e. file called "complaint forms – complete") after resolution.</li> <li>Scanned copy of the Consumer Complaint Form will be (insert location of the soft copy file path)</li> <li>Consumer Complaint Log is located at (insert location of the soft copy file path)</li> </ul>

*(Insert name of entity/agency)*  
[www.fundwebaddress.com](http://www.fundwebaddress.com)

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**Disclaimer:**  
 These policies and procedures are samples only and may not be used without customization to accurately reflect the agent's own policies and procedures.

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Resolving Consumer Complaints

All complaints are taken seriously. Everyone is responsible for customer satisfaction.

**(Define a consumer complaint for your office).** A consumer complaint is anyone who is dissatisfied with services provided by our office. However, anyone who expresses dissatisfaction with any other entity should have a complaint form filled in by **(insert title of position i.e. Attorney or the name of the attorney).**

**Single point of contact** for all complaints is **(insert title of position i.e. Attorney or the name of the attorney).**

**Complaint procedure:**

1. Fill in the complaint form.
2. Inform the consumer when you will contact them next.
3. Determine the consumer's desired resolution.
4. Determine the type of risk to The Firm (legal, regulator, reputation or financial, etc.).
5. Fill in the log.
6. Pull file and review all information.
7. Notify the consumer of the results of the investigation and propose a resolution.
8. Obtain agreement for a solution from the consumer.
9. Notate agreement on complaint form.
10. Update log.

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## 7 Resolving Consumer Complaints

### Review complaints:

1. Review log on Friday of each week to ensure complaints are being resolved.
2. Review log for repeat patterns of poor service.
3. Provide additional training, if necessary.
4. Annual review of the Consumer Complaint Policy and Procedures.
5. Incorporate any complaint procedures contractually required by lenders into the current procedures within **(Insert how log to implement lenders request to change policies i.e. 30 days)**.

### Additional provisions:

1. Lenders are not allowed to review consumer complaints or the consumer complaint log due to attorney client privilege **(if you are a title company change to read "Lenders are not allowed to review consumer complaints or the consumer complaint log due to the inclusion of non-public personal information, see pillar 3, Privacy and Information Security for more details")**.
2. Lenders may receive a copy of redacted consumer complaint or consumer complaint log at their request.
3. If a consumer express dissatisfaction or is upset with any services and does not want us to complete the complaint form, details will be noted in the log.

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*(Insert name of entity/agency)*

#### Consumer Complaint Form

Please complete appropriate section(s) below, then "save as" using the following format: **(insert how you want the form saved i.e. "Last Name Consumer Complaint MMDDYY")** and **(insert if you want the form emailed to a person, insert email address)**  
(Insert the file name i.e. File Name Example: Smith Consumer Complaint 05-08-23)

Date of Inquiry:

MM-DD-YY

How complaint was made (phone, email, in person, etc.)

#### Consumer Contact Information

Name(s) (Last, First)

Property Address (Street, City, State, Zip)

Contact Address (if different from Property Address)

Contact Phone Number

Additional Contact Phone Number

#### Transaction Information

Agent File Number

Policy Number

Property Type (Residential or Commercial) Transaction Type (Purchase, Refinance, REO, etc.)

Briefly describe the nature of the consumer's inquiry including dates of any conversations, phone calls, and names (including title and company affiliation) of those with whom consumer has spoken. **Notate the consumer's desired resolution**

Indicate whether additional information or documentation is attached under separate cover.

Advise consumer that this will be routed to Contact Name Contact Title.

Name/Title of person completing form

Disclaimer:  
This form is a sample only and may not be used without customization to accurately reflect the agent's own policies and procedures.

*(Insert name of entity/agency)*

Management Review Name/Title

Fees associated with subject transaction:

Proposed resolution:

Accepted /Rejected

Second proposed resolution:

Accepted /Rejected

Third proposed resolution:

Accepted /Rejected

Final resolution:

Disclaimer:  
This form is a sample only and may not be used without customization to accurately reflect the agent's own policies and procedures.

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## 7 Complaint Policy for Publication



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(Insert name of entity/agency)

Policies and Procedures	
Consumer Complaints (Small Office)	
Procedures	<p>(Note: change this form to reflect your office procedures. Remove parts that do not apply. Review legal, contractual, and statutory requirements for licensing and incorporate those requirements in these procedures.)</p> <p>We at (insert name of entity/agency) take all consumer complaints seriously. We strive to make your interaction with our offices rewarding.</p> <p>If there is an issue, please (insert how you want the consumer to make a complaint i.e., call our office (xxx-xxx-xxxx)) and ask to speak with (insert title of position i.e., Attorney or the name of the attorney) who is responsible for all new complaints.</p> <p>The (insert title of position i.e., Attorney or the name of the attorney) will fill in our complaint intake form and attach any documentation which you provide.</p> <p>The (insert title of position i.e., Attorney or the name of the attorney) will evaluate your complaint and after evaluation, will contact you to in effort to resolve your complaint.</p> <p>Complaint will be added to the log. The log will be examined weekly to see that all complaints have been or are being resolved by (insert title of position i.e., Attorney or the name of the attorney)</p>
Contact Officer	(Insert title of position i.e., Attorney or the name of the attorney)
Date Approved	(Insert title of position i.e., Attorney or the name of the attorney, his/her signature, and date)
Date of Commencement	(Insert effective date of policy and procedure; date and how it will be announced i.e., staff meeting; and date of training)
Amendment Dates	
Date for Next Review	(Insert date for next review)
Related References and Links	<ul style="list-style-type: none"> <li>This procedure is for publication (insert how this policy and procedure will be published i.e., on our website and in our office for all consumers)</li> </ul>

Note: This document is for distribution to customers, clients, or consumer. This SHOULD be posted on the web. This may also be given to lenders upon their request.

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## 7 Complaint Log

Agent File #	State	Consumer Name	Brief Description	Date Rec'd (mm-dd-yy)	Assigned to	Date Last Contact w/ Consumer	Date Last Activity/ Update	Status	Date Resolved	Brief Description of Resolution
								Urgent		
								Pending		
								Resolved		
								Somewhat urgent		
								Action Required		
								Other		
<p><b>Consumer Complaint Log</b> (Insert name of entity/agency and your company logo as well)</p>										
<p>This template represents a sample document that can be downloaded and manipulated to fit the desires of the user. The use of this document does not guarantee customer or regulator acceptance or compliance with the American Land Title Association's Best Practices, nor any guarantee of customer relationships. Any representation by Old Republic Title Insurance Group is not intended to and does not constitute legal advice.</p>										

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## 7 Written Acknowledgement

*(Insert name of entity/agency)*

Employee Acknowledgement - Consumer Complaints Policy and Procedures

I \_\_\_\_ (insert employee name) \_\_\_\_, \_\_\_\_ (insert employee job title) \_\_\_\_  
\_\_\_\_ of the (insert name of entity/agency) do hereby acknowledge that:

1. I have read the Consumer Complaints Policy and Procedures effective **(insert effective date of policy and procedure)**.
2. I understand the Consumer Complaints Policy and Procedures effective **(insert effective date of policy and procedure)**.
3. I had ample time and opportunity to ask questions in reference to Consumer Complaints Policy and Procedures effective **(insert effective date of policy and procedure)** prior to signing below.
4. I have completed training on Consumer Complaints Policy and Procedures effective **(insert effective date of policy and procedure)**.
5. I understand my responsibilities under the Consumer Complaints Policy and Procedures and will abide by them.

\_\_\_\_\_  
Name of employee (for signature)

\_\_\_\_\_  
Date

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## 7 Review Checklist

- Minimum – Pillar 7
  - Standard form
    - Connects complaint with specific transaction
  - Identify single point of contact
  - Log
    - Management
      - Review of log
      - Sign and date log
- A process for
  - Receiving and
  - Addressing consumer complaints
  - Helps ensure reported instances of
    - Poor service or
    - Non-compliance does not go undiscovered or unresolved



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## 7 Pillar 7 Complete

- Remember to review log
- Review for repeating issues
- Review for exposure to larger issues
- Remember to redact prior to sending log to lender



# Review

## Plan of Action

- Step by step
- Pillars 1, 6 and 7 easiest
- Pillars 4 and 5 medium
- Pillar 2 is difficult
- Pillar 3 very difficult – takes longer than all the rest put together
  - Break into parts
- Use samples and modify
- Size does matter
- Professional businesses all have some type of best practice manual



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# ALTA Resources



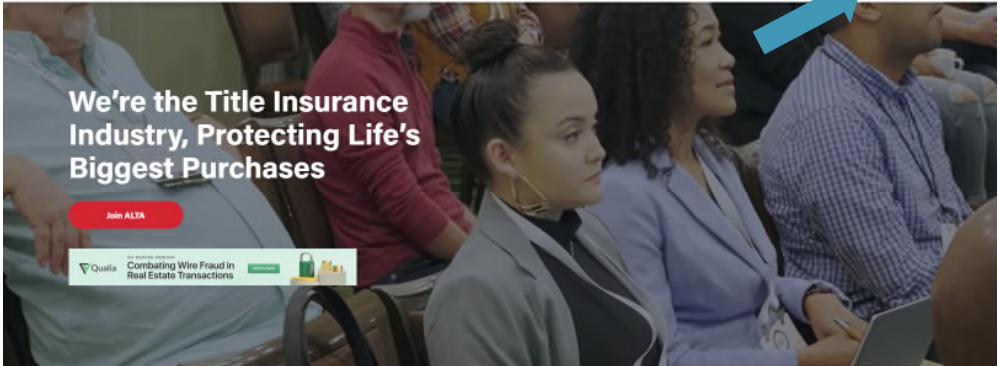
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# ALTA Resources

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[Patriot Act](#)
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## We're the Title Insurance Industry, Protecting Life's Biggest Purchases


[Join ALTA](#)




[Combating Wire Fraud in Real Estate Transactions](#)


[ALTA Marketplace Buyer's Guide](#)


[PATRIOT Act Search](#)



[ALTA Registry \(Find a Title Agent\)](#)


[Policy Forms](#)

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# ALTA Resources



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[Business Ops](#)
[Policies + Standards](#)


## Policies + Standards


One of ALTA's main reasons for existing is to provide the title and settlement industry with industry-specific policy forms and standards that help the industry stay compliant with current regulations.





[QUICK LINKS](#)


- [ALTA Forms Collection](#)
- [ALTA Best Practices](#)


[ALTA Forms Collection](#)


[ALTA Policy Forms Licensing](#)


[ALTA Best Practices](#)


[Arbitration Information](#)

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# ALTA Resources

## Get Started

Are you new to ALTA Best Practices and unsure of how to start implementing the Best Practices standards? ALTA has created a number of tools to help you get started on the path towards Best Practices compliance.

## Educational Resources

Get additional information about the ALTA Best Practices to help give you a better understanding of how you can adopt policies and procedures that will meet the Best Practices standards.

## Assessment Guidelines

Learn more about the ALTA Best Practices assessment process and help ensure that your company is in the best position to work with your lender partners.

## Demonstrate Compliance

After undergoing an ALTA Best Practices assessment, you want to be able to share your compliance achievements! ALTA has created helpful tools to allow you to demonstrate your compliance with Best Practices with lenders and other third parties.

## FAQ + Help

Answers to frequently asked questions to help ensure industry

## Important Documents

Some of these documents are only available to ALTA Members and Best Practices Subscribers (marked [M]).

- ALTA Best Practices 4.0 Framework: Title Insurance and Settlement Company Best Practice (v. 4.0 - Effective 05-23-2023)
- ALTA Best Practices 4.0 Framework: Assessment Procedures (v. 4.0)
- ALTA Best Practices 4.0 Framework - Overview Presentation
- ALTA Best Practices 4.0 - Pillar 1-7 Assessment Readiness Guide [M]
- ALTA Best Practices 4.0 - Policy and Procedure Creation Guidance [M]
- ALTA Best Practices 4.0 - Policy and Procedures Sample Table of Contents [M]
- ALTA Best Practices 4.0 - Template for Policy and Procedures [M]

## Need Help?

Check out ALTA's Elite Providers that can assist with Best Practices implementation, compliance, and assessments.

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# ALTA Resources

## Educational Resources

The Best Practices Educational Resources provide additional information about the ALTA Best Practices to give you a better understanding of how you can adopt policies and procedures that will meet the Best Practices standards.

Some of these documents are only available to ALTA Members and Best Practices Subscribers (marked [M]).

General



Best Practice Pillar #1: Licensing



Best Practice Pillar #2: Escrow Trust Accounting



Best Practice Pillar #3: Protecting NPI



Best Practice Pillar #4: Settlement Processes



Best Practice Pillar #5: Policy Production



Best Practice Pillar #6: Insurance Coverage



Best Practice Pillar #7: Consumer Complaints



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# ALTA Resources

## Educational Resources

The Best Practices Educational Resources provide additional information about the ALTA Best Practices to give you a better understanding of how you can adopt policies and procedures that will meet the Best Practices standards.

Some of these documents are only available to ALTA Members and Best Practices Subscribers (marked [M]).

General	▼
Best Practice Pillar #1: Licensing	▼
Best Practice Pillar #2: Escrow Trust Accounting	▲
<ul style="list-style-type: none"><li>• Webinar on How to Document Your Escrow Trust Account Policies</li><li>• Tips on Documenting Your Escrow Trust Account Policies [M]</li><li>• Escrow Accounting Procedures Course</li></ul>	
Best Practice Pillar #3: Protecting NPI	▼
Best Practice Pillar #4: Settlement Processes	▼
Best Practice Pillar #5: Policy Production	▼
Best Practice Pillar #6: Insurance Coverage	▼
Best Practice Pillar #7: Consumer Complaints	▼

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# ALTA Resources

## Assessment Guidelines

After implementing policies and procedures designed to meet the ALTA Best Practices standards, your company is ready to undergo an assessment. Refer to the assessment option that best fits your company's needs.

Some of these documents are only available to ALTA Members and Best Practices Subscribers (marked [M]).

Self Assessment	▼
Assessment Readiness Guides	▼
Resources for Certification Specialists	▼

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# ALTA Resources

Self Assessment

A self assessment requires companies to internally review and test their policies and procedures to determine whether they meet the Best Practices standards. Use the tools below to conduct your self assessment and embark on the road towards compliance!

- ALTA Best Practices 4.0 Framework: Title Insurance and Settlement Company Best Practice (v. 4.0 - Effective 05-23-2023)  
Version 4.0: Publication 01-23-23 | Effective 05-23-23
- ALTA Best Practices 4.0 Framework - Overview Presentation
- ALTA Best Practices 4.0 Framework: Assessment Procedures (v. 4.0)
- ALTA Best Practices 4.0 Framework: Internal Assessment Report and Letter (v. 4.0) [M]
- ALTA Best Practices 4.0 Framework: Third-Party Assessment Report (v. 4.0) [M]
- ALTA Best Practices 4.0 - Pillar 1-7 Assessment Readiness Guide [M]
- ALTA Best Practices 4.0 - Policy and Procedure Creation Guidance [M]
- ALTA Best Practices 4.0 - Policy and Procedures Sample Table of Contents [M]
- ALTA Best Practices 4.0 - Template for Policy and Procedures [M]

Assessment Readiness Guides

Resources for Certification Specialists

# ALTA Resources

Demonstrating Compliance

Use these helpful tools to share your ALTA Best Practices compliance achievements with lenders and other third parties.

Some of these documents are only available to ALTA Members and Best Practices Subscribers (marked [M]).

- ALTA Best Practices 4.0 Framework: Title Insurance and Settlement Company Best Practice (v. 4.0 - Effective 05-23-2023)  
Version 4.0: Publication 01-23-23 | Effective 05-23-23
- ALTA Best Practices 4.0 Framework - Overview Presentation
- ALTA Best Practices 4.0 Framework: Assessment Procedures (v. 4.0)
- ALTA Best Practices 4.0 Framework: Internal Assessment Report and Letter (v. 4.0) [M]
- ALTA Best Practices 4.0 Framework: Third-Party Assessment Report (v. 4.0) [M]
- **Reports from a Certification Specialist**  
**\*\*This information is intended to be informational only\*\***  
Based on the lender's vendor management policies and guidelines, a company may be asked to engage a third party certification specialist to issue a report to support the company's self assessment results. Please consult with your lender partners before electing to engage a certification specialist to perform an assessment of your compliance with the Best Practices standards. In choosing a certification specialist to conduct a Best Practices assessment of your company, you should be sure to select a third party who is acceptable to your lender partners and will produce a report that will provide adequate assurance to your lender partners.  
  
ALTA does not issue any Best Practices assessment reports or certifications, nor does ALTA review any reports produced by companies themselves or third parties. ALTA does not have a list of preferred vendors or third party assessment companies. You should select a certification specialist that will best fit the needs of your company.

# ALTA Resources

## Frequently Asked Questions + Get Help

*This information is not a substitute for legal advice, is for your reference only, and is not intended to represent the only approach to any particular issue. This information should not be construed as legal, financial or business advice, and users should consult legal counsel and subject-matter experts to be sure that the policies adopted and implemented meet the requirements unique to your company.*

General	▼
Best Practice Pillar #1: Licensing	▼
Best Practice Pillar #2: Escrow Trust Accounting	▼
Best Practice Pillar #3: Protecting NPI	▼
Best Practice Pillar #4: Settlement Processes	▼
Best Practice Pillar #6: Insurance Coverage	▼
Best Practice Pillar #7: Consumer Complaints	▼

# ALTA Resources

General	▼
Best Practice Pillar #1: Licensing	▼
Best Practice Pillar #2: Escrow Trust Accounting	▼
Best Practice Pillar #3: Protecting NPI	▼
Best Practice Pillar #4: Settlement Processes	▼
Best Practice Pillar #6: Insurance Coverage	▼
Best Practice Pillar #7: Consumer Complaints	▲
<ul style="list-style-type: none"><li>• <b>What constitutes a "complaint"?</b> The term "complaint" is not defined within ALTA's Best Practices; however, ALTA recommends that companies define the term within their policies and procedures. When defining the term, ALTA recommends that companies consider definitions that are common in the market, including definitions from their state regulators, lender partners, or other title insurance and settlement companies.</li><li>• <b>My company has never received a complaint. Do I still need to maintain a complaint log?</b> The ALTA Best Practices requires that companies develop a standard consumer complaint form and maintain a log of consumer complaints that includes whether and how the complaint was resolved. If you have not received a complaint, your company should still have in place policies and procedures for handling a complaint. Your company may also want to consider how it communicates with consumers to determine whether there are undocumented complaints.</li></ul>	

# Fund Resources



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## The Fund Resources

A screenshot of the The Fund Resources website. The header is dark blue with the The Fund logo on the left and navigation links (Home, Info Center, Software, Services, Education, Resources, Support, Contact Us) in the center. On the right of the header, there is a user account link "[ My Account (lmonaco@thefund.com) ] [ LOG OUT ]" and a search icon. The main content area has a "Welcome" section with a blue arrow pointing to the "Resources" link in the header. Below this is a promotional banner for "The Fund Shop" with the text "Download the FREE 'Dynamic Duo Media Kit' Marketing Made Easy" and a "Browse the Online Shop" button. To the right is a "Launch Center" section with four columns: "CLOSINGVUE" (Launch), "WEB ATIDS" (Launch), "CPL" (Launch), and "EP" (Launch). Below these are various resource tiles with arrows, including "TITLE NOTES", "ORDER BRANCH PRODUCTS", "PRODUCT ORDERING", "THE FUND CONCEPT", "FUND PROCEDURES HANDBOOK", "RATING WORKSHEETS", "FUND PHOTODIAGNOSIS ONLINE", "GENERAL COUNSEL BLOG", "ON-DEMAND TRAINING LIBRARY", and "FUND SHOP". At the bottom left, there is an "Education" section with a "Live Webinar! Disclosing Beneficial Ownership: The Corporate Transparency Act" announcement. The bottom right corner of the page features the The Fund logo and the number "178".

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# The Fund Resources

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## Our Newest Resources

### On-Demand Training

Video instruction for continuing legal education at anytime.

### ALTA Best Practices

Industry best practices developed by ALTA can help title professionals meet the new market demands.

### Fund Procedures Handbook

Frequently asked questions regarding the proper way to complete Fund commitment and policy forms and to issue endorsements.

### Finding Base Title

The guidelines in this section apply to proposed commitments and policies not exceeding \$1 million.

### Preparing a Policy

Title issues and policy preparation The Fund has all the products and services you need to keep you compliant and up to date.

### Marking Up a Commitment

The commitment is a binding offer to issue title insurance. It can also serve as a TO-DO list for your closing. So, how does one mark up a commitment?

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# The Fund Resources

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## The Fund Resources

- [Lender information on requirements](#)
- The 7 pillars of ALTA's Best Practices
  - Sample policies and procedures
  - Sample acknowledgments
  - Sample spreadsheets
  - Concept articles
  - Links to other tools
- On-Demand webinar – Protecting NPI- Pillar 3
- Helpful links
- Much more



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**Thank you  
for your time and attention**

For more information please contact:

**Linda Monaco, B.C.S.**

Lmonaco@TheFund.com



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# ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices

*Version 4.0*



## ALTA Best Practices Framework

The ALTA Best Practices Framework has been developed to assist title agencies, and title insurers to optimize their practices and procedures to ensure financial and data security, operational stability, and to meet regulatory requirements along with fulfilling customer needs and requirements. The ALTA Best Practices Framework is comprised of the following documentation that can be utilized by a company to implement the Best Practices program:

- ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices
- ALTA Best Practices Framework: Assessment Procedures
- ALTA Best Practices Framework: Certification Package (Company may choose either the *Internal Assessment Representation Report and Letter* or the *Third-Party Assessment Procedures Report*)

## Version History and Notes

Date	Version	Notes
1/2/2013	None	Publication of the ALTA Title Insurance and Settlement Company Best Practices, approved by the ALTA Board of Governors on December 20, 2012.
7/19/2013	2.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, along with other documents in the ALTA Best Practices Framework, approved by the ALTA Board of Governors on July 19, 2013.
10/7/2016	2.5	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices Framework (including addition of third-party signing professionals provision), with other documents, approved by the ALTA Bd of Governors on September 19, 2016.
10/17/2019	3.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, along with other documents in the ALTA Best Practices Framework, approved by the ALTA Board of Governors on June 6, 2019.
1/23/2023	4.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, along with other documents in the ALTA Best Practices Framework, approved by the ALTA Board of Governors on October 13, 2022. Publication on January 23, 2023, with an effective date of May 23, 2023.



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## Title Insurance and Settlement Company Best Practices

### Mission Statement

- ALTA seeks to guide its membership on best practices to protect consumers, promote quality service, safeguard data and funds, provide for ongoing employee training, and meet legal and market requirements. These practices are voluntary and designed to improve operations and help members illustrate the industry's professionalism and best practices to help ensure a positive and compliant real estate settlement experience. These best practices are not intended to encompass all aspects of title or settlement company activity.
- ALTA maintains these best practices to provide guidance for title and settlement companies and to support oversight programs for the mortgage lending and real estate settlement industry. ALTA accepts comments from stakeholders as we seek to continually improve these best practices. A formal committee of ALTA members regularly reviews and makes improvements to these best practices, seeking comment on each revision.

### Definitions

**Background Check:** A Background Check is the process of compiling and reviewing both confidential and public employment, address, and criminal records of an individual or an organization. Background checks may be limited in geographic scope. This provision and use of these reports are subject to the limitations of federal and state law.

**Company:** The entity implementing these best practices.

**Consumer:** Buyer(s), borrower(s), or seller(s) in a real estate transaction

**Escrow:** A transaction in which an impartial third-party acts in a fiduciary capacity for all or some of the parties (including the Consumer, or lender) in performing Settlement services according to local practice and custom.

**Escrow Trust Account:** An account at a Federally Insured Financial Institution utilized to hold funds in trust for a real estate transaction. These funds are held in the account holder's fiduciary capacity as established by written instructions.

**Federally Insured Financial Institution:** A financial institution that has its deposits insured by an instrumentality of the federal government (e.g., Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA)).

**Licenses:** The various business and professional licenses which are required to conduct the business of title and Settlement services including, but not limited to, Title Agency or producer licenses or registration, escrow/settlement licenses, a license to practice law, and local business operating licenses.

**Non-public Personal Information (NPI):** Personally identifiable data such as information provided by a Consumer on a form or application, information about a Consumer's transactions, or any other information about a Consumer which is otherwise unavailable to the general public. NPI includes first name or first initial and last name in combination with any of the following: Social Security Number, driver's license number, state-issued ID number, credit card number, debit card number, or other financial account numbers. NPI can exist and be stored in both paper and electronic formats.

**Positive Pay or Reverse Positive Pay:** A system by which the authenticity of a check is determined before payment is made by the financial institution against which the check is written.

**Settlement:** In some areas called a "Closing." The process of completing a real estate transaction in accordance with written instructions during which deeds, mortgages, leases, and other required instruments are executed and/or delivered, an accounting between the parties is made, the funds are disbursed, and the appropriate documents are recorded in the public record.

**Title Agency:** Any person, company or entity which is authorized by a Title Insurer to issue title insurance policies. A Title Agency may also perform one or more of the following functions outside of their relationship with the Title Insurer: (1) collect and/or disburse premiums, escrows, security deposits or other funds, (2) handle escrow or Settlement, (3) solicit or negotiate title insurance business, and/or (4) record documents.

**Title Insurer:** Any person, company, or entity that is licensed to issue and insure title insurance policies.

**Trial Balance:** A list of all open individual Escrow ledger record balances at the end of the reconciliation period.

**Three-Way Reconciliation:** A method for determining whether the three main components of the Escrow Trust Account are in agreement at a regular interval (e.g., monthly, weekly, daily). This process is also used for discovering shortages (whether incidental or intentional), charges that must be reimbursed, or any type of errors or omissions that must be corrected in relation to an Escrow Trust Account. This process requires a comparison of: (1) the Trial Balance, (2) the book balance, and (3) the reconciled bank balance. If all three parts do not agree, the difference must be investigated and corrected.

## **Best Practices**

### **1. Best Practice: Establish and maintain current License(s) as required to conduct the business of title insurance and Settlement services.**

**Purpose:** Maintaining state mandated insurance Licenses and corporate registrations, as required, to ensure compliance with the state requirements for operations.

Procedures to meet this best practice:

- Establish and maintain for the Company and individuals, as needed:
  - Applicable business License(s); compliance with the Licensing, registration, and business requirements of the applicable state regulatory authority;
  - Appropriate compliance with [ALTA's Policy Forms Licensing \(PFL\) requirement](#);
  - A confirmed listing in the [ALTA Registry](#) (subject to those business entity types supported by the ALTA Registry).

## **2. Best Practice: Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for electronic verification of reconciliation.**

**Purpose:** Appropriate and effective Escrow controls and staff training help Companies meet federal, state, and contractual requirements for the safeguarding of funds. These procedures help ensure accuracy and minimize the risk of loss of funds. Loss of funds may not be covered by the Title Agency's Errors and Omissions ("E&O") insurance or the contract with its Title Insurer. Such losses would then become the responsibility of the Title Agency. Settlement companies may engage outside contractors to conduct Escrow Trust Accounting duties.

Procedures to meet this best practice:

- Escrow Trust Accounts are properly identified.
  - Accounts are identified as "escrow" or "trust" accounts. Appropriate identification appears on all account-related documentation including bank statements, bank agreements, disbursement checks, and deposit tickets.
  - Unless directed by the beneficial owner, Escrow Trust Accounts are maintained in Federally Insured Financial Institutions and subject to written Escrow agreements.
- Funds held in Escrow Trust Accounts or other funds the Company maintains under a fiduciary duty to another person or entity (e.g., investment accounts) are separately maintained and not commingled with the Company's operating account or any individual's personal account.
- In making disbursements from Escrow Trust Accounts, and subject to state law requirements, Company should ensure that undue risk is not being undertaken for escrow deposits that are not fully settled or that could be reversible.
- Follow state good funds laws and Title Insurer requirements/guidelines for Escrow Trust Account individual transaction disbursements.
- Positive Pay or Reverse Positive Pay are utilized, if available for the payment type, and policies and procedures are in place that prohibit or control the use of Automated Clearing House transactions, international wire transfers, and electronic/digital receipt of funds from web based fintech applications.
  - When utilizing a third-party earnest money deposit or disbursement platform that facilitates the digital transfer of Escrow Trust Account receipts and disbursements, ensure that the platform meets any good funds law requirements and is not subject to the Electronic Funds Transfer Act (EFTA) which allows for reversal of consumer payments.
- A written wire transfer procedure is in place and tested at least annually.
  - For outgoing wire transfers, this includes documented procedures to verify wire transfer instructions independent of the initial communication. Such procedures

should include the use of multi-factor authentication and should be similar in nature to those currently cited by ALTA in the [Outgoing Wire Preparation Checklist](#).

*(For a more detailed list and for specific areas that need to be addressed, please refer to ALTA's Information Security page <https://www.alta.org/business-tools/information-security.cfm>)*

- For incoming wire transfers, this includes a documented procedure to alert Consumers about the potential risks of wire fraud and guidelines to mitigate losses.
- Transactions are conducted by authorized employees only.
  - Only those employees whose authority has been defined to authorize bank transactions may do so. Appropriate authorization levels are set by Company and reviewed for updates annually. Former employees shall immediately be deleted as listed signatories on all Escrow Trust Accounts.
  - Background Checks are obtained and reviewed during the hiring process. Thereafter, at least every three years, updated Background Checks going back five years are obtained and reviewed for all employees.
  - Establish and implement a written plan designed to evaluate the results of the Background Checks and implement a process to mitigate any potential risks discovered during the review.
  - Ongoing training is conducted for employees on the safe and secure management of Escrow funds and proper Escrow accounting. Training should include, but not be limited to, risk of digital funds transfer using fintech applications, good funds requirements, and wire transfer fraud prevention best practices.
- Outstanding Escrow Trust Account file balances are documented and reviewed from time to time to determine appropriate status or action. Balances older than six months require management approval of activity.
- If available, efficient, and economical, make use of wire transfer verification service providers. Such service providers should be vetted to understand any risk of use, security protocols, and the providers' protection of Consumer data.
- A written wire fraud response procedure, which includes the recommendations of the [ALTA Rapid Response Plan for Wire Fraud Incidents](#) is in place and is reviewed at least annually.

*(For a more detailed list and for specific areas that need to be addressed, please refer to ALTA's Information Security page <https://www.alta.org/business-tools/information-security>)*
- Escrow Trust Accounts are supported by detailed Trial Balances listing all open escrow file balances.
- All Escrow Trust Accounts are reconciled.
  - On at least a daily basis, reconcile the Escrow Trust Account activities in the bank's records to the activities in the Escrow Trust Account books, identifying and

investigating any discrepancies. This activity may be performed electronically or manually depending on volume of items clearing the bank.

- On at least a monthly basis, a Three-Way Reconciliation is performed.
- Segregation of duties is in place to help ensure the reliability of the reconciliation and reconciliations are conducted by someone who does not have signing or disbursing authority.
- Shortly after the monthly Three-Way Reconciliation of each fiduciary account is completed, results are reviewed and approved by Company's management and are made available to Company's contracted Title Insurer(s).

### 3. Best Practice: Adopt and maintain a written information security plan (“WISP”) and a written privacy plan to protect NPI as required by local, state, and federal law.

**Purpose:** Federal and state laws (including the Gramm-Leach-Bliley Act) require title companies to develop a written information security plan (“WISP”) that describes the procedures they employ to protect NPI. The WISP must be appropriate to Company’s size and complexity, the nature and scope of Company’s activities, and the sensitivity of the Consumer information Company handles. A Company evaluates and adjusts its program considering relevant circumstances, including changes in Company’s business or operations, or the results of security testing and monitoring.

Procedures to meet this best practice:

- Establish and implement a WISP designed to protect the security and confidentiality of NPI and the security of the Company’s information systems. The WISP should include:
  - Multi-factor authentication, if available, that requires multiple credentials (factors) for access to systems containing NPI.
  - Password management plan that requires unique login names and system passwords to access systems containing NPI. System passwords must meet minimum standards which include:
    - re-entry of the password after system idling;
    - passwords that expire after a certain period of time; and
    - difficult-to-guess passwords that include a combination of uppercase letters, lowercase letters, special characters, with a minimum length of eight total characters.
  - Timely software updates that require routine updates to systems, software, and code that, when left outdated, can result in data breaches, cyberattacks, exploits, ransomware attacks and other exposure of NPI.
  - Physical security.
    - Restrict access to the Company’s information systems to only authorized employees and authorized service providers who have undergone Background Checks.
    - Prohibit or control the use of removable media.
    - Control physical access to NPI in physical forms, including cabinets, desks, storage, or other areas where NPI exists in any physical or electronic format, to authorized employees and authorized service providers who have undergone Background Checks.
  - Network and cloud security to protect NPI.

- Maintain and secure access to Company information technology software applications and data stored on physical or virtual equipment at Company location(s), in a data center, in the cloud, or hosted by third-party vendors.
  - Develop guidelines for the appropriate use of Company information technology.  
*(For a more detailed list and for specific areas that need to be addressed, please refer to ALTA's Information Security page <https://www.alta.org/business-tools/information-security>)*
- Preparedness and Training.
  - Establish, and periodically test, a written business continuity and disaster recovery plan outlining procedures to recover and maintain information, business functions, and business processes in the event of a disruption or compromise of systems or facilities, including continuity of operation for Consumer Settlements, and timely notification of parties in case of any delays.
  - Establish, and periodically test, a written incident response plan designed to promptly respond to, and recover from, a cybersecurity incident, which includes all the recommendations of the [ALTA Cybersecurity Incident Response Plan template](#).  
*(For a more detailed list and for specific areas that need to be addressed, please refer to ALTA's Information Security page <https://www.alta.org/business-tools/information-security>)*
  - Periodically review the Company's security controls and the Company's WISP and make appropriate changes to address emerging threats and risks to the Company's information systems and NPI.
  - Establish a training program to guide management and employee compliance with Company's WISP and awareness of current and developing cybersecurity threats.
- Comply with applicable federal and state laws which may require companies that possess records containing NPI to maintain records securely, to retain records for prescribed time periods, and to dispose of records (physical and electronic) in a manner that protects against unauthorized access to or use of NPI.
- Select service providers and third-party systems whose information security policies are consistent with Company's WISP, including but not limited to:
  - Independent contractors and service provider employees who have access to NPI in the course of their work. This group of people may include signing professionals, IT consultant employees, outsourcing company employees, and third-party software provider employees.
  - Software tools and resources which may have access to NPI or store records containing NPI as part of their setup or operation. These software tools and resources might include third-party software or systems; automated processes for order entry, search, or production; automated or artificial intelligence processes that integrate with other internal or external systems; automated status or communication processes; API data integrations; and software add-ins or plug-ins.



- Other systems which may not be designed to have access to NPI but may inadvertently provide a gateway into Company systems, including, but not limited to, security systems, climate control systems, smart home devices, guest Wi-Fi access, and personal devices occasionally connected to the Company network by employees or guests.
- Establish a privacy policy explaining how data is collected and used and publish it on Company's website(s) or provide information directly to Consumers in another useable form.

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**4. Best Practice: Adopt standard real estate Settlement policies and procedures that help ensure compliance with: (i) federal and state consumer financial protection laws and regulations, and (ii) contractual obligations as applicable to the Settlement process.**

**Purpose:** Adopting appropriate policies and procedures, including conducting ongoing employee training, to help ensure Company can meet federal, state, and contractual obligations governing the Settlement. These policies and procedures must be appropriate to the locale because consumer financial protection laws may vary from state to state. Appropriate and effective training helps Settlement Companies safeguard Settlement documents. These procedures help maintain accuracy, minimize errors in completing the Settlement, and provide a framework for a positive Consumer experience.

Procedures to meet this best practice:

- Train staff to provide a framework which will:
  - Minimize errors in completing the Settlement.
  - Enable a timely response to concerns raised by any of the parties following the Settlement, including addressing Consumer complaints in compliance with the requirements of ALTA Best Practices.
- Establish and observe proper pricing procedures.
  - Establish and implement written procedures to charge the appropriate title insurance premium and other fees for services provided by Company. These premiums and fees may be charged based on state and federal legal requirements, contractual obligations, or as set by Company.
    - Utilize rate manuals and online calculators, as appropriate, to ensure correct amounts are being charged for title insurance policy premiums, state or Company-specific fees, and endorsements.
    - Ensure discounted premiums are calculated and charged when appropriate, including refinance or reissue premiums.
    - Quality-check the Settlement documents after Settlement to ensure Consumers were charged the correct premiums and fees. Issue timely refunds to Consumers when an overpayment is detected.
- Disclose Affiliated Business Arrangements.
  - In compliance with state and federal laws and regulations, establish and implement procedures requiring proper disclosure of any affiliated business arrangements in which Company participates.
- Prepare and execute documents accurately.
  - Establish and implement written procedures regarding the preparation and proper execution of Settlement documents. These procedures must comply with

state law, federal law, contractual obligations with the Title Insurer, and as contractually agreed to by the Consumer or lender, and/or as directed by the Consumer or lender.

- **Oversee signing professionals.**
  - Establish and implement written procedures to monitor and verify that all signing professionals possess the appropriate state licensing and insurance to notarize documents (both in person and remotely, if applicable), conduct the Settlement (if applicable), and safeguard NPI. These requirements are determined by a mix of legal and contractual obligations, including state regulations and Title Insurer requirements and restrictions.
  - For signing professionals who are employed by Company, establish and implement written procedures to perform Background Check(s) for employees who conduct Settlements or who have access to Settlement documents and funds.
  - For signing professionals who are third parties, require demonstrable evidence of their current state licensure, where required, or a recognized and verifiable industry designation; and E&O insurance and Notary surety bond, if required by state law and/or the Title Insurer.
  - Require a written acknowledgement of compliance with Company's instructions and Company's WISP as detailed in ALTA Best Practices.
  - For a third-party signing professional contractually retained by anyone other than Company (e.g., the lender, Consumer, or an attorney representing any of these parties), the responsibility for verifying that the third-party signing professional meets applicable standards rests with that party.
  - Company may engage a vendor who assumes the obligation to monitor and verify that the third-party signing professional complies with ALTA Best Practices requirements.
- **Selecting Remote Notarization Platforms.**
  - If Company employees will be notarizing Settlement documents via remote notarization, select a remote notarization platform authorized by the state in which the notary public is located and that is approved by the Title Insurer, as applicable. Ensure that the software platform is capable of meeting the minimum requirements of the state, including retention of the video and safeguarding of NPI.
  - Implement procedures to charge fees as authorized by the state regulations.
  - If Company will engage a third-party to notarize documents via remote notarization, oversee the selection of the platform in compliance with ALTA Best Practices. If the state in which the property is located has a process to approve

- remote notarization platforms, the selected software platform must be approved by the state and the Title Insurer, as applicable.
- Establish and follow consistent and correct recording procedures.
  - o Record documents pursuant to legal and contractual requirements and incorporate those requirements in Company's written procedures.
    - Submit electronically or deliver documents for recording to the appropriate recording jurisdiction or the person or entity responsible for recording within two (2) business days of the later of: (i) the date of Settlement, or (ii) receipt by Company if the Settlement is not performed by Company.
    - If Company will be submitting documents for recording through an e-recording vendor, ensure Company complies with local laws and requirements, and has a contract or agreement in place with the e-recording vendor.
    - Track delivery and receipt of documents for recording. Timely and appropriately address recording rejections.
    - Verify proper recordation of the document(s) and maintain a record of the recording information.
  - o Comply with written procedures and controls for Escrow Trust Accounts, including e-recording accounts containing recording fees and/or any applicable tax that may be imposed by the state or municipality on the recording of documents.

## 5. Best Practice: Adopt and maintain written procedures related to title policy production, delivery, reporting, and premium remittance.

**Purpose:** Adopting and implementing appropriate procedures for the production, delivery, and remittance of title insurance policies helps ensure that Companies can meet their legal and contractual obligations.

Procedures to meet this best practice:

- Title policy production and delivery.
  - Title insurance policies should be issued and delivered in a timely manner to meet statutory, regulatory, and contractual obligations.
    - Issue and deliver policies within thirty days of the later of:  
(i) the date of Settlement, or (ii) the date that the terms and conditions of the title insurance commitment are satisfied, unless statutory or regulatory requirements deem that an earlier delivery is necessary.
- Premium reporting and remittance.
  - Title insurance policies should be reported to the Title Insurer (including a copy of the policy, if required by the Title Insurer) to meet applicable statutory, regulatory, and contractual obligations, but not to exceed 45 days following:  
(i) the date of Settlement, or (ii) the date the terms and conditions of the title insurance commitment are satisfied.
  - Title insurance premiums are remitted to the Title Insurer to meet applicable statutory, regulatory, and contractual obligations.

## 6. Best Practice: Maintain appropriate insurance and fidelity coverage.

**Purpose:** Appropriate levels of professional liability insurance or E&O insurance, cyber liability insurance, and crime coverage help ensure Company maintains the financial capacity to stand behind their professional services. Specific types of insurance or coverage may be required by law, regulation, or contractual obligations.

Procedures to meet this best practice:

- Company maintains appropriate professional liability insurance or E&O insurance, cyber liability insurance, and crime coverage, according to Company size and Settlement volume.
- Company complies with requirements for professional liability insurance, E&O insurance, fidelity coverage, or surety bonds, as required by state law or Title Insurer contractual obligations.
- Insurance coverage limits and exceptions, particularly E&O insurance, cyber liability insurance, and crime coverage, change frequently and should be thoroughly reviewed with the Company's insurance broker/agent at least on an annual basis.

## 7. Best Practice: Adopt and maintain written procedures for resolving Consumer complaints.

**Purpose:** A process for receiving and addressing Consumer complaints helps ensure reported instances of poor service or non-compliance do not go undiscovered or unresolved.

Procedures to meet this best practice:

- Consumer complaint intake, documentation, tracking, and resolution.
  - Standard procedures for logging and resolving Consumer complaints helps ensure that sufficient information to understand the nature and scope of the complaint is being received and acted upon.
    - Develop a standard Consumer complaint form that identifies information that connects the complaint to a specific transaction.
    - Set a single point of contact for Consumer complaints.
    - Establish procedures for forwarding complaints to appropriate personnel.
    - Have appropriate follow up on complaints until resolved or closed, including periodic review of unresolved/open complaints, closed complaints, and, as appropriate, Consumer communication.
    - Maintain a log of Consumer complaints that includes when and how the complaint was resolved or closed.

# ALTA Best Practices Framework: Assessment Procedures

*Version 4.0*





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## ALTA Best Practices Framework

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The ALTA Best Practices Framework has been developed to assist title agencies, and title insurers to optimize their practices and procedures to ensure financial and data security, operational stability, and to meet regulatory requirements along with fulfilling customer needs and requirements. The ALTA Best Practices Framework is comprised of the following documentation that can be utilized by a company to implement the Best Practices program:

- ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices
- ALTA Best Practices Framework: Assessment Procedures
- ALTA Best Practices Framework: Certification Package (Company may choose either the *Internal Assessment Representation Report and Letter* or the *Third-Party Assessment Procedures Report*)

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## Version History and Notes

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Date	Version	Notes
7/19/2013	2.0	Publication of the ALTA Best Practices Framework: Assessment Procedures, along with other documents in the ALTA Best Practices Framework, as approved by the ALTA Board on July 19, 2013. This is the first publication of the ALTA Best Practices Framework: Assessment Procedures.
11/13/2014	2.1	Amendment to Assessment Procedure 3.09(a) pursuant to a motion approved by the Board of Governors to remove the reference to encryption of data at rest.
10/7/2016	2.5	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices (including addition of third-party signing professionals provision), along with other documents in the ALTA Best Practices Framework, approved by the ALTA Board of Governors on September 19, 2016.
10/17/2019	3.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, along with other documents in the ALTA Best Practices Framework, approved by the ALTA Board of Governors on June 6, 2019.
1/23/2023	4.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, approved by the ALTA Board of Governors on October 13, 2022, along with other documents in the ALTA Best Practices Framework, including this document, the <i>ALTA Best Practices Framework: Assessment Procedures</i> . Publication on January 23, 2023, with an effective date of May 23, 2023.

### **Please Note**

**Utilize these ALTA Best Practices Assessment Procedures to determine Company's compliance with the ALTA Best Practices. If any exceptions are noted for any of the testing procedures, the exceptions should be documented and reported. A final assessment or audit report issued should include a list of exceptions noted by section and may include any explanations or action plan provided by Company.**

#### Capitalized Terms:

- Capitalized Terms appearing in both these Assessment Procedures and the *ALTA Best Practices Framework: Title Insurance Settlement Company Best Practices* ("Best Practices") shall have the meanings set forth in the Best Practices document.

#### Documentation Guidelines:

- Detailed notes or documentation copies should be maintained for a minimum of five (5) years to support testing performed and testing exceptions for each procedure.

#### Testing Guidelines:

- Where possible, the same file sample may be used throughout the assessment to test multiple procedures.

#### Not Applicable (NA):

- Some of the Assessment Procedures will not be applicable to some Companies due to laws, regulations, or business model. Inapplicability of an Assessment Procedure does not result in a "Yes" in the "Exceptions Noted" column for such procedure, but a "NA" designation should be used instead.

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 1:</b> <b>Establish and maintain current License(s) as required to conduct the business of title insurance and Settlement services.</b>	
1.01	Confirm that Company has a process for monitoring and tracking the current License(s) as required to conduct the business of title insurance and settlement services.	Y / N
1.02	<p>Confirm the active status of Company and/or individual Licenses/registrations for each state in which Company conducts business. In states where Title Insurer appointments are required, ensure that Company and/or individual producers are appointed by each Title Insurer as applicable.</p> <p>Documentation reviewed may include actual licenses, Department of Insurance or appropriate state regulatory agency websites/screenshots, Bar Association status, corporate registration(s), business registration(s), evidence of appointments with the state, and other documentation as applicable to state/license.</p> <p>Sample Selection:</p> <ul style="list-style-type: none"> <li>Review a list of states in which Company conducts business and a list of licensed employees. Select a sample of files and verify that Company and/or individual(s) disbursing or signing documents maintain appropriate current and valid licensing in accordance with the state's laws and regulations.</li> </ul>	Y / N
1.03	View Company's active ALTA Policy Forms License or verify compliance on ALTA website.	Y / N
1.04	For each Company office location performing settlement services, verify that Company has established a listing in the ALTA Registry (subject to those business entity types supported by the ALTA Registry).	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<p><b>ALTA Best Practice 2:</b></p> <p><b>Adopt and maintain appropriate written procedures and controls for the protection of Escrow Trust Accounts allowing for electronic verification of reconciliation.</b></p> <p><i>Note: These procedures apply to all custodial or fiduciary accounts, including closing and disbursement accounts, recording and tax accounts, construction disbursing accounts, Title Insurer remittance/premium accounts, and other similar accounts.</i></p>	
2.01	Obtain Company's written procedures and controls regarding hiring and training related to Escrow Trust Accounts.	Y / N
2.02	<p>Obtain a complete listing, certified by Company, of ALL open (active and inactive; escrow and non-escrow) bank accounts and authorized signers, wire initiators, and approvers on the accounts.</p> <ol style="list-style-type: none"> <li>Verify that Company is not comingling fiduciary funds, including Title Insurer's portion of the premium, with operating funds. Review active listing of employees to ensure signers, wire initiators, and approvers are actively employed.</li> <li>If signatory stamps are being used to sign escrow checks, test to confirm only authorized signers have access to the stamp.</li> <li>Ensure there are procedures for conducting 5-year Background Checks upon hiring and every 3 years thereafter. Select a sample of signors and obtain an invoice or documentation showing completion of Background Checks. Review Company's written plan to evaluate Background Check results to mitigate potential risks discovered during the review.</li> <li>Ensure Company deposits certified funds to comply with good funds requirements and Title Insurer requirements/guidelines prior to disbursing from Escrow Trust Accounts.</li> <li>Verify compliance with Company's process for training employees on management of escrow funds and Escrow Trust Accounts. Training should include awareness of digital funds transfer, good funds laws, and wire transfer fraud preventions.</li> </ol>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
2.03	<p>Obtain two (2) month-end Three-Way Reconciliations for each Escrow Trust Account and perform the following:</p> <p><i>Note: Three-Way Reconciliation documentation at a minimum includes bank statement, reconciliation sheet/summary page with book balance, outstanding deposits list/deposits in transit, open escrow file listing or trial balance and outstanding disbursements list, all as of the reconciliation date. Compare: (1) the Trial Balance, (2) the book balance, and (3) the reconciled bank balance to ensure all three parts agree. If they do not agree the difference must be investigated and corrected.</i></p> <p><u>Definition of Significant items:</u></p> <ul style="list-style-type: none"> <li>• Deposits in transit over \$10,000 over 3 business days old.</li> <li>• Aggregate transactions over \$10,000 for shortages.</li> <li>• Outstanding checks depending on payee as noted in sub-procedure 2.03.k in excess of \$5,000 over 180 days old, mortgage payoffs over 10 business days old.</li> </ul> <p><u>Definition of Active versus Inactive/Dormant Accounts:</u></p> <ul style="list-style-type: none"> <li>• Active Account - Used for current transactions.</li> <li>• Inactive/Dormant Account: <ul style="list-style-type: none"> <li>○ No new significant incoming funds into account.</li> <li>○ No disbursements related to new closings from account.</li> <li>○ Minimal activity through account in last six months (dormant).</li> </ul> </li> </ul> <p><u>Sample Selection:</u></p> <p>Based on a review of the reconciliations selected, sample exceptions noted as defined above, as well as exceptions noted from the review of sections a. - n. below:</p> <ol style="list-style-type: none"> <li>Verify that reconciliations were completed monthly and within 10 business days of the closing date of the bank statement.</li> </ol>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
2.03	<ul style="list-style-type: none"> <li>b. Verify that daily reconciliations of the receipts and disbursements and monthly Three-Way Reconciliations are prepared independently, if size of agency permits, by someone not associated with the receipt and disbursement function. The daily reconciliation of the receipts and disbursements is not applicable to Inactive/Dormant Accounts. Verify accounts are Three-Way reconciled, which includes being supported by a detailed trial balance listing of open escrow files.</li> <li>c. Verify that reconciliations are reviewed and signed off by management or a supervisor.</li> <li>d. Verify that reconciliations, bank statements, and supporting documentation can be provided to Company's contracted Title Insurers upon request.</li> <li>e. Determine whether accounts are in balance, contain all supporting reports and that a proper Three-Way Reconciliation is being produced. The book balance, reconciled bank balance, and trial balance should be in agreement.</li> <li>f. Verify that the bank statements and account related documentation for each Escrow Trust Account is clearly labeled by the bank as an Escrow Trust Account and that the Escrow checks and deposit tickets/records clearly identify the associated file numbers.</li> <li>g. Verify opening bank and book balances to ending balance on prior month's reconciliation or differences are identified.</li> <li>h. Review bank statement activity noting bank charges, insufficient funds charges, and negative daily balances; investigate and confirm resolution. Verify that all bank charges are funded by Company's operating account within 5 business days of the earlier of discovery or completion of reconciliation.</li> <li>i. Test Significant deposits in transit listed on the most current reconciliation. If they are older than 3 business days, investigate and determine if there is a true shortage and verify resolution or funding.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
2.03	<ul style="list-style-type: none"> <li>j. Determine Company's process for follow up on outstanding checks, including procedures for escheating funds. Verify clearing or adherence to follow-up process for significant outstanding checks including, but not limited to, checks to recording clerk, tax collector, hazard insurance provider, Title Insurer, or checks for mortgage payoffs and any other high-risk items.</li> <li>k. Review the Trial Balance for dormant funds that may be eligible for escheatment to ensure Company is following its procedures. Test significant file shortages, dormant funds (significant file balances over 180 days), and significant miscellaneous files to verify documentation of their status and that shortages were funded within 5 business days of the earlier of discovery or completion of reconciliation. Ensure management approval is documented for disbursement activity on files and balances dormant more than six months.</li> <li>l. Review and test adjustments (reconciling items) needed to bring the account in balance and verify their validity.</li> <li>m. From a review of cancelled checks or disbursement registers, select a sample across accounts and test checks, if any, and wires that may require further review, such as checks going back into Escrow, disbursements paid to cash or employees, amounts transferred between accounts, suspicious payees, multiple disbursements to the same payees, large round dollar amounts and any other questionable disbursements. These disbursements should be agreed to a closing file and Settlement statement.</li> <li>n. Verify Company procedures for daily clearing and reconciliation of the receipts and disbursements.</li> </ul>	Y / N
2.04	If Company is holding any customer investment accounts, select a sample of interest-bearing trust accounts. Verify that Company maintains records/documentation supporting activity for interest bearing (customer investment) Escrow Trust Accounts.	Y / N
2.05	For all Escrow Trust Accounts, determine whether the Escrow Trust Accounts are maintained at Federally Insured Financial Institutions unless directed by the beneficial owner.	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
2.06	<p>For accounts reviewed in Assessment Procedure 2.03, verify the following:</p> <ul style="list-style-type: none"> <li>a. Ensure transactions are only conducted by authorized employees. Ensure former employees are immediately deleted from bank signature cards or online access.</li> <li>b. Verify Positive Pay on active accounts, if available for the payment type. Review bank documentation such as monthly account analysis statement or bank positive pay entitlement documentation.</li> <li>c. Company has policies and procedures in place that prohibit or control the use of ACH and international wire transfers to protect against unauthorized transactions.</li> <li>d. If Company is utilizing web based fintech applications to receive funds, ensure Company has procedures to vet the vendor to understand the risk, including the inability to “claw back” funds due to application of the Electronic Funds Transfer Act and that the utilization of service complies with any applicable good funds requirements.</li> <li>e. Test files to ensure funds received comply with “good funds laws” as defined by state laws and regulations, and Title Insurer requirements.</li> </ul>	Y / N
2.07	<p>For wire activity:</p> <ul style="list-style-type: none"> <li>a. Obtain Company’s written wire transfer procedure and verify that the procedure includes: (1) for outgoing wire transfers, verification of wire transfer instructions independent of initial communication; (2) for incoming wire transfers, a procedure to alert consumers regarding the risks of wire fraud and guidelines to mitigate losses; (3) includes multi-factor authentication and is similar in nature to the ALTA Outgoing Wire Preparation Checklist; and (4) a commitment to review the procedure at least annually.</li> <li>b. Obtain Company’s written wire fraud response procedure and verify that it substantially conforms to the ALTA Rapid Response Plan for Wire Fraud Incidents, is reviewed at least annually, and updated when necessary.</li> </ul>	Y / N



Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
2.08	If Company utilizes a wire transfer verification service provider, ensure Company has written procedures related to vetting the provider to understand the risks of use, security protocols, and the provider's processes to protect Consumer data.	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<p><b>ALTA Best Practice 3.</b></p> <p><b>Adopt and maintain a written information security plan (“WISP”) and a written privacy plan to protect NPI as required by local, state, and federal law.</b></p> <p><i>Note: These Assessment Procedures should be applied as appropriate to Company’s size and complexity, the nature and scope of Company’s activities, and the sensitivity of the Non-public Personal Information (“NPI”) Company handles.</i></p>	
3.01	Obtain Company’s WISP designed to protect its NPI and verify that the program is reviewed and updated as necessary, at least annually. The program should at a minimum ensure all sections of ALTA Best Practice 3 are included.	Y / N
3.02	Obtain evidence that employees were trained in Company’s WISP upon hiring and that refresher training is conducted for all employees annually.	Y / N
3.03	<p>Obtain Company’s information security risk assessment, including the risk ranking (e.g., low, medium, high) recognizing the potential probability of occurrence and impact on information systems.</p> <p>Review Company’s process for assessing risk to its customer information and verify that it includes the following:</p> <ul style="list-style-type: none"> <li>a. Locations, systems, and methods for storing, processing, transmitting, and disposing of its customer information.</li> <li>b. Potential internal and external threats that could result in a breach, unauthorized disclosure, misuse, alteration, or destruction of NPI or customer information systems and assessments of the likelihood and potential damage to Company and its customers of these threats.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
3.04	<p>Verify that key controls, systems, and procedures in the WISP are regularly tested by independent staff in accordance with the risk assessment.</p> <p>Specifically, review that the following are included in the testing:</p> <ol style="list-style-type: none"> <li>Management's documented approach for testing the WISP and evidence of testing.</li> <li>Frequency of testing of the WISP.</li> <li>Documentation of approach for tracking and remediating exceptions and/or control gaps.</li> </ol>	Y / N
3.05	<p>Verify employees are required to review an acceptable use of information technology assets policy at least annually (e.g., acceptable use of the Internet, email, and Company information resources).</p>	Y / N
3.06	<p>Obtain and review written policies and procedures to verify logical access to information systems (e.g., network, data base, and application layers) containing NPI is restricted to authorized persons only, is periodically reviewed as needed or at least annually, and access changes are documented resulting from the reviews.</p>	Y / N
3.07	<ul style="list-style-type: none"> <li>Select a sample of employees with access to NPI: <ul style="list-style-type: none"> <li>Test the user access provisioning process to determine if access has documented approval in accordance with policy prior to granting.</li> <li>Obtain evidence (e.g., invoice/documentation in personnel files) that Background Checks were conducted upon hiring or within the past 3 years.</li> </ul> </li> <li>Select a sample of terminated employees. <ul style="list-style-type: none"> <li>Verify the user access was removed per policy.</li> </ul> </li> <li>Verify administrative access rights (e.g., ability to add, modify and remove user access) to systems containing NPI are not assigned to personnel performing business transactions within the system.</li> <li>Verify access review is being performed by management at least annually to confirm that employees only have access to customer information or customer information systems which are necessary to perform their job functions.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
3.07	<ul style="list-style-type: none"> <li>Verify that logical access controls to the network and information systems containing NPI are in place. <ul style="list-style-type: none"> <li>Obtain listing of user IDs for systems with NPI. Verify IDs are unique and assigned to specific users.</li> <li>Test Company's WISP to ensure the password management includes: <ul style="list-style-type: none"> <li>Multi-factor authentication, if available, that requires multiple credentials (factors) for access to systems containing NPI.</li> <li>Unique login names and system passwords assigned to individual users to access systems containing NPI. System passwords must meet minimum standards which include: <ul style="list-style-type: none"> <li>re-entry of the password after system idling;</li> <li>passwords that expire after a certain period of time;</li> <li>difficult-to-guess passwords that include a combination of uppercase letters, lowercase letters, special characters, with a minimum length of eight total characters.</li> </ul> </li> </ul> </li> </ul> </li> </ul>	Y / N
3.08	<ul style="list-style-type: none"> <li>Review policies restricting or controlling the use of removable media (e.g., USB ports and devices, CD/DVD writable drives and media).</li> <li>Obtain evidence that system configuration settings are consistent with the policy.</li> </ul>	Y / N
3.09	<ul style="list-style-type: none"> <li>Determine if Company utilizes encryption or a secure delivery method for NPI.</li> <li>Obtain evidence demonstrating the use of encryption or alternative secure delivery method for NPI.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
3.10	<ul style="list-style-type: none"> <li>Obtain and review documented procedures for monitoring and detecting attacks/intrusions into customer information systems and responding to incidences. If monitoring of external threats has been outsourced, obtain evidence of reporting and subsequent management review.</li> <li>Select a sample of notifications of security alerts and verify management's follow-up activity.</li> <li>Obtain and review documented procedures for security breach notification, including evidence of program review at least annually. Procedures must align with the specific state breach reporting and notification requirements.</li> <li>Obtain and review documented procedures for monitoring, detecting, and responding to incidences of attacks/intrusions into customer information systems. If monitoring of external threats has been outsourced, obtain evidence of reporting and subsequent management review.</li> <li>Select a sample of notifications of security alerts and verify management's follow-up activity.</li> </ul>	Y / N
3.11	<ul style="list-style-type: none"> <li>Obtain and review the clean desk policy and verify compliance through inspection.</li> <li>Verify access to work areas and physical locations containing customer information, such as buildings, computer facilities and record storage facilities, is limited to authorized personnel only. Inspect physical locations to verify that they are secured and access is limited to authorized personnel.</li> </ul>	Y / N
3.12	<ul style="list-style-type: none"> <li>Obtain and review change management procedures when technology and business function changes are made.</li> <li>Ensure there are procedures in place which require timely software updates for systems that require routine updates to systems, software, and code.</li> <li>Verify procedures are in place to determine that systems modifications to hardware and software are consistent with the approved security program. Specifically, test a sample of hardware or software changes to verify that they are documented, tested, and approved.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
3.12	<ul style="list-style-type: none"> <li>Verify there is a written incident response plan. The plan should be designed to promptly respond to, and recover from, a cybersecurity incident and include: <ul style="list-style-type: none"> <li>all the recommendations of the <a href="#">ALTA Cybersecurity Incident Response Plan template</a>;</li> <li>single point of contact;</li> <li>contact list of authorities for security incident notifications;</li> <li>cyber and breach insurance and carrier contacts for incident and claim reporting.</li> </ul> </li> <li>Verify Company's process for periodic reviews, at least annually, of security controls and Company's WISP and make appropriate changes to address emerging threats and risks to Company's information systems and NPI.</li> <li>Verify Company has procedures related to training management and employee compliance with Company's WISP, and alerts to current and developing cybersecurity threats.</li> </ul>	Y / N
3.13	<ul style="list-style-type: none"> <li>Obtain Company's procedure for data and system backup and business resumption to protect against destruction, loss, or damage of information from potential environmental hazards, such as fire and water damage or technological failures.</li> <li>Verify that the disaster management plan is routinely tested with results documented.</li> </ul>	Y / N
3.14	<p>Determine whether Company provides NPI to any other party, including third-party entity, system, or service, or whether any other party, entity, system, or service has access to NPI through system(s) or service(s) provided directly to Company.</p> <ol style="list-style-type: none"> <li>Verify and obtain evidence that Company conducted due diligence in selecting its service providers and takes information security into consideration when performing due diligence.</li> <li>Verify that Company has controls to monitor security procedures of service providers to safeguard customer information (e.g., review of Background Checks, audits, security reviews or tests, intrusion logs). Verify that the third-party is maintaining adequate cyber and breach insurance.</li> </ol>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
3.14	c. If Company has remotely hosted or remotely accessible systems for storing, transmitting, or transferring NPI, verify that Company utilizes multi-factor authentication for all access points.	Y / N
3.15	Verify the existence of Company's Privacy Policy and its process of giving notice to customers. If Company does not have a website, ensure that notice is provided directly to customers in a usable format.	Y / N
3.16	Determine whether Company maintains a website. If so, inspect Company's website and verify the following: <ul style="list-style-type: none"> <li>a. The website includes Company's Privacy Policy.</li> <li>b. The website's Privacy Policy accurately discloses what NPI is obtained on the site and provides a link or contact information for users or customers to obtain more information.</li> </ul>	Y / N
3.17	<ul style="list-style-type: none"> <li>Obtain and inspect policies and procedures for record retention and disposal. Verify procedures are in place for disposal of NPI.</li> <li>If document/electronic media disposal services are provided by a third-party, obtain evidence of the contract agreement/SLA and a recent document disposal certificate from the vendor.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 4.</b> <b>Adopt standard real estate Settlement policies and procedures that help ensure compliance with: (i) federal and state consumer financial protection laws and regulations, and (ii) contractual obligations as applicable to the Settlement process.</b>	
4.01	Obtain and/or document Company's written procedures to maintain compliance with all sections of ALTA Best Practice 4.	Y / N
4.02	Review Company documents and a selection of closed files for the following: <ul style="list-style-type: none"> <li>a. For completion of the Settlement, ensure Company has procedures related to training staff to minimize errors in completing the Settlement, respond timely to concerns raised by parties to the Settlement, and that such written procedures were followed in the sampled closed files.</li> <li>b. For title insurance premiums and other fees, ensure Company has written procedures related to charging the appropriate title insurance premiums and other fees for services provided and such written procedures were followed in the sampled closed files.</li> <li>c. Confirm Company is utilizing rate manuals and/or online calculators, as appropriate, to ensure correct amounts are being charged for title insurance policy premiums, state or Company-specific fees, and endorsements.</li> <li>d. Ensure discounted/reissue rates are calculated and charged when appropriate, including refinance or reissue premiums.</li> <li>e. Confirm that refunds and other fees are timely issued to Consumers when an overpayment is detected.</li> <li>f. For Affiliated Business Arrangements, ensure Company has written policies and procedures regarding compliance with state and federal laws for any affiliated business arrangements in which Company participates and such written procedures were followed in the sampled closed files.</li> </ul>	Y / N



Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
4.02	g. For execution of Settlement documents, ensure that there are written procedures regarding the preparation and proper execution of Settlement documents and such written procedures were followed in the sampled closed files.	Y / N
4.03	<p>Review Company documents and a selection of closed files for the following:</p> <ul style="list-style-type: none"> <li>a. For all signing professionals, verify that all signing professionals possess the appropriate state licensing and insurance to notarize documents (both in person and remotely, if applicable), conduct the Settlement (if applicable), and safeguard NPI.**</li> <li>b. For signing professionals who are Company employees, verify that Company has written procedures to perform Background Check(s) for employees who conduct Settlements or who have access to Settlement documents and funds.</li> <li>c. For signing professionals who are third-parties, confirm that Company maintains the signing professional's current state licensure, where required, or a recognized and verifiable industry designation; E&amp;O insurance; and Notary surety bond, if required by state law and/or Title Insurer.**</li> <li>d. Confirm that each signing professional has signed an acknowledgment of compliance with Company's instructions and Company's WISP.</li> <li>e. For Remote Notarization Platforms, ensure that Company selects a remote notarization platform(s) authorized by the state in which the notary public is located and that is approved by the Title Insurer, as applicable.</li> </ul> <p><b>**NOTE:</b> Company may engage a vendor who may assume the obligations to monitor and verify that the third-party signing professional complies with ALTA Best Practices requirements.</p>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
4.04	<p>From the selected closed files, perform the following to confirm that Company is recording documents pursuant to legal and contractual requirements:</p> <ol style="list-style-type: none"> <li>Verify that Company submitted the documents electronically or delivered documents for recording to the appropriate recording jurisdiction or the person or entity responsible for recording within two (2) business days of the later of: (i) the date of Settlement, or (ii) receipt by Company if the Settlement is not performed by Company.</li> <li>For e-recording, confirm that Company utilizes an e-recording vendor which complies with local laws and requirements, and that Company has a contract or agreement in place with the e-recording vendor.</li> <li>Confirm that Company tracked the delivery and recording of the document(s) and, if any documents were rejected for recording, that Company timely and appropriately addressed the rejection.</li> <li>Verify that Company maintains a record of the recording information.</li> <li>For Escrow Trust Accounts utilized to pay costs to record documents, ensure that Company complies with written procedures and controls for Company's Escrow Trust Accounts and such written procedures were followed in the sampled closed files.</li> </ol>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 5</b> <b>Adopt and maintain written procedures related to title policy production, delivery, reporting and premium remittance.</b>	
5.01	Obtain Company's written procedures and controls for title policy production, delivery, reporting and premium remittance.	Y / N
5.02	Using a representative sample of files, perform the following (Note: this sample can be the same as used for Assessment Procedure 4.03): <ul style="list-style-type: none"> <li>a. Verify title insurance policies were issued within (30) days of the date of Settlement or the date that the title insurance commitment terms and conditions were satisfied, unless statutory or regulatory requirements deem that an earlier delivery date is necessary.</li> <li>b. Verify that policies were reported to the Title Insurer (including a copy of the policy, if required), within forty-five (45) days of the date of Settlement or the date that the title insurance commitment terms and conditions were satisfied, unless applicable statutory, regulatory, or contractual obligations require earlier reporting.</li> <li>c. Verify that the correct portion of the premium collected for each file was remitted to the Title Insurer in accordance with applicable statutory, regulatory, and contractual obligations.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 6</b> <b>Maintain appropriate insurance and fidelity coverage.</b>	
6.01	<ul style="list-style-type: none"> <li>Obtain a list of Company's current professional liability insurance or errors and omissions insurance, fidelity coverage, surety bonds, and any Crime or Cyber insurance coverages including coverage amounts and expiration dates. Verify accuracy of the list by comparison to policy declaration pages.</li> <li>Verify that Company maintains professional liability insurance or errors and omissions insurance, fidelity coverage, or surety bonds in accordance with the contractual agreement with Company's Title Insurer(s).</li> <li>If coverage is required by state law, verify that coverage meets minimum requirements for each state in which Company is licensed.</li> <li>Verify that Company discusses coverage with their casualty/liability insurance agent or broker at least annually to ensure that the insurance coverage meets current insurance requirements.</li> </ul>	Y / N

Assessment Procedure Number	ALTA Best Practices Framework: Assessment Procedures	Exceptions Noted? (Y / N)
	<b>ALTA Best Practice 7</b> <b>Adopt and maintain written procedures for resolving Consumer complaints.</b>	
7.01	Obtain written policies and procedures for tracking and resolving Consumer complaints. Verify that the following are included: <ul style="list-style-type: none"> <li>a. A standard complaint form is utilized that identifies information that connects the complaint to a specific transaction and provides information to understand the nature and scope of the complaint.</li> <li>b. A single point of contact and/or department has been established for Consumer complaints.</li> <li>c. Procedures have been established for forwarding complaints to appropriate personnel.</li> <li>d. A written or electronic log of Consumer complaints is maintained that includes whether resolution is necessary and how resolved.</li> </ul>	Y / N
7.02	Obtain the Consumer complaints log and verify Company followed the procedural guidelines for addressing complaints.	Y / N

ALTA Best Practices Framework:

# Internal Assessment Representation Report and Letter

*Version 4.0*



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## ALTA Best Practices Framework

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The ALTA Best Practices Framework has been developed to assist title agencies and title insurers with optimization of their practices and procedures to ensure financial and data security, operational stability, and to meet regulatory requirements along with fulfilling customer needs and requirements. The ALTA Best Practices Framework is comprised of the following resources that can be utilized by a Company to implement the ALTA Best Practices program.

- ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices
- ALTA Best Practices Framework: Assessment Procedures
- ALTA Best Practices Framework: Certification Package (Company may choose either the *Internal Assessment Representation Report and Letter* or the *Third-Party Assessment Procedures Report*)

## Version History and Notes

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Date	Version	Notes
10/13/2017	2.5	Publication of ALTA Best Practices Representation Letter, as approved by the ALTA Board on June 22, 2017. This is the first publication of the ALTA Best Practices Framework: Representation Letter. It Correlates to version 2.5 of the Best Practices Framework.
1/23/2023	4.0	Publication of the revised ALTA Title Insurance and Settlement Company Best Practices, approved by the ALTA Board of Governors on October 13, 2022, along with other documents in the ALTA Best Practices Framework, including this document: <i>ALTA Best Practices Framework: Internal Assessment Representation Report and Letter</i> . Publication on January 23, 2023, with an effective date of May 23, 2023.

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## Introduction

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ALTA seeks to guide its membership on best practices to protect Consumers, promote quality service, safeguard data and funds, provide for ongoing employee training, and meet legal and market requirements. These practices are voluntary and designed to improve operations, and help members illustrate the industry's professionalism and best practices to ensure a positive and compliant real estate settlement experience. These best practices are not intended to encompass all aspects of title or Settlement company activity.

The Best Practices Internal Assessment Representation Report and Letter enables Companies to:

- evaluate and improve their operations based on the ALTA Best Practices Framework,
- better protect Consumers, customers, and Company operations,
- assist lenders in their responsibility to manage third-party service providers, and
- inform third-party business customers of Company's compliance with ALTA Best Practices.

For Companies choosing to complete a Best Practices Assessment through an Internal Assessment (formerly referred to as a "self-assessment"), the Assessment may be completed by utilizing the following documents:

- ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices
- ALTA Best Practices Internal Assessment Representation Report and Letter (this document).
  - This document may be completed using an analysis either against either the *ALTA Best Practices Framework: Title Insurance and Settlement Company Best Practices*, or the *ALTA Best Practices Framework: Assessment Procedures*.

The Internal Assessment Representation Letter portion of this document is intended to serve as a model which may be modified by Companies to reflect their Best Practices compliance. Companies may also include documentation to support their Report, including the Addendum (example provided) or a separate analysis in accordance with the guidance provided in this document.

For Companies choosing to engage a Third-Party to complete a Third-Party Assessment, ALTA Best Practices provides the *ALTA Best Practices Third-Party Assessment Procedures Report*, which is designed to be completed by the Third-Party assessor or auditor to document ALTA Best Practices compliance.

The following resources are recommended whether the Company pursues an Internal Assessment or Third-Party Assessment:

- ALTA Best Practices Framework: Assessment Procedures
- ALTA's webpage on information security:  
<https://www.alta.org/business-tools/information-security>
- Additional ALTA guidance, forms, and sample documentation:  
<https://alta.org/best-practices>



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## Internal Assessment Representation Report and Letter Instructions

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For an Internal Assessment, the Company should evaluate compliance with ALTA Best Practices against either the ALTA Best Practices Framework v. 4.0 or by utilizing the ALTA Best Practices Assessment Procedures v. 4.0.

When conducting an Internal Assessment, the results should be documented. The Assessment Representation Report should include:

1. The specific Framework requirement or Assessment Procedure being evaluated.
2. Whether the Company complies with the requirement or procedure and if exceptions were noted. Use of the Assessment Procedures document or the Addendum provided as part of the Letter (below) is recommended.
3. Whether compliance requires documentation and whether the documentation has been completed. Referencing the documents is recommended; attaching documents is optional because release of some documentation may represent a security risk to Company.
4. Any exceptions or deficiencies in compliance with the requirements or documentation.
5. Remediation action plan to address any exceptions or deficiencies and the intended timetable for corrective action.

The Best Practices Internal Assessment Representation Letter can be issued upon completion of a Best Practices Internal Assessment, referred to in prior ALTA Best Practices versions as “Self-Assessments”.

To complete the letter, the Company should fill in the information indicated in the form fields within the document. If the Company complies with all seven pillars of the Best Practices, it should check the box next to “Fully Compliant: No Exceptions.” If there are areas in which the Company has noted exceptions or is developing its policies and procedures, the Company should check the box next to the Pillar(s) with which the Company does not fully comply and provide documentation as to requirement(s) that are not in full compliance along with planned remediation steps. If the Internal Assessment is completed using the Assessment Procedures, the Company should also indicate a cross reference to the Assessment Procedures numbers the Company does not yet meet.

This letter should be printed on the Company’s letterhead and can be issued to any third-parties that request information about the Company’s compliance with the ALTA Best Practices.

Date: [DATE]  
Subject: ALTA Best Practices Framework Version 4.0, Internal Assessment Representation Letter

Dear [Insert Lender Name] or other interested party,

We are providing this letter in response to your request dated [DATE] as evidence of our company's compliance with the ALTA Best Practices Framework Version 4.0 dated \_\_\_\_\_, \_\_, 2023. Our company completed an internal assessment of compliance with the ALTA Best Practices on [DATE]. This assessment was conducted using the Internal Assessment method. We have attached the following supporting document(s):

- ☐ Addendum: Internal Assessment Exceptions Report]
- ☐ Company-specific analysis, which includes the following details:
  1. Current compliance status for each Framework or Assessment Procedures requirement,
  2. Whether compliance is documented for each requirement,
  3. Whether remediation needs to occur for each requirement, and
  4. Plan for remediation to achieve each requirement where exceptions were noted.]

Based on the results of this assessment, our company attests that it is either fully compliant with the ALTA Best Practices Framework 4.0 requirements or, if exceptions were noted, the Pillars and/or Assessment Procedure Numbers are as noted below. If any exceptions exist, Company has completed [the Addendum] [a Company-specific analysis] providing a listing of the specific requirements requiring full or partial remediation.

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Fully Compliant (No exceptions)</b>  | <input type="checkbox"/> Pillar 4 [Assessment Procedure Numbers] |
| <input type="checkbox"/> Pillar 1 [Assessment Procedure Numbers] | <input type="checkbox"/> Pillar 5 [Assessment Procedure Numbers] |
| <input type="checkbox"/> Pillar 2 [Assessment Procedure Numbers] | <input type="checkbox"/> Pillar 6 [Assessment Procedure Numbers] |
| <input type="checkbox"/> Pillar 3 [Assessment Procedure Numbers] | <input type="checkbox"/> Pillar 7 [Assessment Procedure Numbers] |

We represent that, during the 24-month period commencing on the date of this letter, we will remain in material compliance with each of the ALTA Best Practices as currently represented and take such remediation actions as indicated in the attached documentation.

Sincerely,



[illegible]

## CERTIFICATE OF ATTENDANCE

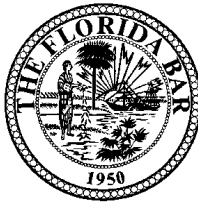
Certified Paralegals are required to record evidence of 50 hours of continuing legal education hours to renew the CP credential every 5 years. CLE hours are recorded in CPs' accounts through the [NALA online portal](https://www.nala.org/certification/certtest2view). Of the 50 hours, 5 hours must be in legal ethics, and no more than 10 hours may be recorded in non-substantive areas. If attending a non-NALA sponsored educational event, this certificate may be used to obtain verification of attendance. Please be sure to obtain the required signatures for verification of attendance. The requirements to maintain the CP credential are available from NALA's web site at <https://www.nala.org/certification/certtest2view>. Please keep this certificate in the event of a CLE audit or further information is needed.

### PLEASE COMPLETE THE SPACES BELOW AND ATTACH A PROGRAM

Session Length In Hours	Session Topics (Description and Speakers)	Validation of Attendance
1.5 CLE & 1.0 Legal Ethics CLE	10 years After: A Refreshed Look at Best Practices- Linda Monaco	Linda Monaco

Name of CP (Please Print)			NALA Account Number (On Mailing Label)		
			149113		
Signature of CP			Name of Seminar/Program Sponsor		
			Attorneys' Title Fund Services, LLC		
Address			Authorized Signature of Sponsor Representative		
			Linda Monaco		
			Date of Educational Event:		
City:		State (XX):			
Preferred e-mail address			Location:		
			Recorded webinar		

For Office Use Only	
Substantive hours	
Non-substantive hours	
Ethics	



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Tallahassee, FL 32399-2300

Joshua E. Doyle  
Executive Director

850/561-5600  
[www.FLORIDABAR.org](http://www.FLORIDABAR.org)

## Certificate of Accreditation for Continuing Legal Education

256131  
Attorney's Title Fund Services  
PO Box 628600  
Orlando, FL 32862-8600

December 4, 2023

<b>Reference Number:</b>	2313077N
<b>Title:</b>	10 Years After: A Refreshed Look at Best Practices
<b>Level:</b>	Intermediate
<b>Approval Period:</b>	02/06/2024 - 08/31/2025

### CLE Credits

General	2.5
Ethics	1.0

### Certification Credits

Real Estate	2.5
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