THE TITLE REPORT

Market Intelligence for the Title Insurance Industry

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Closing times shortest since 2015

The length of the mortgage lending process during March declined to its shortest duration in two years, according to Ellie Mae's latest Origination Insight Report.

In March, the average time to close all loans decreased to 43 days, down from 46 days in February and 51 days in January.

Closing times during March were the shortest since February 2015, eight months before the new TILA-RESPA Integrated Disclosure rules took effect. So what made the difference – and can the industry expect to see similar time to close durations for the rest of the year?

Ellie Mae President and CEO **Jonathan Corr** said average time to close was higher than normal in December (50 days) and January (51 days) because of the volume of consumers trying to complete refinances before interest rates rose, plus lower, seasonal staffing levels.

"Now we're seeing a shift to a much stronger purchase market. This trend, along with our customers driving efficiencies through their use of technology to automate more of the mortgage process, will continue to drive down the time to close," Corr told *The Title Report*.

The report also found refinances were handled more rapidly throughout the industry, with the time to close a refinance dropping to 43 days in March from 47 days the prior month.

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KEY STATS

- Total U.S. loan delinquency rate: 3.62%
- Month-over-month change in delinquency rate: -14.08%
- Total U.S. foreclosure presale inventory rate: 0.88%
- Month-over-month change in foreclosure presale inventory rate: -4.60%
- States with the most non-current* loans: Mississippi, Louisiana, Alabama, New Jersey, West Virginia
- States with the fewest non-current* loans: Idaho, Montana, Minnesota, North Dakota, Colorado

*Non-current totals combine foreclosures and delinquencies as a percent of active loans in that state. Note: Totals are extrapolated based on Black Knight Financial Services' loan-level database of mortgage assets.

QUOTABLE

"Now we're seeing a shift to a much stronger purchase market. This trend, along with our customers driving efficiencies through their use of technology to automate more of the mortgage process, will continue to drive down the time to close."

Jonathan Corr,
President and CEO, Ellie Mae

ABOUT US

The Title Report is a production of October Research, LLC specializing in business news and analysis for the settlement services industry and is published 24 times a year.

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EDITOR'S NOTE

THE TITLE REPORT

The boy (or girl) in the basement

Dear Readers,

There's been more than enough positive industry news to share during the first part of 2017 – home prices continue to rise and tappable equity in homes is as high as it's been since 2008. Small-business owners are as optimistic about the U.S. business environment as they've been since the Great Recession and the first round of earnings reports indicate last year's momentum extended through the first quarter.

The best bit of industry-related news, however, may have been contained in Fannie Mae's newest Housing Insights report. It found the pace at which millennials are leaving their parents' homes has accelerated substantially.

Between 2013 and 2015, the percentage of young adults aged 24-25 living with their parents was 7.6 percent less than it was between 2010 and 2012. This represents a larger decline than that age group experienced between 2010 and 2012.

It also presents a contrast to a depressing analysis published in the *Wall Street Journal* last year that found the proportion of adults aged 18 to 34 living with their parents or other relatives was at a 75-year high.

"Millennials in their late twenties 20s and early thirties 30s have accelerated the pace at which they are becoming homeowners. Therefore, some of the millennials who are moving out of their parents' homes into rentals will end up in the starter home market in coming years," Fannie Mae Director, Strategic Planning **Patrick Simmons** wrote in his blog.

"Regardless of the housing market segment affected, millennials at long last appear to be launching more rapidly from their parents' homes and releasing some of their pent-up housing demand," Simmons wrote.

Translation. For the title insurance industry this means more home purchases, and more title premiums, etc. For parents, it offers hope that John or Jane may soon move out of the basement.

Share your thoughts,

Mark Lowery
Editor
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TOPSTORIES

Continued from Cover

Time to close a purchase loan decreased to 43 days in March from 45 in February; and time to close a Veterans Affairs (VA) loan decreased to 46 days in March from 48 the prior month.

It's widely expected that refinance volume will continue to decline as interest rates increase. During March, the percentage of refinances declined (37 percent compared with 43 percent in February) as the percentage of purchases increased (63 percent in March and 57 percent in February). A year ago, refinances represented 45 percent of business and purchases 55 percent.

The breakdown of loan types during March remained the same, with conventional (63 percent), Federal Housing Administration (23 percent) and VA (10 percent).

The average 30-year note rose slightly in March to 4.39 percent; and the percentage of Adjustable Rate Mortgages increased to the highest point since 2014 at 5.6 percent, up from 5.3 percent in February.

The average FICO score during March was 721; the average loan-to-value was 80; and the average debt-to-income was 25/39.

New York targets 'unscrupulous' title practices

New York Gov. **Andrew M. Cuomo** this month proposed two regulations to crack down on the "unscrupulous" practice of title insurance companies spending millions on inducements to attract business and then passing those costs to unsuspecting consumers.

The alleged practices first were revealed by a 2008 investigation by the New York State Department of Financial Services.

And Cuomo, during his tenure as state attorney general, also tried to end the practice of title agents and companies providing settlement services that in some states are provided by attorneys.

"These new protections will help ensure New Yorkers aren't forced to shoulder outrageous and exorbitant expenses while pursuing the American Dream of homeownership," Cuomo said in a press release.

"The industry-wide practices uncovered by Department of Financial Services were nothing short of shocking, and these reforms will help ensure perspective homeowners will be charged their fair share of title insurance fees and not a penny more."

The first proposed regulation clarifies the rules about expenses such as meals, entertainment and ancillary fees title agents or title insurers may charge.

The second would require title insurance companies or agents that generate a portion of their business from affiliates to function separately and independently from any affiliate and obtain business from other sources.

"For far too long, meals and entertainment have been used as inducement for title insurance business," DFS Superintendent **Maria T. Vullo** said. "These practices must stop. DFS will protect consumers from unfair practices in the title insurance industry. Many New Yorkers who buy or refinance a home have been footing the bill without explanation for excessive fees that contribute to high closing costs. This action lets title insurers and agents know that these unscrupulous practices stop now."

DFS investigators found that under the guise of "marketing expenses," meals, entertainment, gifts and vacations have been provided to attorneys and real estate professionals who order title insurance on behalf of their clients in exchange for referring business to the title insurance company or agent.

Since the DFS investigation, DFS proposed earlier versions of both of these regulations and adopted emergency regulations, currently in effect, to address certain questionable practices.

Back in 2008, then-Attorney General Cuomo investigated title agencies for alleged violations of the unauthorized practice of law. Cuomo contended that title agents preparing the HUD-1 was a practice of law because it required some exercise of legal discretion to fill out correctly.

> "This action lets title insurers and agents know that these unscrupulous practices stop now."
>
> **Maria T. Vullo**,
> Superintendent,
> New York Department of Financial Services

TOPSTORIES

Another dominant quarter for Old Republic

Old Republic International Corp. posted record-setting earnings in its title insurance division in 2016, and the momentum hasn't stopped yet.

Old Republic reported an 89 percent increase in title earnings in the first quarter of 2017 from a year earlier, while claim costs were slashed by almost 55 percent.

Despite Old Republic's title earning coming in far better than expected, a significant earnings decline from Republic Financial Indemnity Group lowered the company's first-quarter gains.

Overall, Old Republic reported first-quarter earnings per share (EPS) of $0.36, up from the $0.33 EPS in 2016's first quarter.

Old Republic's first-quarter business revenues were $1.43 billion, up 4.4 percent year-over-year.

"The continuation of a generally positive mortgage rate environment and reasonably strong housing and commercial property markets were major factors in the 9.2 percent year-over-year gain in premiums and fees," Old Republic's quarterly report stated.

For the first time since at least 2007, Old Republic did not hold a conference call with analysts to publicly discuss its financial results. In a press release issued April 13, the company announced its change to two calls a year rather than four.

"A conference call to discuss the company's periodic financial results will be held following publication of such results for 2017's first six months and full year toward the end of July 2017 and January 2018, respectively," the release stated.

Old Republic did not choose to comment further when reached, citing its long-standing policy not to publicly comment to the media.

In the financial report, the company showed revenue for the title group rising 9.1 percent in the first quarter to $527.8 million from a year earlier.

Net premiums and fees earned by Old Republic's title insurance group grew to $518 million during the first quarter, up 9.2 percent compared with $474 million during the same period last year. Claim costs declined 54.8 percent during the quarter, dropping to $11 million from $24.3 million during 2016's first quarter.

The title group's claim ratio declined to 2.1 percent from 5.1 percent, its expense ratio declined slightly to 91.5 percent, and its composite underwriting ratio during the quarter declined to 93.6 percent from 96.9 percent.

"On the expense side of the ledger, claim costs were lower in the face of declining claims activity since the Great Recession years," the report said. "Favorable developments of reserves established in prior years reduced the 2017 claim ratio by nearly 2 percentage points."

Stewart beats first-quarter expectations

An increase in title revenues and a decrease in operating expenses helped Stewart Information Services Corp. beat first-quarter expectations and post a modest quarterly gain in revenues.

Stewart reported first-quarter revenues of $443.04 million, compared with $438.23 million the previous year. That's a 1 percent increase over last year. However, it beat Wall Street's forecast of $432.42 million in revenues for the quarter.

The company reported 2017 first-quarter profits of $4.1 million, or $0.17 per share, compared with a loss of $11.2 million, or $0.48 per share, the previous year. The first quarter of 2016 had one-time expenses of $8.6 million, meaning Stewart still reversed a loss of about $3 million the previous year to a gain of $4 million in 2017.

Stewart CEO **Matthew W. Morris** attributed the positive first-quarter results to gains in operational efficiency in both the company's title segment and ancillary services and corporate segment.

"First quarters are traditionally weakest of the year for the title industry, so we're encouraged to see the results of our initiatives and to start the year off strong," Morris told analysts during a conference call announcing the earnings, according to a transcript of the call from Seeking Alpha. "Gains in operational efficiency were achieved in both the title segment and the ancillary services and corporate segment, with pre-tax margins improving solidly from prior year's first quarter," Morris added.

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Among the other strong signs – Stewart reported fewer opened orders in the first quarter of 2017 (100,744) than a year earlier (107, 236) and fewer closed orders (69,934) than a year earlier (74,643) yet still found profitable margins.

For the quarter, Stewart's total title revenues increased $10.1 million, or 2.5 percent; and its title segment pretax income rose $12.9 million. Total operating expenses decreased $16.8 million, or 3.7 percent, from a year earlier, including a $10.4 million decrease in employee costs from 2016.

Morris said Stewart anticipates an increase in home sales driven by millennials looking to purchase homes. More transactions, combined with higher home prices, could offset less refinance volume because of rising interest rates, Morris said.

"We are mindful, however, that rising interest rates and an increasingly low inventory available for purchase may impact affordability and available transaction volume this upcoming summer season," Morris said.

On the call, Stewart executives were asked about the new title production system that the company has been rolling out, and what kinds of savings it could bring.

Officials said the savings would not just be in employee headcount, but other efficiencies the new platform brings.

"The new production technology would mean … you need fewer heads to accomplish the same production volume," Chief Financial Officer **Allen Berryman** said, according to the Seeking Alpha transcript, "but you would also have less of the underlying systems and sales, if you will, that need maintaining. And so you're cutting your fixed cost save to some degree."

"The other piece I would point out is that part of what this exercise does is shift what is more highly fixed cost right now to variable," Morris added. "So, that's why it's definitely going to be both, because we're – in the efforts of consolidation and some centralization, you're actually moving certain fixed expenses we have now to be more variable, which … can affect that cost per file more."

"It gives us a lot more flexibility in other words in how an order is processed," Berryman concluded.

Morris also discussed the competitive landscape within the industry, responding to an analyst's question about counteracting some potential new entrants in larger states.

"It's always highly competitive. I think what you're seeing is probably increased competition at the lower end of the market," Morris said. "So, I think for our sake, we've had the stability of being here since 1993 and maintaining integrity in the process, and I think having people care about the process and the customer experience and the value of the policy is what we're focused on.

"And so, we always see new entrants … but I think we're well positioned to play a meaningful role in the market. Not only do we have the global reach that we can handle any transaction anywhere in the world, but we think we're well poised with more local touch to understand the communities that were involved in."

Kensington Vanguard expands Florida footprint

Kensington Vanguard National Land Services (KV) has expanded its South Florida presence with the opening of a new office in Palm Beach County, the company has announced.

The new office is in Boca Raton, Fla.

It will be overseen by Kensington Vanguard Vice President, Business Development **Glenn Asher**.

KV already has offices in Miami, New York, New Jersey, Virginia, Texas and Colorado.

"We're excited to have a presence in the hot Boca market, and there's no one better to introduce the brand to Boca Raton than Glenn," Kensington Vanguard Co-Chief Executive Officer **Brian Cooper** said in a press release. "His energy and professionalism is unrivaled."

Asher has experience in the Boca Raton market. KV said Asher will serve the entire South Florida market.

Asher's responsibilities include developing and maintaining new business.

"I've been spending time in Boca for years and couldn't be more excited to formally plant a flag in the area," Asher said.

"I understand the unique needs to this market and look forward to demonstrating the value Kensington Vanguard can bring to a transaction."

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NAHB: Trump's lumber tariffs will hurt housing market

New tariffs levied by the Trump administration against Canadian lumber could lead to the loss of U.S. jobs and add nearly $3,600 to the price of a new home, according to the National Association of Home Builders (NAHB).

Last month, U.S. Department of Commerce Secretary **Wilbur Ross** announced President **Donald Trump**'s executive order instructing the U.S. to begin collecting tariffs on shipments of softwood lumber from Canada, with importers typically paying about 20 percent.

U.S. officials began collecting the tariff this week and will do so retroactively going back 90 days. The Trump administration contends lumber from Canada undercuts U.S. producers because it is subsidized by the Canadian government. An estimated one third of the lumber used in the construction of homes throughout the U.S last year was imported – and 95 percent of the imported lumber came from Canada.

"NAHB respectfully disagrees with comments made by Commerce Secretary Ross that the tariffs on Canadian lumber imports into the U.S. will have little effect on the cost of housing. While Ross cannot cite specific consequences regarding this punitive tariff, we can," NAHB Chairman **Granger MacDonald** said in a release.

"If the 20 percent lumber duty remains in effect throughout 2017, NAHB estimates this will result in the loss of nearly $500 million in wages and salaries for U.S. workers, $350 million in taxes and other revenue for the governments in the U.S. and more than 8,200 full-time U.S. jobs," MacDonald added. "Lumber prices have already jumped 22 percent since the beginning of the year, largely in anticipation of new tariffs, adding nearly $3,600 to the price of a new single-family home."

During a briefing at the White House, Ross said this week's action is the culmination of decades of disputes between the U.S. and Canada concerning items such as milk and lumber.

"In Canada, the forests are owned by the individual provinces, and each of the provinces sets a charge for the loggers to use when they're taking trees down. In the U.S., it's all open market, it's all market-based prices," Ross said.

"So the provinces subsidize the cutting down of lumber -- the technical term being stumpage -- and then that lets them charge a subsidized low price when the product hits the U.S. border."

Ross said that tariffs would probably lead to a small increase in the price of lumber, but not a substantial increase in the price of new homes.

"The biggest part of most home prices in any event is the land value, not the lumber value," Ross said. "Lumber is a pretty small percentage of the total cost of the house."

NAHB's MacDonald disagrees.

"Clearly, protectionist measures to prop up domestic lumber producers at the expense of millions of U.S. homebuyers and lumber users is not the way to resolve the U.S.-Canada trade dispute or boost the U.S. economy," MacDonald said.

"As an industry that is on the front lines of this issue, NAHB would be happy to discuss this matter with the White House and seek solutions that will not harm housing affordability for millions of hard-working American families," he added.

ATG announces board appointments

Attorneys' Title Guaranty Fund (ATG) recently announced several reappointments to its board of directors, as well as the appointment of a chair and board director for one if its subsidiaries.

Reappointed to the ATG board for three-year terms beginning January 2017 were **Aurora N. Austriaco**, **James M. Grant**, **Murphy C. Hart**, **John (Jay) M. Huetsch** and **Jonathan P. Sherry**.

Additionally, subsidiary ATG Trust Company appointed **Steven K. Norgaard** as chair of its board of directors and **Patrick D. Owens** as board director.

Austriaco is a real estate and litigation attorney at Valentine Austriaco, P.C., of Chicago. She is immediate past president of the Chicago Bar Association. She serves on ATG's claims and member services committees and on the board of directors of ATG subsidiary, ATG LegalServe.

Grant is owner of James Grant Law in Charleston and Casey, Ill. He has experience in real estate, title insurance, probate and income tax law. He serves on the ATG board's audit and claims committees and on the board of directors of ATG subsidiary, ATG LegalServe.

Since 1983, Hart has practiced with Hart Cantrell (formerly Hart & Hart) in Benton, Ill., focusing on real estate, creditor collections, title insurance and traffic violation. His firm has been a top-issuing member agent of ATG for many years.

Huetsch is a real estate attorney and owner of Mon-Clair Title Co. of Waterloo, Ill. He serves on the ATG board's audit and claims committees, and on the board of directors of ATG subsidiary, The Judicial Sales Company.

Sherry owns and operates Jonathan P. Sherry, P.C., a Chicago law practice for real estate and real estate planning and business law. He serves on the ATG board's finance and member services committees and on the board of directors of ATG subsidiary, ATG LegalServe.

Norgaard was initially elected to the ATG Trust Board in 2007. He owns his own law firm in Glen Ellyn, Ill., and has legal experience in transactional, taxation and investment-related matters. He has served on the ATG trust, audit, corporate governance and compensation and finance committees. He also has served on the ATG board of directors since 2011.

A partner at Di Monte & Lizak, LLC, in Park Ridge, Ill., Owens has represented individuals and corporations in estate and tax planning, trust and estate administration probate and real estate. He serves on ATG Trust's trust, trust audit and trust and investment committees.

Optimism among small-business owners surging

Small-business owners are as optimistic about the country's business environment as they have been since before the Great Recession, according to one index gauging their attitudes.

A second index found optimism among small-business owners growing steadily since last November's election. However, the organization that produced that index warned the optimism might wane if Washington does not take action on health care and tax reform.

The National Federation of Independent Business' (NFIB) March Optimism Index found that plans by small-business owners to increase inventory and current job openings all increased.

Overall, NFIB's index dropped slightly (0.6 point) in March. Still, the optimism levels of small-business owners concerning actual earnings, capital expenditure plans and job-creation plans all increased. Sales expectations dropped by 8 points.

"It is clear from our data that optimism skyrocketed after the election because small-business owners anticipated a change in policy," NFIB President and CEO **Juanita Duggan** said.

"The sustainability of this surge and whether it will lead to actual economic growth depends on Washington's ability to deliver on the agenda that small business voted for in November. If the health care and tax policy discussions continue without action, optimism will fade," Duggan added.

The quarterly small-business survey conducted by Wells Fargo and Gallup found that small-business owners' attitudes about revenues, cash flow and access to credit all improved. Additionally, the Wells Fargo/Gallup Small Business Index (WFGSBI) found more small-business owners saving for retirement and feeling confident about retirement security.

The WFGSBI in February reached 100, up from 80 in November and up 33 points from a year ago.

The 100 is the highest optimism reading since July 2007.

"As small businesses are the backbone of our economy, it's promising to see that business owners have entered 2017 feeling confident and that many are seeing positive trends in their businesses," Wells Fargo Head of Small Business **Lisa Stevens** said.

"Our latest survey shows us that more business owners are reporting stronger current financials and are well positioned for the coming year, which is helping boost the index score to its highest mark in nearly a decade. There are many reasons for small business owners to feel optimistic about the future in today's economy, and we hope this momentum continues in the year ahead," Stevens added.

The index found that 71 percent of small-business owners said that their financial situation was very or somewhat good, while 45 percent said that their business revenue increased over the past 12 months. The index also found that more business owners (76 percent) feel they'll be able to live comfortably in retirement.

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Bank buys two Florida title companies

Wilmington, N.C.-based Live Oak Bancshares Inc. has acquired Tampa, Fla.-area title companies Reltco Inc. and National Assurance Title Inc. for $15.8 million, according to its filing with the U.S. Securities and Exchange Commission.

The deal was completed in February. It included $7.7 million in cash and 27,724 shares of its common stock. Live Oak is a national online platform for small-business lending.

“As reflected in the recent acquisition of Reltco, a national title agency, our platform continues to evolve and allows us to provide best-in-class service to small businesses across the U.S.,” Live Oak CEO **James S. Mahan, III** said in a release accompanying the company’s first quarter earnings report.

Based in Tampa, Reltco is a national title company with offices in Plano, Texas; Birmingham, Ala.; Henderson, Nev.; Brigham City, Utah; and Benton, Ark.

Paula Woodring is president and founding partner of both Reltco and National Assurance Title.

AmTrust continues aggressive expansion

AmTrust Title Insurance Co. has hired two former Fidelity executives to guide its expansion into the Caribbean and Latin America and to develop its Southeast base, the company announced.

The company appointed **Jennifer Cruise** as its regional manager for the Southeast and manager of international operations.

AmTrust also hired attorney **Edward Hamann** as chief international underwriter.

Both have more than 30 years of title insurance experience domestically and internationally, as well as a reputation in the commercial real estate community as the experts in offshore title insurance.

Additionally, AmTrust added **Metta Grier** as assistant vice president, Caribbean, Latin America & Southeast Division.

“A substantial portion of the commercial client base in the U.S. real estate investment and lending community also operates in Puerto Rico, the U.S. Virgin Islands, Guam and other international destinations,” AmTrust Title President **Jason Gordon** said in a press release.

“With their international and domestic expertise, Jen, Ed and Metta represent the perfect opportunity to add tremendous talent as AmTrust Title becomes more and more recognized as a market disruptor in the title community,” Gordon added.

Cruise is an industry veteran specializing in financial analysis, operations, personnel management and sales.

Prior to joining AmTrust, Cruise was a manager, Florida Agency Commercial Services with Fidelity National Title Group, and also manager of Fidelity’s Caribbean Agency.

Hamann previously served as Fidelity’s vice president, state underwriting counsel.

His responsibilities included developing bilingual underwriting protocols and country due diligence platforms as well as underwriting and escrow protocols for international jurisdictions.

Grier has more than 12 years of experience in the title industry.

That includes experience in commercial transaction management and commercial closings (both internationally and in Florida) and agency management and administration in the Caribbean.

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Mary O'Donnell
President and CEO
Westcor Land Title
Insurance Company

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Beige Book: Low inventories slow home sales

From mid-February through March, home sales across the country slowed due to low inventories. However, residential construction grew and loan volumes increased in more than half of regions surveyed by the Federal Reserve Beige Book.

"On balance, reports suggested that residential construction growth accelerated somewhat even as growth in home sales slowed, in part due to a lack of inventory. Nonresidential construction remained strong, but became more mixed in some regions; leasing activity generally improved at a more modest pace," the report said.

"More than half of the reports suggested that loan volumes increased, while only one said they were down modestly," the report added.

The report is based on information from the 12 Federal Reserve Districts. It found that employment expanded across all districts at a modest to moderate pace. Labor markets remained tight as employers in most districts reported having more difficulty filling low-skilled positions.

The report said labor demand across the country was stronger for higher skilled workers; most districts reported modest wage growth and modest price increases since the previous report.

Housing-related highlights of the April 2017 Beige Book include:

• New York firms reported that housing markets have improved somewhat except at the high end, while commercial real estate markets have been steady. "Inventories have risen somewhat in Manhattan but remain low; properties have been taking longer to sell, and bidding wars have become less common. In Long Island, Westchester and Fairfield counties, home sales activity was increasingly robust, while prices were steady to up only modestly," the report stated.

• Philadelphia found economic activity continued to rise modestly with continued moderate growth among manufacturers and homebuilders. "Homebuilders continued to report moderate increases in traffic, contract signings and construction backlogs. A South Jersey builder noted a continuation of the longest run of steady sales (since November) in over 10 years, while a Pennsylvania builder started to see more first-time homebuyers compared with last year. Some contacts wondered if recent interest rate increases helped get potential buyers off the fence," the report said.

• Housing market conditions in Cleveland have cooled slightly but remain above year-ago levels. "Year-to-date estimates of single family construction starts were much higher in Ohio compared to a year earlier," the report said. "Strongest demand was found in the first-time and move-up price point categories. Sales of high-end homes continued to slow."

• Commercial real estate activity was steady at strong levels in Minneapolis. "Residential real estate was lower overall. Some Montana regions saw growth in home sales, but sales elsewhere in the district were lower, the result of low inventories, according to numerous sources," the report said.

• In Chicago, construction and real estate activity increased modestly. "Home sales increased slightly overall. Demand varied by price range, with strong increases for homes under $250,000, modest gains in the $250,000 to $500,000 price range, and a modest decline in demand for homes over $500, 000," the report said.

• San Francisco contacts reported strong activity in the housing market and moderate growth in overall lending activity. "Sales of new and existing homes were robust, and inventories remained low, with one contact in Seattle reporting that new property listings remained on the market for only a couple of days," the report said.

Accenture buys BeesPath's ClosingBridge

Accenture purchased BeesPath Inc.'s ClosingBridge platform to enhance its Mortgage Cadence product suite, the company announced.

Accenture also announced that BeesPath President **Todd Hougaard** will join Mortgage Cadence and be responsible for speeding the integration of the two products and spearheading product advancement. ClosingBridge will be rebranded as Collaboration Center.

"We are proud to welcome Todd and the Collaboration Center technology to the Mortgage Cadence product suite with near-immediate client availability," Mortgage Cadence President and Chief Operating Officer **Trevor Gauthier**

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said in a press release. “Thanks to this exciting acquisition, our lenders will be able to provide their borrowers with the peace of mind that all collaboration regarding their transaction is being handled swiftly and securely for better compliance, efficiency and structured communication between all parties.”

“In addition to accelerating our digital strategy, this asset acquisition puts more functionality into our clients’ hands sooner, enabling them to close loans more quickly while having the assurance that the loan communications are secure,” Gauthier added.

Hougaard said ClosingBridge is highly complementary with Mortgage Cadence’s loan origination technology suite. BeesPath was founded in 2004. It released ClosingBridge in 2015.

“Mortgage Cadence is the company best positioned to get this into the hands of lenders and title agents, who will benefit tremendously from this solution,” Hougaard said. “I’m thrilled to be a part of this talented team and help drive this user-friendly and secure solution forward.”

ClosingBridge provides secure communications between borrowers, co-borrowers, real estate agents, sellers, attorneys, lending staff, title agents and settlement during the closing process. Initially, it will be offered as a standalone product.

“Taking an innovative approach to a long-standing challenge in mortgage – unsecure communications involving borrower data and information – BeesPath has created an elegant, all-digital solution that securely connects all parties involved in the closing process,” Mortgage Cadence CEO **Michael Detwiler** said. “ClosingBridge is another strategic addition to our forward-looking Mortgage Cadence platform.”

Movement Mortgage issues 2017 projections

A year after its record-setting results, Movement Mortgage, LLC (MM) is projecting it will originate $15 billion in residential mortgages in 2017 – a 25 percent year-over-year increase.

The projections were part of the company’s first annual report to stakeholders on its business operations, growth and community investments.

“Our goal is to transform our industry, corporate culture and communities through our business. These results are not our focus, but rather the evidence that we are making progress in our mission to be a movement of change,” Movement Mortgage Founder and Chief Executive **Casey Crawford** said in a press release.

“While we are certainly grateful and humbly praising God for our results so far, we’re not satisfied. There are still many thousands of families and communities for us to love and serve. The best is yet to come,” Crawford added.

In 2016, MM was among the top 10 nationally in purchase mortgage lending, financing more than $12 billion in residential mortgages. It opened a $22 million headquarters in Fort Mill, S.C., last year, and increased its investment in communities through its nonprofit to $27 million.

OS National opens Houston office

OS National LLC (OSN) has opened a new office in Houston that will become its hallmark Texas location, the company announced.

OSN already has a Texas office in Dallas/Fort Worth and will soon open a third location in Southlake.

“We are pleased to welcome clients and partners to the opening of our Galleria Houston location for retail business,” OS National Managing Partner **Jamie Wunder** said in a press release.

“Our centrally located office will set the stage for our growing retail operations in the Houston market.”

“We are honored to welcome the real estate community to our new flagship location,” OS National Regional Manager **Dan Hassen** said in the release.

“Our teams of industry experts are here to serve Houston and the surrounding areas, and we are honored to provide the exceptional boutique service from a national title company to the Houston market.”

In addition to the Texas locations, OSN has offices in Atlanta, Phoenix and Las Vegas.

INDUSTRYNEWS

Study: Small business more efficient at hiring

On average, small and mid-sized businesses go through 86 job candidates, 15 resume screens, nearly five onsite interviews and extend 1.5 offers for each new hire made, according to a study from recruiting software maker Lever.

That one-in-86 hire ratio, however, is more efficient than the one-in-100 hire ratio for large enterprises, according to Lever's report "Inside the Recruiting Funnel: Essential Metrics for Startups and SMBs 2017."

"Strong, efficient hiring is a true competitive advantage in the [small business market], yet many companies are unsure how to boost efficiency while also decreasing investment," Lever Co-founder and CEO **Sarah Nahm** said in a press release.

"This research shows businesses must simultaneously nurture their networks for referrals, source passive candidates, improve the quality of their incoming applications and have backup offers at the ready. The smaller the team, the higher the stakes and the SMBs that apply this mentality to their hiring process will be the ones who succeed," Nahm added.

According to the report, only 17 percent of candidates who apply for a position at a small business receive an initial conversation. Of applicants who submit their resumes directly to a small business, only 13 percent proceed further. Applicants who are referred to a small business, however, have an initial conversation 57 percent of the time.

Even after a small business extends an offer to a candidate, the process is not likely to be over, as the report found 31 percent of candidates decline job offers. Those most likely to decline offers are engineering (59 percent), product management (63 percent) and business development candidates (63 percent).

Those most likely to accept offers are customer service (78 percent), design (76 percent) and sales candidates (74 percent).

The report also found:

- Once applicants reach the in-person interview stage, both sourced and non-sourced candidates receive offers at a similar rate.
- Referrals who receive onsite interviews get more offers than agency candidates (42 percent compared with 23 percent). Ironically, referrals represent two percent of the candidate pool but 14 percent of hires.
- Sales candidates (25 percent) are most likely to receive a screen, and 44 percent of sales candidates proceed from a screen to an onsite interview.
- Account management, business development and operations candidates receive offers after interviewing onsite at the highest rate (32 percent), while product management (26 percent) and design (27 percent) candidates receive offers at the lowest rate.

Global engineering firm buys Bock & Clark

Bock & Clark (B&C), an Akron, Ohio-based land surveying and property title firm, has been acquired by the engineering and consulting firm NV5 Global Inc. Terms of the deal were not disclosed.

With eight offices and annual sales revenues of $39 million, B&C is the largest company providing ALTA surveys in the U.S. It provides commercial real estate due diligence services, including topographic and aerial surveys, zoning reports and environmental services for single-site or multiple-site locations. It was founded in 1973 in Medina, Ohio, by **James R. Bock** and **Carl M. Clark**.

"Bock & Clark will not only introduce NV5 into a new market of reoccurring revenue that fits well within our existing service lines, but will bring us into new geographies where we foresee considerable growth," NV5 CEO **Dickerson Wright** said.

"Our goal will be to continue their organic growth by promoting cross-selling opportunities within our existing business lines while focusing on strategic opportunities to increase Bock & Clark's market share nationwide," Wright added.

Bock & Clark President and CEO **Jeffrey Echko** said the acquisition will benefit both companies.

"Being part of NV5 will provide opportunities for both NV5 and Bock & Clark employees with many synergies between the companies," Echko said. "This combination is a great opportunity for our company and we are looking forward to a successful and prosperous future as part of the NV5 family."

TECHNOLOGY

RESE partners with Qualia

Real Estate Settlements & Escrow, LLC (RESE), one of the nation's largest title companies, has deployed Qualia's cloud-based title and closing software, both companies announced.

RESE said its switch to Qualia will help it reduce turn-times, increase efficiency, and provide a phenomenal customer experience.

"I believe in the integrity and vision of Qualia. As the system continues to offer more and more time-saving features and integrations, we will be even more streamlined and competitive," Rese CEO **Moe Kazin** said in a press release.

Qualia CEO **Nate Baker** said the partnership will help RESE provide a seamless and efficient client experience.

"With Qualia, RESE joins a growing number of title agencies and law firms who recognize their settlement system efficiency plays a critical role in their bottom line revenue," Baker said.

Texas Capital Bank implements DocMagic's eClose

Texas Capital Bank has implemented DocMagic, Inc.'s Total eClose solution enabling the bank to function as an eWarehouse lender, the companies announced.

Texas Capital now can accept and fund eNotes from its lender customers that want to speed the process of closing and selling loans.

Total eClose enables completely paperless digital closings. Texas Capital recently funded its first eNote with a client using DocMagic's eMortgage technology suite.

"DocMagic's eClosing and eMortgage solutions have provided Texas Capital Bank with the tools necessary to incorporate the funding of eNotes into our everyday operational procedures," Texas Capital Bank Executive Vice President **Donnie Martin** said in a press release.

"We believe the digital mortgage revolution and acceptance of eNotes will continue to grow," Martin added.

"We are pleased to have partnered with DocMagic to build out the infrastructure needed to support the eNote funding process at the bank, which in turn supports the trend towards digital mortgages."

DocMagic President and CEO **Dominic Iannitti** said Total eClose will help Texas Capital become an eWarehouse leader.

"In this industry, it's forward-thinking, tech-savvy organizations like this that thrive, set the pace and reach their goals," Iannitti said.

"They understand the fundamental role that advanced technology plays in their — and the industry's — progress. We look forward to collaborating further as we help drive true end-to-end eMortgage adoption

CSC adds 57 counties to eRecording network

Corporation Service Company (CSC) added 57 counties in 25 states to its eRecording network during the first quarter of 2017, the company announced.

CSC clients in these jurisdictions can now electronically transmit documents directly to county officials through CSC's eRecording platform.

"Across the country, more and more counties are seeing the advantages of eRecording with CSC and we continue to add new counties every other day," CSC Vice President **Mark Rosser** said in a press release.

"This process allows users to save time, reduce rejections, eliminate payment errors, streamline workflows, increase security and get documents into the public record faster," he added.

The new counties are in Arkansas, Connecticut, Georgia, Illinois, Indiana, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, Wisconsin and Wyoming.

TECHNOLOGY

RamQuest integrates with CertSimple

RamQuest, Inc. has integrated its Closing Market digital network with CertSimple, the companies announced.

RamQuest users now have access to CertSimple's property tax certification in all 254 Texas counties as well as homeowners association reports for the Dallas, Austin, San Antonio and Houston metro areas.

"CertSimple is another of the many Closing Market integrations that enable title companies to do business better," RamQuest Executive Vice President and Chief Strategy Officer **Brooks Yeager** said in a release.

"With this integration title companies can more efficiently and more effectively service their customers while setting themselves apart in the markets they serve," Yeager added.

Closing Market enables title and settlement agents and attorneys to securely order, exchange and market products and services required in the closing process.

SoftPro, APG partner

SoftPro has integrated its business exchange platform with American Property Guard (APG), the companies announced.

SoftPro 360 users now can order property tax certificates, county assessor data, tax maps and HOA contract information from APG directly from within SoftPro.

"SoftPro's customers will benefit greatly from the integration of our 360 platform with APG," SoftPro Customer Chief Officer **Patrick Hempen** said in a press release. "Our customers can quickly and efficiently order tax certificates and county assessor data without leaving their SoftPro environment."

APG Division President **Christopher Flynn** said the integration will allow APG to broaden its business efforts.

"Our business flourishes based upon three things -- the relationships we forge with our customers, our innovative approach to technology, and a trusting relationship with our vendor partners," Flynn said.

"Success is built on sustainable, reliable growth and the ability to provide a streamlined solution in an ever-changing real estate climate."

Westcor agents gain options

Westcor Land Title Insurance Co. has integrated E-Closing's cloud-based title production software, the companies announced.

"We are very happy to complete this integration with Westcor and to provide the thousands of title agents across the country who have chosen E-Closing a more efficient way to conduct their business", E-Closing Vice President of Sales and Marketing **Marc Hall** said in a press release.

E-Closing allows agents to receive orders electronically from lenders, provide accurate quotes using a built-in fee calculator, create all closing and title related documents, print checks and reconcile escrow accounts.

"Our integration with E-Closing will help Westcor agents simplify their day-to-day work process," Westcor Chief Operating Officer **Scott Chandler** said.

ePN, Closers' Choice partner

eRecording Partners Network (ePN) is collaborating with Closers' Choice to enhance the electronic recording process for closing agents, the companies announced. The integration will enable Closers' Choice users to eRecord within the company's services gateway.

"By partnering with Closers' Choice, our mutual customers can expedite the eRecording process. It's important that we provide and promote an easier, more efficient practice for our clients," ePN President **Jerry Lewallen** said.

"We recognized the importance of inviting ePN to join our services gateway and offer our clients the expanse of services offered by ePN," said **Frank Houpt**, CEO of Millennium Software Developers, Inc., creators of Closers' Choice.

CYBERAWARENESS

Cybersecurity expert launches new company

Matthew Froning, the former chief information officer at Security Compliance Associates, has started a new company that provides security-related services especially designed for title and settlement service providers as well as financial services firms.

Based in Palm Harbor, Fla., Security Assurance Facilitation Experts (SAFE) offers cyber, network and physical security-related services designed to help companies establish a focused security program.

"Cybersecurity is the number one concern for agents today. Tens of thousands of dollars can be diverted to cyber-thieves with the click of the mouse, but unfortunately many agents have not taken the necessary steps to protect the business they have worked so hard to build," Froning said in a press release.

"Identifying attack vectors, tightening security gaps, and training employees combine to mitigate agents' risk and prevent security breaches. It is also vitally important that your security team understands your operations and work flow to ensure security assessments are thorough and your business is SAFE from attack," Froning said.

Froning's said SAFE's services are scalable to small companies or national operations. They include fractional CIO/CISO services for agents that want monthly valuations and consulting services, vulnerability assessments, penetration testing, website application testing, social engineering assessments and risk assessments.

A security industry veteran, Froning has led the charge for improving security processes and procedures while tightening controls to protect companies from cyberattacks.

He developed information security assessment processes which included guidelines and reports aligned with regulatory and ALTA Best Practices. An Air Force veteran, Froning has investigated, managed and directed computer-related criminal, counterintelligence, counterespionage, fraud and undercover matters for both the federal government and the military.

Simplifile hires settlement account manager

Simplifile has hired **Toni Carroll** as its national settlement account manager, the company announced.

In her new position, Carroll is responsible for maintaining and improving Simplifile's settlement software vendor relationships while supporting sales efforts to deliver settlement collaboration to the real estate industry.

"Toni Carroll's more than 30 years of title and settlement expertise and her passion for improving settlement processes via technology make her ideally suited to drive the growth of Simplifile's collaboration solution in the title and settlement market," Simplifile President **Paul Clifford** said in a release.

"She is a tremendous asset to our organization, and we are eager to see her bring her industry experience to bear."

Carroll previously served as business development manager for First American Professional Real Estate Services. She also was the state agency manager for the southeast and mid-Atlantic divisions of North American Title Insurance Co. and vice president of sales for TSS Software Corp.

AmTrust expands New York team

AmTrust Title Insurance Co. has hired **William Adamski** and **Mark Giarrusso** as sales representatives, the company announced. Both will be vice presidents and will be responsible for expanding AmTrust's business in the New York metropolitan area.

"We are expanding our title services throughout the country and are very excited to welcome aboard this diverse mix of talented professionals who are dedicated to our corporate objectives," AmTrust Executive Vice President **Steven Napolitano** said in a press release.

Adamski was previously a sales associate at Florida-based golfing enterprise, and in guest services with Hilton.

Giarrusso was formerly a sales associate for New York City-based abstract title insurance company. He also financed real estate projects for Largo Capital.

PEOPLEONTHEMOVE

First International hires branch manager

First International Title (FIT), Inc. has hired **Ranee Polis** as branch manager of its Port Charlotte, Fla. office, the company announced.

"We're happy Ranee chose to join our team," First International Title CEO **Jim Moran** said in a press release. "I'm quite confident she will be tremendous asset. This represents another example of our continued growth as a company."

Polis has more than more than 20 years of closing and managerial experience with both law firms and national title underwriters.

FIT is the largest independent title agency in Florida, with more than 30 locations throughout the state.

LenderLive adds two vice presidents

David Tiberio and **George Schultz** have joined LenderLive as vice presidents of national sales for the company's settlement services, the company announced.

Both will be report to LenderLive Executive Vice President **Larry Hudnall** and be responsible for developing new client relationships and supporting existing ones.

"We know our clients are always looking for ways to increase efficiencies in their workflows to reduce costs, errors and risk, which is why we are dedicated to investing in expert talent, such as George and David," Hudnall said in a press release.

"Their combined business development and client relations skills enable them to provide a superior customer experience. I'm confident they will be valuable additions to the settlement services team and LenderLive as a whole," he added.

Prior to joining LenderLive, Schultz was vice president of business development and client management at Kensington Vanguard National Land Title. He also spent 20 years with Title Resource Group in various roles, including sales, vendor management, client management and as vice president of national operations.

Tiberio has more than 25 years' experience in the financial services, mortgage and real estate industries.

He's previously held senior positions at First American Title Insurance Co. and Bank of America.

Home prices rose in February

U.S home prices hit a new, post-crisis high in February, surpassing the previous peak set in June 2006, according to Black Knight Financial Services.

Black Knight's Home Price Index (HPI) found the average price for homes in the U.S. reached $268,000, a 0.8 percent increase for the month and a 5.7 percent year-over-year increase.

According to the HPI, Washington's 2.2 percent home appreciation in February led all states, with Seattle's 2.7 percent increase leading all metropolitan areas.

Six of the top 10 metropolitan areas were in Washington.

Colorado (1.6 percent) and Oregon (1.5 percent) followed Washington as the states with the highest home appreciation growth in February, the HPI found. Six states hit new peak averages in February.

They were Massachusetts ($377K); New York ($371K); North Carolina ($205K); Tennessee ($191K); Texas ($232K) and Washington ($352K).

In February, 15 metropolitan areas hit peak averages.

They were Austin, Texas ($308K); Boston ($436K), Charlotte ($218K); Columbus, Ohio ($187K); Dallas ($247K); Denver ($373K); Houston ($230K); Kansas City, Mo. ($189K); Nashville ($250K); Portland ($366K); San Antonio ($210K); San Francisco ($792K); San Jose ($942K) and Seattle ($435K).

Not all metropolitan areas thrived during February.

The HPI found average home prices tumbled 4.7 percent in Tuscaloosa, Ala., the worst performing metro, and 0.5 percent in Atlantic City.

Loan defects on the rise, First American report finds

The frequency of defects, fraud and misrepresentation in mortgage loan applications increased during March, according to First American Financial Corp. (FAF).

FAF's Loan Application Defect Index for March found defects, fraudulence and misrepresentation in mortgage loan applications increased 3.9 percent in March 2017 compared with February 2017. The year-over-year increase also was 3.9 percent. However, the index found fraud and misrepresentation in mortgage loan applications in March was down 22.5 percent from the high point of risk in October 2013.

"This month, the Loan Application Defect Index continued to trend upward as the risk on refinance and purchase transactions both increased compared to a month ago," First American Chief Economist **Mark Fleming** said in a press release. "After four consecutive months of increased defect risk, it's fair to call this a trend."

The index found that fraud and misrepresentation in mortgage loan application increased 3.3 percent for refinance transactions and 2.4 percent for purchase transactions during March.

During March, the markets with the highest defect risk were in the South – McAllen, Texas; Charleston, S.C.; Tampa, Fla.; Knoxville, Tenn.; and Baton Rouge, La.

"Defect, fraud and misrepresentation risk is increasingly becoming a regional phenomenon. The risk is concentrating in attractive local markets where housing demand is the strongest, primarily in the South," Fleming said.

Freddie Mac: Tight inventories may slow spring market

Freddie Mac's latest housing outlook found tight home inventories, prices outpacing incomes, higher interest rates and declining affordability – all of which the agency said will affect home sales during the spring buying season.

The agency's outlook for April found housing inventory, especially starter homes, at its lowest level in more than 10 years. It projects home sales decreasing in 2017.

Freddie Mac attributes the low inventory to homeowners who are reluctant to sell because they fear they won't be able to find another home within their budgets. Others do not want to give up the low mortgage rates they currently have.

"Tight housing inventory has been an important feature of the housing market at least since 2016. If inventory continues to remain tight, home sales will likely decline from their 2016 levels," Freddie Mac Chief Economist **Sean Becketti** said. "As we enter the spring home buying season, all eyes are on housing inventory and whether or not it will meet the high demand."

The outlook found home prices have not recovered to pre-crisis levels for many homeowners. Thus, selling their homes right now would produce less than the amounts they owe on their mortgage.

Also housing starts this year, projected to be 1.26 million, are below what the economy needs to add to replace existing stock, meet new household formation and second home demand.

"As we enter the spring home buying season, all eyes are on housing inventory and whether or not it will meet the high demand."

Sean Becketti,
Chief Economist, Freddie Mac