

Title & Settlement Industry Divided on ALTA Best Practice Compliance

Posted By *xhevrije* On July 8, 2015 @ 6:07 pm In Daily Dose,Data,Headlines,News,Uncategorized | [No Comments](#)

[1]Large firms are more positive about ALTA best practice compliance framework than their smaller counterparts, according to the second annual [2015 ComplianceSuccess Survey](#) [2]from [Habif, Arogeti & Wynne, LLP](#) [3](HA&W), a Georgia-based tax, accounting, and business consulting firm.



According to HA&W, the survey looked at title and settlement professionals' attitudes and perceptions about compliance, as well as gauged where companies are in the process of becoming compliant. It also examined challenges that businesses face when becoming ALTA Best Practices compliant.

"When it comes to the ALTA Best Practices Framework, respondents' opinions were generally positive, with 54 percent viewing ALTA Best Practices as ALTA's attempt to provide a mechanism for self-regulation, 49 percent believing that ALTA Best Practices are something every settlement professional should follow and 51 percent seeing ALTA Best Practices as a comprehensive compliance benchmark," the survey said.

A share of 58 percent of survey respondents agree that the Consumer Financial Protection Bureau's (CFPB) mandate that requires lenders to monitor their third-party settlement providers' compliance will affect their business in some way. Only 4 percent indicated that they expected the CFPB Bulletin 2012-03 to have no impact on their companies. Sixty-seven percent of those surveyed said that it would create a business risk in retaining and growing lender relationships if they could not show lenders that they were compliant, while only 16 percent indicated that they believed the CFPB's mandate would increase consumer confidence.

On the other hand, when company size is considered, larger companies (those with more than 300 residential mortgage closings per year) were almost twice as likely to perceive the ALTA Best Practices Framework as a comprehensive compliance benchmark. However, smaller companies (those with less than 300 residential mortgage closings per year) were more than 1.5 times more likely to believe that the ALTA Best Practices Framework was "just more guidelines for the

industry to follow.”

“That same correlation held true for respondents’ views on ALTA’s Best Practices standards and assessment procedures,” the survey said. “While the overall perception was positive, with 62 percent of respondents viewing the standards and assessment procedures as a comprehensive compliance benchmark, smaller companies were significantly more likely to view the standards and assessment procedures as too many requirements being imposed on the industry.”

The majority of respondents believe that the ALTA Best Practices Framework will be adopted by lenders and the CFPB, regardless of company size. But respondents were divided on exactly when ALTA Best Practices would be adopted. A little more than a quarter of respondents believe that ALTA Best Practices will be adopted in the next four to six months, while approximately one-fifth of respondents believe adoption won’t happen until 2016.

“The title industry is currently going through a sizable transformation, highlighted by the TILA-RESPA Integrated Disclosure (TRID) rule and ALTA Best Practices initiative,” said Lee Fields, managing director of Business Consulting Services at HA&W. “With the CFPB moving the TRID compliance date from Aug. 1 to Oct. 3, 2015, it is difficult to pinpoint exactly when widespread ALTA Best Practices adoption will take place.”

[Click here to view Habif, Arogeti & Wynne 2015 ComplianceSuccess Survey.](#) [2]

Article printed from theMReport.com: <http://themreport.com>

URL to article: <http://themreport.com/uncategorized/07-08-2015/title-settlement-industry-divided-on-alta-best-practice-compliance>

URLs in this post:

[1] Image: <http://themreport.com/wp-content/uploads/sites/28/2014/02/writing-on-paper1.jpg>

[2] 2015 ComplianceSuccess Survey : <http://www.compliancesuccess.com/wp-content/uploads/2015/07/2015CS-Survey.pdf>

[3] Habif, Arogeti & Wynne, LLP : <http://www.compliancesuccess.com/>

Copyright © 2014 theMReport.com. All rights reserved.