

# CFPB UPDATE!

## The CFPB, ALTA Best Practices, and YOU.

The Consumer Financial Protection Bureau (CFPB) and the American Land Title Association (ALTA) Title Insurance and Settlement Company Best Practices (Best Practices) are changing the title and settlement service landscape. ***As an industry leader, First American Title can assist you with developing solutions that will allow you to successfully navigate the evolving regulatory environment.***

Are you still wondering how this evolution will impact the title and settlement service industry? The answer lies in the fact that the CFPB regulates banks, credit unions, and mortgage lenders (“Lenders”) while also enforcing relevant Federal law including RESPA, TILA, and Gramm-Leach Bliley (which can impact title industry service providers, consumer disclosures, information security, and the safekeeping of consumer funds).

The CFPB’s new oversight of consumer financial products and services drew more attention in the wake of the CFPB’s release of its 2012 Service Provider Bulletin (Bulletin 2012-03).

The Bulletin confirmed the fact that Lenders were responsible for the acts of their service providers, and importantly, there is no exemption for services provided by closing or settlement attorneys.

Moreover, the Bulletin stated that the CFPB expected Lenders to have an effective process for managing the risks associated with all of their service provider relationships. Soon thereafter, in order to assist the lending community and provide a tool for managing their service provider risk, ALTA released their Best Practices guidelines.

***Not surprisingly, Lenders have already begun to signal that they intend to work with title industry service providers that have been certified as compliant with ALTA’s Best Practice guidelines.***

*First American stands ready to assist you with your efforts to navigate this new regulatory landscape. To learn more about our products and services and how we can help you, please don’t hesitate to contact me.*

### The Best Practice guidelines cover seven risk areas:

- Licensure
- Escrow controls
- Information privacy/security
- Policies for complying with Federal/state law
- Policy production protocol
- E&O and fidelity coverage
- Consumer complaint resolution



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