



TITLE INSURANCE AND SETTLEMENT COMPANY ALTA BEST PRACTICES

Warren Averett, LLC is proud to be a member of the American Land Title Association (ALTA) and a qualified third party vendor providing Assessment Readiness guidance and attestation services in connection with your implementation of the ALTA Best Practices framework.

CFPB Bulletin

2012-03 Title X issued April 13, 2012

In April 2012, the Consumer Financial Protection Bureau (CFPB) issued CFPB Bulletin 2012-03 which outlines how banks and nonbanks must oversee their business relationships with service providers. Business must be conducted in a manner that ensures compliance with Federal consumer protection law in order to protect the interest of consumers and avoid consumer harm. As a result, mortgage lenders will only do business with title companies and real estate settlement attorneys that are CFPB compliant.

The ALTA Best Practices framework was developed in 2013 to assist lenders in satisfying their responsibility to manage third party vendors. You cannot afford to lose clients because your organization was not CFPB compliant or not operating under the Best Practices framework. Although some lenders may allow "self-certification," now that the framework has been implemented, a higher level of assurance is required by many lenders.

Warren Averett, a well respected independent CPA Firm in the lending community, is an ideal group to provide such services. In April 2015, the American Institute of Certified Public Accountants (AICPA) specifically addressed the role CPAs may play in providing such services to companies falling under the jurisdiction of CFPB Bulletin 2012-03. Fortunately, the professionals at Warren Averett have been studying and following the development of the ALTA Best Practices for over a year-and-a-half and are ideally situated to can help your organization with its Best Practices by conducting an assessment readiness study of your business and ultimately performing either a review or examination engagement to meet the needs of your lender.

ASSESSMENT READINESS GUIDES

ALTA has created 7 Best Practices Pillars which include:

1. Licensing
2. Escrow Trust Accounting
3. Protecting NPI
4. Settlement Processes
5. Policy Production
6. Insurance Coverage
7. Consumer Complaints

ATTESTATION SERVICES

Our team of experienced professionals will work closely with your organization to identify any areas that need improvement and to ensure adherence with each of the 7 Pillars.

In addition to conducting an Assessment Readiness study, Warren Averett can conduct the Certification testing required to ensure your organization is fully ALTA Certified.

FREQUENTLY ASKED QUESTIONS

How were the best practices developed?

ALTA's Board of Governors, which includes representatives of both the agent and underwriter community, developed the best practices.

Has the lending community reviewed these best practices? Yes. ALTA has shared these best practices with both large and small lenders.

How long does it take to complete the Assessment Readiness Guides? Depending on your organization's practices and procedures, assessment of all 7 Best Practices Pillars could range from a few hours to several days. Our professionals will review each Assessment Readiness Guide with you to determine the areas that need the most attention and how to comply fully with each one.

What is the cost of the Assessment Readiness and Certification? The actual costs will vary depending on the number of office locations and other factors specific to your organization. We will be pleased to give you an estimate based on your specific circumstances. As an example, for a small entity with low volume of transactions, the fees might range as follows:

- Review Engagement.....\$2,750
- Examination Engagement.....starting at \$8,000

What will I receive as a final deliverable to show my mortgage lenders that I have implemented ALTA Best Practices?

Review - Based on a review (primarily inquiries and reading and gaining an understanding of policies and procedures) our report will indicate whether or not anything came to our attention that causes us to believe your practices do not comply with ALTA Best Practices.

Examination - Similar to an audit of financial statements, we will perform testing of your compliance in order to render a report with an opinion (highest level of assurance) on whether or not your assertion of being compliant is fairly stated.



Visit www.warrenaverett.com/ALTAteam to locate a Warren Averett professional in your area who can set up an initial meeting to discuss the best way to get started in securing your ALTA Certification.