

Title Plants 101

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Title Plants 101

- Today's Discussion
 - Historical Overview
 - What is a Title Plant?
 - Why do we need them?
 - Key Title Plant Features and Functionalities
 - Trends and Opportunities

Title Plants 101

- **Historical Perspective**

- Public land records are fundamental to our democracy and economy
- U.S. Land Survey System: How and Why?
- Constructive Notice: Why is it necessary?
- The role of Title Insurance
 - Validate and enhance the public land record
 - Correct the land record

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- What is a Title Plant?

What most think of:



What it actually looks like:



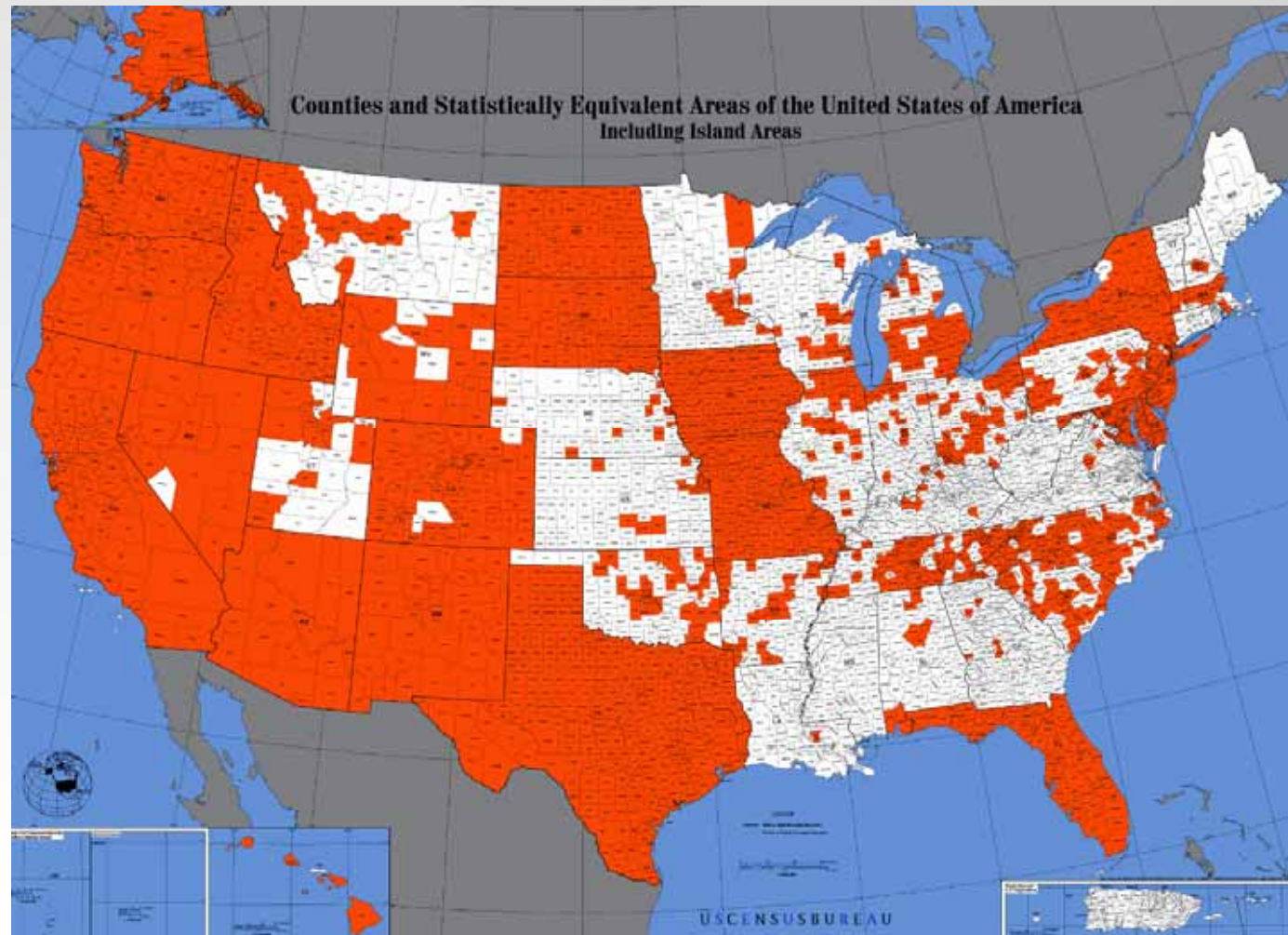
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- **Definition of a Title Plant**

- A compilation of all instruments of record, usually geographically indexed, which may impact title to real property, consisting of any or all of the following:
 - Indices and images of all instruments filed with the Jurisdiction
 - Tax records
 - Court records consisting of Probate, Civil, Bankruptcy
 - Maps / Plats
 - Starter Files and/or prior abstracts and/or attorney opinions

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Where are Title Plants?



Title Plants 101

- **Why are Title Plants Necessary?**
 1. **They Benefit Consumers by Reducing the Cost to Produce Title Insurance.**
 - Lower Operating Costs for Title Companies
 - Geographic searching efficiency
 - Standardized single platform search processes
 - Starter files
 - Reduced Risk and Claims Experience
 - Enhanced data aggregation and validation
 - Underwriters assume risk and maintain title plants to minimize exposure

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- **Why are Title Plants Necessary?**

- 2. **Statutory Requirements**

- 12 states have some level of statutory title plant requirements: (AK, AZ, CA, ID, IA, MO, NM, ND, OR, SD, TX and WA)
 - 15 states have marketable title statutes defining search requirements from 20 - 60 years
 - Only 11 states and DC have no statutory requirements
 - Remaining states have some statutory search guidelines, but they are general in nature.

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- Key Title Plant Features
 1. Enhanced Data Aggregation
 - Multiple Indices
 - Geographic
 - Name
 - Mapping / Map Edits
 - Subdivision and Parcels
 - ARBing - Unique parcel identifier for Section Land (commonly referred to as metes and bounds)

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- **Key Title Plant Features (cont.)**
 2. **Data Integration and Standardization**
 - Internal data entry from source images
 - Recorder indices
 - Assessor data
 - Bankruptcy/ Court records
 3. **In Depth Validation / Verification**
 - Double and triple blind keying
 - Cross referencing and comparison of multiple data sets
 - Parcel validation from Map Edits

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- **Key Title Plant Features (cont.)**
 - 4. **Enhanced Search Processes**
 - Individual Searches by Title Order
 - Searching across multiple counties
 - Title chains
 - Date Downs
 - Automation and integration of data flows with title production systems.

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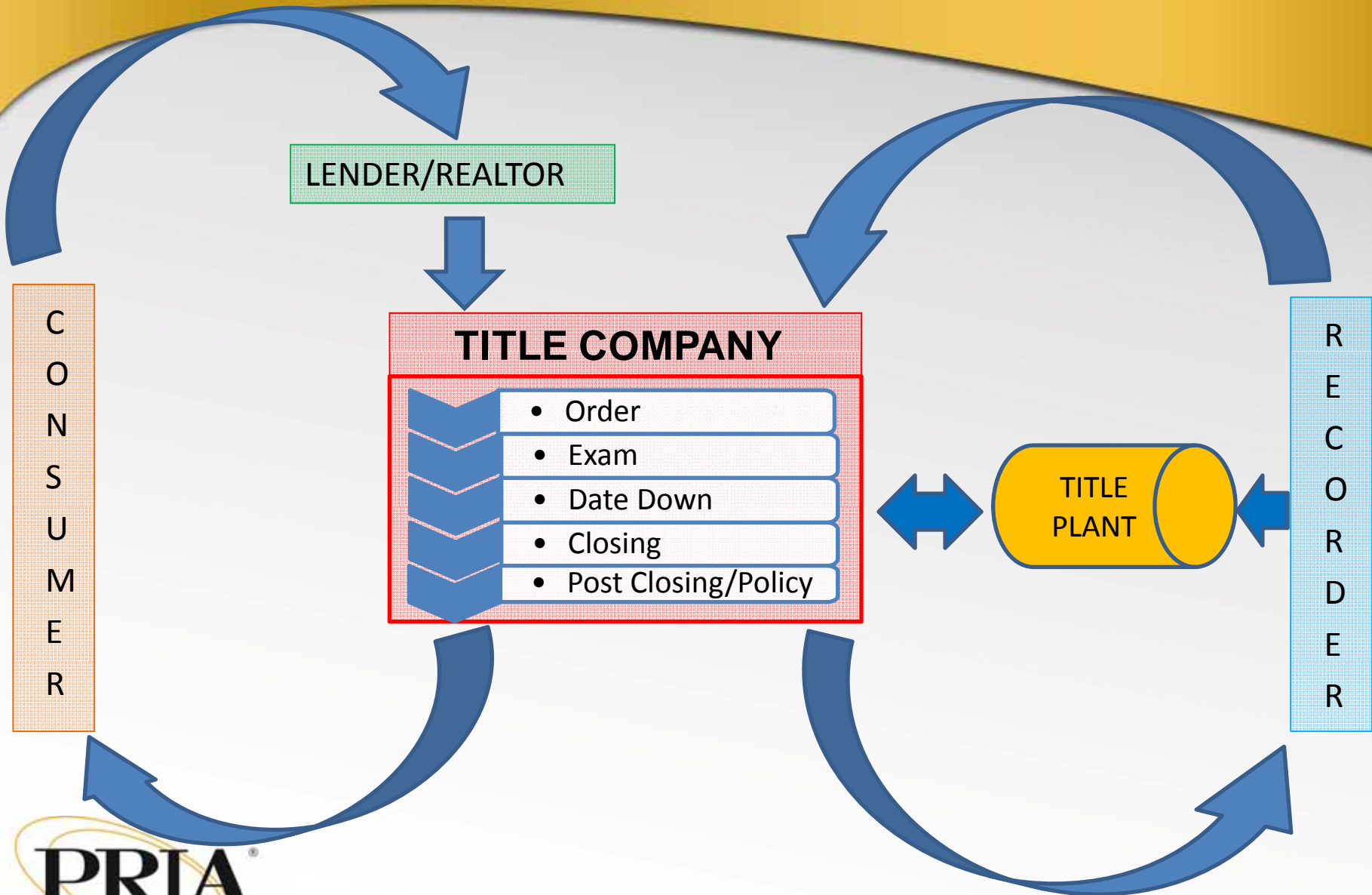
- Key Title Plant Features (cont.)
 5. Other Unique Features and Services
 - Mining Claims
 - Acreage Tracking
 - Mineral Rights
 - Terrorist Watch List
 - Fraud Alerts
 - Error Reporting to Users
 - Title Evidence Audit for Underwriters

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- Search Process: Plant Statistics
 - Avg. Time to Complete Title Searches
(Compiled over several thousand orders)

Order Type	Avg. Online County Search (minutes)	Avg. Plant Search (minutes)	% Efficiency Gain
Current Owner	31	14.7	111%
2 Owner	40	18	122%
Full Search	119	41	190%

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- **Other Benefits**
 - **Public Record Validation and Correction**
 - According to ALTA, the title industry spent \$225M correcting public records in 2006
 - **Reduced Impact on County Infrastructure**
 - The highest volume users reduce foot traffic in office and do not need to tie up server usage and internet bandwidth usage

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- **Types of Title Plants**
 - **National**
 - Consolidated plant operations reduce expense
 - Nationwide plant networks support national lenders and banks
 - **Regional or Local**
 - **Joint Plants**
 - Share cost of more expensive geographic plant maintenance
 - Many operate on a not- for- profit basis
 - **Agent Plants / Single County**

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- How can we work together?
 - Partners in the real estate closing process
 - Together we maintain the best land record conveyance system in the world
 - Continue to provide feedback on errors
 - Potential for disaster recovery and back-up
 - What other ways can Recorders and Title Plants work together to benefit the public?

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- Trends in the Business
 - Lender and consumer pressure to reduce turn around times and cost
 - More consolidation, automation and integration of title production
 - Escalating costs for access to bulk records
 - Costs passed on to consumers
 - Lower cost for source information promotes competition in the local market
 - Copyrighting Public Records
 - Privacy Concerns

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- **Summary**

- Title plants are a critical component of the title insurance industry
- Benefit consumers by reducing costs through operational efficiencies and risk management
- Work as a partner with local Recording Jurisdictions for the benefit of the consumer/constituent

Thank You

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