

BUSINESS BRIEFS

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“We wanted the ability to simply point to the ‘bible’ of origination for those participating in the secondary market and have explicit language embodying that approval and we now have it. Now we will try to get similar language from Fannie which similarly has approved the forms but never amended their guide to expressly indicate so.”

Changes to servicing also include the adjustment of allowable expense amounts in Utah. Revising Exhibit 57, 1–4 Unit Property Approved Expense Amounts to

increase allowable fees for title work in Utah from \$200 - \$300. According to Maher, this change supported consistency efforts.

Maher said, “We discussed the fact that endorsements usually required by Freddie were either incorporated automatically within the endorsement or by specific check box. With respect to the Utah situation, we identified the issue and put Freddie personnel in touch with folks familiar with the situation and this is Freddie's reaction.”

TECHNOLOGY

New Internet closing service now available for independent title agents

Developed by Loop Information Systems Inc., ClosingSite is an Internet-based service that, according to the company, enables independent title companies to manage the closing of real estate transactions and to collaborate with all parties concerned via the Internet, fax and e-mail.

Though the company has a variety of client types, the product could benefit independent title agents looking for affordable technology that would cut their costs, increase efficiency and even market their services to their clients.

How it works

The transparent nature of ClosingSite allows it to host client portals designed to conform to the color scheme, logo and marketing messages specific to each client company. According to **Kyle Pope**, director of business development at Loop Information Systems Inc., the main attraction to the technology is its ability to manage documents.

“Our service allows integration with the internal software that title companies use to manage their closings. And it allows them to do a number of things, but the main thing is to share documents online,” he said.

A second, and perhaps unexpected, advantage of the technology is its ability to function as a marketing and branding tool, which is really important, according to Pope.

“Having the stuff online and having this method of distributing things and bringing more information in one place enhances productivity — and that’s all great. But at the end of a day for a title company, it’s all about sales. It’s all about getting title. It’s great to be efficient but you’ve got to have people send you closings to do the title on. What we’ve found is that this has been —

much more so than we expected — a fabulous opportunity for our clients to market themselves, get attention and generate additional business.”

Lee Kaplan, the managing director of Pittsburgh-based Mortgage Settlement Network Innovations (MSNi), agreed. As a national full-service title and settlement provider, Kaplan said MSNi is the only company of its type that Loop Information Systems has authorized to utilize ClosingSite software.

“ClosingSite helped us to bridge the gap to offer our clients the solution that will take the title industry to the next level — the ability to close their loans effortlessly. What we have created is a true paperless environment — one that eliminates copies and the movement of paper throughout the transaction.”

Mike Weston, director of marketing and business development at Crossroads Title Co. in Texas, said his company started using ClosingSite in October and he strongly recommends it to independent title agents.

“It’s an effective tool for helping to differentiate you from the competition,” he said. “I think it’s also a useful tool for people who are buying and selling real estate and they’re ultimately the consumers who are paying for the title products.”

Weston added that the products “ease of use” is its best attribute.

Tracking evidence highlights user trends

After tracking some user trends on ClosingSite, Pope no longer agrees with a lot of industry research that claims to show that real estate and title agents are technophobes.

Pope said, “What we find is that about 60 percent of the

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users who are authorized to come out and use the system come back on a repeated basis. And that number is surprising to us because everything you read on technology and particularly real estate agents, says they don't use technology. We track every time someone comes out and provides those numbers to our clients. We know how often they come out to site and what they do. A little over 60 percent of the real estate agents come back over and over again. The data that we look at doesn't bear out what a lot of research shows, and I'm thinking that that data is maybe dated or there is some error in the methodology because they have to log in every time they come out and we know who those people are when they come. So, we find it to be a very effective marketing tool."

Pope said ClosingSite is a great way to market to mortgage lenders and to real estate agents.

ClosingSite eases the lenders' workloads by consolidating information into one spot and allowing electronic communication. Real estate agents enjoy the

24/7-access component and the online fax capabilities, which title companies offer free of charge.

Fee structure and security policy

To accommodate different client types, and to make the process as simple as possible, the company organized a three-tiered fee structure for ClosingSite's services. It includes a minimal setup fee of \$1,000; an hourly fee for integration and training; and a transactional fee based on a client volume commitment which begins \$15 per transaction.

And, in case you're worried about security, the system includes password protection, firewalls and access log review.

"We provide about as safe of a level of access that you can have on the Net," Pope said.

Loop has worked on expanding into other product areas but, according to Pope, at this point, ClosingSite remains its primary offering.

REGULATORY

Virginia legislators seek to amend CRESPA

Virginia House Bill 1575, sponsored by **David B. Albo**, would amend the state's Consumer Real Estate Settlement Protection Act by prohibiting settlement agents from making a separate charge on a settlement statement for complying with requirements that settlement agents collect, maintain and report to the Department of Taxation information regarding transactions involving the transfer of title to real estate.

The bill also notes that, although the cost of compliance with such requirements may not be assessed as a separate charge, settlement agents are not prohibited from taking this cost into account in establishing their charges for performing escrow, closing or settlement services.

In response, Virginia House Bill 1586, sponsored by **Gary A. Reese**, was submitted.

This version of an amendment to CRESPA would also allow for settlement agents to collect a separate charge, but it would be limited. Specifically, it would prohibit settlement agents from charging more than \$20 for complying with requirements that settlement agents collect, maintain and report to the Department of

Taxation information regarding transactions involving the transfer of title to real estate.

Both bills were pre-filed on Dec. 10 and a referred to the Committee on Commerce and Labor.

W.Va. Supreme Court wants more info in UPL case; kicks it back to the trial court

After a year-long legal dispute over whether non-lawyer closers are engaging in the unauthorized practice of law (UPL), the West Virginia Supreme Court kicked the issue back to the lower court, ruling that it did not have enough information.

The Dec. 3 decision left plaintiff's attorney **Daniel J. Guida** feeling embattled and frustrated.

"The Supreme Court wants more details, so we'll have a hearing before a circuit court judge for a general consensus as to what in the world the West Virginia Supreme Court wants," Guida told *The Title Report*.

The case of *McMahon v. Advanced Title Services Co.* of Brooke County, W.Va. first came to Guida's attention when **Lorrie McMahon** complained that the title

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