TEXAS LAND TITLE ASSOCIATION

STATE OF THE ASSOCIATION

2020

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…I see some of the lessons learned last year playing out again right now as our title community works together to protect our families and teams while serving the public by keeping real estate transactions flowing.
My dad always told me, “if you don’t like the way things are right now, just wait a while and they’ll change.” Simple advice, but that nugget of wisdom has gotten me through many a rough patch. Change is the one thing we can always count on, right? In our current environment, I find that very comforting indeed. So, Dad, I’m counting on your advice, and I’m looking forward to looking back on this period in our history.

Speaking of looking back, a month ago the team at TLTA was putting the finishing touches on our annual TLTA State of the Association, and proudly reflecting on all our industry and association accomplished together in 2019. That seems like ancient history now, doesn’t it? And yet, I see some of the lessons learned last year playing out again right now as our title community works together to protect our families and teams while serving the public by keeping real estate transactions flowing.

In the midst of this challenging situation, we can all use a little break and a bright spot, right? With that said, I hope you’ll take a couple of minutes out of your day to take a quick look at our 2020 State of the Association, highlighting the incredible accomplishments we made together last year.

From a successful legislative session during which we resolved our four-year re-regulation battle, passed 100% of our proactive agenda and packed the halls of the Texas Capitol, to the TDI rate hearing at which we highlighted the strength of our Texas regulatory system and further demonstrated our industry’s responsiveness, we have so much to be proud of and grateful for in 2019. In the second half of the year, we hosted a series of town hall meetings across the state focused on planning for our industry’s future, launched an important Next Gen initiative and new educational programming, and we addressed ongoing marketplace challenges, like cybersecurity and digital closings.

Please know that none of last year’s accomplishments could have happened without you. Every single TLTA member provides support, input and engagement, and our organization’s strength is directly attributable to each of you. Our board of directors’, committees’ and volunteers’ shared vision, combined expertise and extraordinary leadership make our industry successful and raise the bar for our profession. Together, we continue to make our Texas title industry the best in the country.

In the 38 years I’ve had the honor of working for TLTA, I’ve seen this industry bravely and successfully weather many a storm without batting an eye, and the current crisis is no exception. I have full faith that together we’ll work through this and emerge on the other side stronger and better equipped to handle what comes our way.

While it’s true that change is a given wherever you go and whatever we do, our industry’s good work together is one comforting constant that can always be relied upon. When it is finally time to look back on the trials we endure today, two qualities will stand out as hallmarks of title professionals—resilience and a shared sense of purpose. That’s how our industry has stayed ahead of the curve and successfully served our communities for generations.

It is my absolute honor to work alongside such an amazing group of professionals. Please know that you have my ultimate respect and admiration for the work you are doing today and for the passion you bring to your profession every day.

Godspeed,

Leslie Midgley, CAE
TLTA Executive Vice President and CEO
Last year, TLTA’s advocacy outreach and external affairs investments yielded: 1) resolution of our 4-year long re-regulation battle in the Texas Legislature; 2) passage of 100% of the bills on our proactive legislative agenda; 2) completion of our statutorily required periodic rate review; 3) adoption of consumer-requested rule changes that our industry proactively recommended to TDI; and, 4) productive work with the state’s judiciary and our related industries to address unique challenges in our evolving marketplace.

86th Texas Legislature
The 86th Session of the Texas Legislature ran from January to May 2019, and investments made by our industry long before the session commenced—including the development of our grassroots network and continued support for TLTAPAC—paid huge dividends inside the Texas Capitol this year.

Most importantly, we resolved our years-long re-regulation battle. Working with lawmakers and industry stakeholders, our industry helped pass HB 3668, which preserves our promulgated rate system and provides needed clarity regarding who can participate in the rate hearing process. HB 3668 is good public policy that clarifies the ways in which the public can continue participating in the rate setting process. Putting this matter to rest will allow us to focus our time and resources on the many other matters of key importance to our industry and the consumers we serve.

In addition to securing clarification regarding who has access to participate in TDI rate hearings, we also worked with our legislative allies to win passage of three additional bills:

- **SB 2128** – clarifies RON-related statute related to ‘papering out’
- **HB 1614** – updates TTIGA statute
- **HB 1833** – establishes a mechanism by which the authority to sell real properties on behalf of partnerships and corporations can be assigned

In a typical legislative session, four of every five bills die before achieving passage. The passage of 100% of TLTA’s legislative agenda is an unusual feat, and our successes during the 86th Session of the Texas Legislature should be attributed to the lawmakers who drafted and passed the bills we supported, TLTA’s board of directors and legislative committee members, TLTAPAC board members and PAC contributors, our army of local legislative liaisons, and other industry volunteers.

2019 Day at Capitol
Title professionals from across the state congregated at the State Capitol Feb. 12-13, 2019, to share our industry’s powerful story with state lawmakers and staff. We set out on a goodwill mission, and nearly 300 industry partners answered the call. TLTA members and other industry advocates visited all 181 legislative offices, carrying these simple messages door-to-door Capitol-wide: 1) Texas title industry professionals are community partners with integrity who work for Texans statewide; 2) prices are lower for Texas consumers; 3) competition is strong; and, 4) claims rates are low. It is safe to say that we distinguished ourselves as professionals and community partners during those visits, and our offer to serve as a resource for lawmakers and staff further bolstered our industry’s exemplary reputation among the Capitol community.

Texas Department of Insurance: Rates, Rules and More
TDI is responsible for the regulatory matters that affect our members’ bottom lines, and staying on top of changes put in motion at TDI remains among our industry’s top priorities.
First among our projects at TDI in 2019 was the conclusion of our periodic rate hearing, as well as crucial rule changes recommended by our industry.

TLTA volunteers and staff, working in concert with our industry’s legal team and actuaries, were deeply involved in the public discussions and negotiations that led to the order TDI adopted in July 2019.

The rate and rules changes adopted in 2019 clearly demonstrate two things: Texas title insurance rates are fair, and the Texas Promulgated Rate System works. The method for setting rates is based on real data, providing for a transparent public process where consumers have a seat at the table. And, the industry itself proactively stepped forward to begin the process by submitting consumer-recommended proposals for discussion and consideration—demonstrating that the Texas system is responsive.

Some of our other ongoing projects at TDI in 2019 included working with audit staff on compliance issues, overhauling the Basic Manual, a stat report revamp, and more.

**Basic Manual Task Force Celebrates 5-Year Anniversary**
The Basic Manual Task Force, chaired by Denise Holmes, celebrated their five-year anniversary of working on one of our industry’s most challenging volunteer assignments—the Basic Manual Reorganization Project. We are deeply grateful for the many hours of hard work and sharing of expertise by this dedicated group of talented title professionals. Thank you Basic Manual Task Force members and congratulations on this milestone!

**TLTA Submits Comments in Response to CFPB’s Study of TILA-RESPA TRID Rule**
In response to the Consumer Financial Protection Bureau (CFPB) invitation to submit public comment on a planned assessment of the TRID rule, TLTA submitted comments to CFPB on our industry’s behalf. CFPB’s regulation of TRID and the resulting disclosure form directly impacts thousands of Texas consumers every day. TLTA’s comments highlight the fact that consumer confusion is resulting from the required misrepresentation of the title charges in the TRID disclosure. Additionally, our letter emphasized that TLTA does not believe a significant revision of the TRID disclosure is necessary. But, TLTA believes the CFPB’s assessment is a great opportunity for the CFPB to obtain data on a problem that was created by the new forms under TRID.

**TLTA Seeks Payoff Statement**
The Texas Department of Savings and Mortgage Lending (TDSML), operating on behalf of the Finance Commission of Texas, recently proposed revisions to the payoff statements used in Texas mortgage transactions. TLTA participated in the stakeholder discussions in 2019 via which the proposed changes were developed, seeking the inclusion of additional information on the payoff statement regarding the loan number and the original loan amount, in order to distinguish loans when multiple loans exist on the same property with the same lending institution. TLTA subsequently sent a letter to TDSML, and we await the proposed rule’s adoption.

**TLTA’s Regulatory Committee Proposes Changes to Termination Option Language Included in TREC Forms**
In response to concerns raised by TLTA’s Regulatory Committee in 2019, TLTA submitted a letter to the Texas Real Estate Commission’s (TREC) Broker Lawyer Committee regarding proposed changes to the termination option language included in TREC contract forms. The letter proposes revising Paragraph 23 to remove the “Option Fee” and instead have a portion of the earnest money provide the previous function of the option fee, as is the case in many commercial transactions today.

**Amicus Letters for Texas Judiciary**
While lawmakers at the state and federal levels make the laws that impact our regulated industry and our industry partners, the judiciary is responsible for interpreting those laws. As we all know first-hand, the court’s interpretations can impact the way our members do business day in and day out. In 2019, under the direction of TLTA’s Judiciary Committee—which is chaired by Leslie Johnson—TLTA reviewed nine court cases and submitted three amicus letters to the Supreme Court of Texas and the 5th District Court of Appeals. ✦
Our PAC and Grassroots Network Continue to Grow!

TLTA members continued to support the TLTA PAC and contribute in record numbers, allowing us to increase efforts to reach out to Texas legislators and educate them about our state's safe, stable title insurance system.

TLTA's 2019 Day at the Capitol had record-breaking attendance with more than 280 participants.

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<tr>
<th>Total Raised – 2019</th>
<th>This outstanding trend continues in 2020. As of April 23, 477 supporters have contributed:</th>
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<tr>
<td>TLTAPAC $459,793</td>
<td>$238,283 toward our $500,000 2020 goal</td>
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<tr>
<td>810 supporters</td>
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Make Your Annual Donation Today
By the Numbers: 2019

**TLTA EDUCATION: THE GOLD STANDARD**
**KEEPING YOU AHEAD OF THE CURVE**

- **6,600+** participants
- **2,900+** attendance
- **3,700+** participants
- **91** CE Hours Offered

**TLTA PROFESSIONAL CERTIFICATION PROGRAM**
**GROWING OUR NETWORK OF PROFESSIONALISM**

- **257** Certified Professionals
- **24** Certifications Awarded in 2019

**KEEPING MEMBERS AND THE PUBLIC INFORMED**

- **154,519** TLTA Website Visitors
- **10,000+** TLTA readers received more than 400 industry newsletters, regulatory updates and more
- **1,448** Facebook Followers

*See Who’s Certified | Join the Ranks*
Financial Position Remains Strong

Net assets at year end: $2,915,099 representing nine months of operating expenses.

By the Numbers: 2019

**STRONG MEMBERSHIP**

- **2,983** Agent/Underwriter Members
- **184** Associate Members
- **281** Individual Members

**TOTAL MEMBERS 3,448**

83% of licensed agents and underwriters doing business in Texas are TLTA members, and 99% of those companies renewed their membership this year.

**SOUND FINANCIALS**

**2018-2019 Revenue**

- Dues: $2,058,483
- Education: $1,121,106
- Conference: $393,375
- Publications: $108,589
- Interest/Other Income: $248,812

**TOTAL REVENUE**

$3,930,365

**2018-2019 Expenses**

- Government Relations: $613,274
- Administration: $750,065
- Education: $378,765
- Conference: $307,178
- Member Services: $333,665

**TOTAL EXPENSES**

$4,071,221
Recognizing Excellence
Each year, TLTA recognizes the accomplishments of several individuals with key awards. TLTA was proud to honor these outstanding leaders in 2019, and we thank them for their leadership and service.

Title Person of the Year
Denise Holmes
*Independence Title*

President’s Award
Peter Graf
*Republic Title of Texas, Inc.*

Honorary Member for Sustained Meritorious Service
Janet Minke

Outstanding Legislator Award
Sen. Brandon Creighton
*(R-Conroe)*

Outstanding Legislator Award
Rep. Eddie Lucio III
*(D-Brownsville)*

ABOUT TLTA
Founded in 1908 and serving nearly 15,000 professionals, the Texas Land Title Association (TLTA) is a statewide trade association representing the land title industry in Texas. TLTA members protect the property rights of Texans and provide peace of mind in real estate transactions. They bring certainty, efficiency and security by researching titles, safely conducting closings and issuing title insurance to protect real property owners and mortgage lenders against losses from defects in titles. For more information about TLTA, visit www.tlta.com.