



Founded in 1906, the Wisconsin Land Title Association (“WLTA”) is an association dedicated to the advancement of the profession of evidencing title to real property.

WLTA members consist of a cross section of real estate professionals including title insurance agents and underwriters, attorneys, realtors, mortgage lenders and registers of deeds.

The WLTA aligns itself with other associations and organizations to streamline home ownership and transfers of real property.

What can I say but SUCCESS and THANK YOU! My husband Bob and I joined more than 400 title professionals from all 50 states to invade our nation’s capital on May 7th to meet with state legislators. Bob and I, along with the WLTA’s Executive Director Karen Gilster, Mike Brandner from Midwest Title and Craig Haskins from Knight Barry Title, all walked away from our 8 meetings on the Hill inspired and nodding that YES change and relief may be coming. Let me take a few moments to discuss our successes:

- WIRE FRAUD IN REAL ESTATE - I think the goal of any great meeting is to scare the beejesus out of someone and then propose a solution. Goal met. In each meeting, whether we met with the state legislator or the staffer, we talked about the \$510,000 loss by a Catholic Church in Port Washington due to an all too familiar wire fraud scam¹. Yes this piqued their interest because even though wire fraud is all too familiar to us, this was novel to them. And then we proposed our simple solution - have banks verify the payees name on a wire payment. That’s all. And even easier all we asked of the legislator is that they sign onto a letter to the Federal Reserve Chairman to implement this “confirmation of payee” system, a letter that already has sponsors in the House (Sherman-Kustoff) and in the Senate (Moran-Van Hollen). Who would say no to that? No one. We’ll try to report back to you if and when the letter is sent and if and when the Fed. Reserve responds. And yes the payee confirmation would have saved the church’s \$510,000.

- ANTI-MONEY LAUNDERING IN REAL ESTATE: In February 2015 the New York Times released a 5-part series entitled The Towers of Secrecy, delving into people tied to shell companies buying up high-end real estate in New York City, basically asking the question ‘who are the real owners behind the shell?’ Are the real owners laundering money? Possibly in response to the series in January 2016 the US Treasury Department’s Financial Crimes Enforcement Network (FinCEN) issued its first Geographic Targeting Orders (GTOs) requiring title companies to identify the natural persons behind companies used to pay **all cash** for luxury residential real properties located in Manhattan exceeding \$3M and Miami-Dade County exceeding \$1M. Per the GTO title companies were required to identify the “beneficial owner” (possible criminal) behind the transaction. FINCEN has since extended the GTOs to counties in 9 states, including Cook County Illinois, and expanded the scope from the original \$1M-\$3M to only \$300,000. As of today Wisconsin is NOT in a GTO, but the scuttlebutt is that this may go nationwide.

Rather than this piecemeal approach the ALTA and others have worked with law enforcement to establish a national strategy to protect real estate from money launderers by creating a corporate beneficiary ownership registry at either state or federal level to identify the real live person behind the shell company. Per one of our newest legislators Bryan Steil, some form of corporate beneficiary ownership registry will happen. For more information follow the Corporate Transparency Act of 2019 - HR2513 making its way through the House now. And for more information on the GTOs simply click here <https://www.alta.org/site-search.cfm?q=fincen>

¹ (<http://ozaukeepress.com/content/port-parish-bilked-out-510000-donations>)



In addition to lobbying on May 7th we had a full day of meetings on May 5th and 6th ramping up to our lobby day and talking about some industry changes and trends:

COALITION ON WIRE FRAUD: When it comes to wire fraud ALTA is firing on all cylinders and is rolling out a new Coalition placing a spotlight on wire fraud losses. The Coalition will be comprised of members of ALTA and our industry partners (lenders, realtors, attorneys etc...) and will be working on ways to get ahead of the criminals, as the wire fraud today is not our wire fraud tomorrow.

SPEAKING OF FRAUD: At the Agents section meeting title professionals from around the country spoke about the new and emerging frauds:

- A gentleman from California spoke about the FNMA Foreclosure fraud where FNMA legitimately comes into title following a foreclosure, and then a fraudulent conveyance is recorded from “FNMA” to an LLC. No title insurance. The LLC sells the property to a real buyer and title insurance issued. Say it with me now - *title claim* when a few months later the real FNMA sells the property. But don’t sweat if this happens to you - if you see a recent deed in the chain from FNMA and are not provided with the title policy from that conveyance, simply call FNMA and they’ll tell you whether the sale was legit.

- A gentlemen from Texas discussed a \$2.1M scam where the fraudsters compromised someone’s email, identified the name of the title company, opened a bank account in the name of the title company, and successfully fooled a buyer into sending the \$2.1M to that account (the payee confirmation discussed above would not have helped). Lesson learned - the criminals are getting bold and as there’s almost no repercussions. The gentleman gleefully reported that the \$2.1M was recovered because of his staff’s quick response.

- A lady from Florida reminded us that if we have to return money sent via wire transfer, only wire back to the same institution. In her situation her title company received fraudulent instructions to return the funds to a different bank - her company was not fooled.



REMOTE ONLINE NOTARY: Lightning fast, from 1 state in early 2018 to over 20 currently, the adoption of RON laws has swept the nation. But what’s next. So a state adopts the RON law, what does a title company do next? Which RON vendor to choose? What hardware is required? Are the banks ready? Realtors ready? What type of action plan should a title company implement? ALTA is forming a Digital Closing task force to create a series of 5-10 minute videos on these topics which will be slow rolled out in Fall 2019 followed by some regional meetings for you to connect with experts and novices alike to review this topic. More info to come. For more information, here’s the go-to source to keep abreast of the current state of RON laws nationwide: <https://www.mba.org/audience/state-legislative-and-regulatory-resource-center/remote-online-notarization>. The current adoption map is to your left - Wisconsin is going RED soon!

RON ADOPTION MAP



Please feel free to connect with me on any of these issues - I look forward to being YOUR WLTA President. Cheri Hipenbecker (cah@knightbarry.com; 414-847-4033)