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#4 Settlement Policies and Procedures

| **Assessment**  **Procedure**  **Number** | **ALTA Best Practices Framework: Assessment Procedures** | Assessment Recap |
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|  | **ALTA Best Practice 4**  **Adopt standard real estate settlement procedures and policies that help ensure compliance with Federal and State Consumer Financial Laws as applicable to the Settlement process.** | ***Overall Assessment Recap: If any individual procedure marked with an asterisk FAILS, Best Practice 4 FAILS.*** |
| 4.01\* | Obtain and/or document Company’s written procedures to maintain compliance with established rates and legal and contractual requirements for recording documents. | PASS / FAIL / NA  If no written procedures, Procedure 4.01 FAILS. |
| Sample Selection  Instructions for  Next Two Assessment Procedures | Sample Selection for Assessment Procedures 4.02 and 4.03:  Based on Company’s process (centralized versus decentralized), select sample as follows:  Centralized:  25 files or 100% of last 3 months of closed files, whichever is less.  Decentralized:  At least 1 file per state in which Company writes (a minimum of 25 files in total) or 100% of last 3 months of closed files, whichever is less. |  |
| 4.02\* | For sample selected as noted above, confirm the following:   1. Documents were submitted or shipped for recording to the county recorder (or equivalent) or the person or entity responsible for recording within two (2) business days of the later of (i) date of Settlement, or (ii) receipt by the Company if Settlement is not performed by the Company. Documents are tracked and recording information retained. 2. If recording was rejected, item was addressed within two (2) business days of receipt of the rejected documents. Documents and corrective actions, including resubmission, are tracked. In no instance should resubmission take more than 30 days. | PASS / FAIL  If 25% or more of items tested for any sub-procedure FAIL or any one file takes more than 30 days to be submitted/shipped/resubmitted, Procedure 4.02 FAILS. |
| 4.03\* | For sample selected as noted above, perform the following:   1. Test compliance with current filed or promulgated rates, endorsements, and/or rates established by the Company’s title insurance underwriter(s) or rating bureau in each state, and where overpayments occurred, verify that refunds are issued upon discovery. 2. Ensure discounted/reissue rates are calculated and charged when appropriate. 3. Test transactions to determine whether non-title insurance rates for services provided by the Company agree with the Company’s established rates. 4. Document the Company’s quality review process to ensure compliance with underwriter and/or agent established rates as determined by state law and where overpayment occurred, that refunds are issued upon discovery. | PASS / FAIL  If 10% or more of items tested for any sub-procedure FAIL, Procedure 4.03 FAILS. |