



Washington Land Title Association

<http://washingtonlandtitle.com>

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Minutes Board of Directors Meeting Monday, August 12, 2024 Zoom Meeting

Board & Committee Chairs and others in attendance. Quorum met; see attached list of voting Board members in attendance.¹

1.0 General Business

- a. The meeting was called to order by President Jim Blair at 11:05 a.m.

Jim announced that Michelle Taylor will be joining JP Kissling as co-chair of the Legislative Committee.

He also introduced Marcella Carey as a new Board member, and noted that there was a vacancy in the Membership Committee chair position. That vacancy will be addressed at a future date

- b. Minutes from the May 20, 2024, Board of Directors meeting.

Action: The Board approved the minutes.

- c. **President’s Report** – Jim noted that the upcoming legislative session will be the primary focus going forward. Additionally the WLTA will try to be responsive to the ALTA’s work on attorney opinion letters and the title waiver program.

- d. **Executive Director Report** – George Peters.

Financial Report: George reported that the WLTA’s financial situation looked good, and that a big reason was the accounting related to the convention, which will be discussed more later. Two members still owe dues but should remit them soon. He anticipates that we will end the year comfortably in the black.

Action: The Board approved the financial report.

2.0 Continuing Business

- a. **DOR – Taxation of Recoding Fees Collected in Escrow** – JP Kissling & **TBD**. In JP’s absence, Carrie Tellefson reported that the next step is probably running legislation. She’s been trying to get a meeting with Representative Berg, chair of the House Finance Committee. This issue has been happening more broadly, in particularly with a case involving credit card interchange fees, which the DOR wants to consider as taxable revenue. The court found against the DOR, but that is being appealed. Once that case is decided she is considering running a broad bill addressing the pass-through issue.



2024-2025 Officers

Jim Blair, President

Ashley Callahan, Vice

President

Craig Trummel, Immediate

Past President

2023-2025 Directors

Lori Bullard

Marcella Carey

Meri Hamre

Bernt Nettet

Erin Stines

Chris Rollins

2024-2026 Directors

Ben Case

Gerry Guerin

Gale Hickok

Paul Hofmann

Peter Johndrow

Dan MacMillan

Maureen Pfaff

Jensen Salisbury

Committee Chairs

*Anthony Carollo-Agents
Section

*Megan Powell-Underwriter
Section

*Sari-Kim Conrad-OIC
Liaison

*Michelle Taylor & *JP
Kissling-Legislative

Ashley Callahan-Judiciary

Megan Powell-Native

American Affairs

Gerry Guerin & Michelle

Taylor-Education

Lori Bullard & Allison Davis-

Examiners Manual

TBD-Membership

Paul Hofmann-Washington

Title Professional, TITAC,

Technology

Maureen Pfaff-TAN

Craig Trummel-Grievance

Chris Rollins-Nominating

(*Automatic Board Member)

¹ **Note:** See attached roster, which shows attendance of Board members & others interested in attending Board meetings – Contact Executive Director for any corrections.

However, that didn't mean the WLTA shouldn't run a bill, which might be educational to legislators. JP and Maureen have met with their representatives, and they seem receptive to the idea of a legislative fix.

It was noted that different members may be acting differently (for example, pro-actively collecting in the event of a future audit, or not collecting), collecting and paying, etc. It was asked what the collective intent of the Association is with respect to this issue, so that members might decide which approach to use. This is a difficult issue, because a particular action by anyone member might have to be taken no matter what the collective decision might be, and no matter what the preferred collective approach is (obviously, not to owe the tax at all) might not be possible in individual cases.

Carrie noted that a decision by a member to collect and pay would not affect future legislation, and at the same time future legislation would not be retroactive. Also, a bill is not likely this year. Also, a bill may not be necessary in the future if the court decides against the DOR.

Action: Jim will touch base with JP and Michelle (who logically would step into the role played by Sean Holland before his retirement) and see about proactively introducing legislation, even if just to get the issue before legislators.

- b. **New FINCEN Rules** –JP Kissling. In JP's absence Jim reported that the likelihood is that title companies will have to report for buying entities involved in cash (or "cash like") transactions. Information must include the entity's name, registered address, TIN and formation documents. Also, as to entities owning 25% of that entity, the name, address and phone number must also be reported, verified with photo ID, social security number, and occupation. Probably the biggest impact will be overcoming objections by the parties.
- c. **Title Waiver Pilot Program** – Craig Trummel. Craig is unaware of any new developments and encourages WLTA members to stay engaged on this issue and continue to support the ALTA's efforts to oppose the program.
- d. **ALTA CFPB RFI Letter** – The CFPB had an RFI, and the WLTA had intended to send a letter, but the deadline has passed. The letter would have merely backed up the ALTA's efforts.
- e. **WATIRO** – Dan MacMillan. Dan reported that WATIRO Board met two week's previously, and looked at rate indications based on the actuary's most recent report. The underwriters participating came to a consensus of which rate to file, subject to a review of the endorsement charges. The next step is to review and approve the rates and endorsement charges, and reconvene the full board. They are close to a filing, but it's not possible to know if it will be approved.
- f. **Recording Standard Commission** – JP Kissling & TBD. In JP's absence and vacancy for the second WLTA representative there is no report relating to the overall commission.
 - 1. **Document Rejections Commission.** (Ben Case, Lori Bullard). No new report.
 - 2. **Standardization of Document Titles Commission.** (Chris Rollins, Meri Hamre). No new report.
 - 3. **Restrictive Covenants Commission** (Sean Holland, JP Kissling). No new report.
- g. **ALTA Cannabis Workgroup** – Erin Stines. No new report.
- h. **Possible Bylaws Amendments** – (Proxies by Board Members; Committee Chair Requirements) Erin Stines. No new report.
- i. **SLRAC** – JP Kissling & Michelle Taylor. JP will make sure that Michelle is included in the distribution list used by ALTA, replacing Sean Holland. Otherwise, no new report.

- j. **State LTA Leaders** – George Peters. No new report.
- k. **PRIA Local** – Paul Merz. No new report.
- l. **OIC Consideration of WAC 284-29 Limits** – Craig Trummel. No new report.

3.0 New Business

- a. ALTA meeting re: CFPB. As noted, the deadline for a support letter was missed.
- b. Memo of REC Choctaw Tribe – JP Kissling, Megan Powell. Megan, having been asked by JP about at document he saw, reported on a program coordinated by Trio Leasing out of Bellevue. They work with several entities, including the Choctaw American Insurance, a Section 17 corporation created by a Mississippi tribe. The program helps individuals (some tribal members and some not) get into homes because of a high entry barrier for qualifying for a home loan. An individual would put in an offer to purchase a home, and once it is accepted the buyer would transfer his/her interest in the PSA to, say, Choctaw American Insurance, who purchases the home and becomes the mortgagor. Choctaw then leases it to the original buyer with an option to purchase at a future date. The option can't be exercised until 2 years of lease payments have been made and the lessee undergoes programs such as credit counseling etc. that improves the ability to qualify for a mortgage. The buyer will then either get a conventional loan to pay off the Choctaw mortgage, or assume the existing assumable FHA loan (if it had been arranged by Trio Leasing with Choctaw). Title underwriters would look at the structure of such transactions, (which might involve sale-leaseback – with attendant possible recharacterization – or tribal issues, for example). George noted that the Examiners Manual chapter on leases discusses some of these issues for examiners.

The document JP found looked more like a long term real estate contract, which she has seen in other states but not in Washington. It's possible that this is the first time the entity has used this instrument in Washington or just an aberration.

- c. PSA Assignments – Excise Tax (Yakima County Enquiry) – JP Kissling. JP was not present, but George noted that this may have been related to the Choctaw transaction, where the assessor questioned whether or how to assess excise tax on the instrument that was used.
- d. FinCen Reporting – State LTAs – previously addressed.

Committee Reports

- a. **Membership Committee.** In the absence of a committee chair, Jim entertained a motion to approve the application for Affiliate membership of the Mitas Group, which had acquired Lincoln Data.

Action: The Board voted to approve WLTA Affiliate Membership of the Mitas Group.

George reported that a representative of Approved Title contacted him recently and also after the convention. They are relatively small but plan to operate in the Puget Sound area and some other counties. If they become members, their dues would therefore be at the higher end of the range for agents (agent dues being based on the population of the counties served by the agent member). They are interested, but the dues amount may be an obstacle for current membership.

- b. **Convention Committee** – Ashley Callahan. [Addressed earlier in the meeting.] Ashley reported that the 2026 convention, hosted by Washington, will be held at Suncadia. The WLTA had sent out a member survey with limited but useful results. Main issues: whether to continue with a destination venue, or move to a more business meeting approach, time of year (spring, summer or fall), and days-of-the-week, and whether to continue to include golf. A resort venue was preferred. As to days of the week the Thursday-Friday slot was slightly preferred, but not by a large majority, and it is likely that the Monday-Tuesday slot would cost attendees less for

rooms. Golf is still popular enough to keep it. As to the specific location, other venues reviewed included Sun Mountain Lodge on the North Cascades Highway (great views, but distant, potential weather issues), St Edwards in Bothell (space issues) and Alderbrook on Hood Canal (also space issues). Suncadia has enough rooms, meeting space (including for vendors), views, and driving distances. The exact date to be determined, but will be either the second or third week (avoiding end-of-month conflicts).

As to the 2024 accounting, the Board should decide what to do with the excess proceeds for the 2024 convention (income in excess of costs for the event), which is typically split equally between the states that participate in hosting (in this case, 50/50 between Washington and Idaho).

Action: The Board voted to split the proceeds equally (with minor rounding) with Idaho.

- c. **Examiners Manual Committee** – Lori Bullard & Allison Davis. No new report.
- d. **Legislative Committee** – Sean Holland/JP Kissling/Maureen Pfaff/Carrie Tellefson.

In addition to the matters previously discussed regarding the taxation of recording fees, Carrie reported on the current election cycle, candidates, probably makeup of the membership and initiatives that will be on the general election ballot. She also noted that by December members of committees will begin to get together and focus more on issues. She also spoke about the two candidates for Insurance Commissioner. One, Patty Kuderer met with members at the convention, and showed an interest in the concerns of the general membership of the WLTA.

She also reminded the Board that last year we tried to get legislation regarding reasonable fees for re-recording documents, but couldn't resolve all the issues with other associations (in particular, the recording offices, led by Vicki Dalton). She noted that if we want to pursue it again this session that we should be in discussions with the auditors offices. An important element that should be included in the legislation is a definition of "scrivener's error" to address concerns by the recording offices that full documents that require normal fees might be contained in documents that are presented as amendments and thus get recorded for an inappropriate small fee. Also, Meri Hamre (who is working with Chris Rollins on the committee) commented that the counties don't want to be tasked with deciding what is a scrivener's error, or what an appropriate document title should be, etc.

- e. **Judicial Committee** – Ashley Callahan. [Addressed earlier in the meeting.] Ashley referred to her handout, discussing *Martin Tait v. Commonwealth Land Title*, which was reported in June out of California. At issue was the concept of "diminution of value" when determining "actual loss" under a policy (in this case, a homeowners policy form). After an un-accepted easement was discovered, which impacted the ability to subdivide the insured land (based on the town extinguishing a restriction and another easement), both Commonwealth and the Tait's obtained appraisals. Commonwealth also asked for a second appraisal based on different criteria (valuation based the date of the discovery of the loss, but with the extinguishment of the missed easement ("as insured"), and another with the easement ("as is")). The first appraisal determined the loss at \$200,000 and the second at \$43,500. The Tait's appraisal (valuation based on the loss assuming a subdivision; that is with two lots) showed a difference of \$700,000 between the "as insured" and the "as is" valuations. The trial court found for Commonwealth (use based on the date of discovery and current use) based on its interpretation of precedence, but the Court of Appeals found for the Tait's, holding that a "highest and best use" (assuming a two-lot subdivision) valuation is appropriate. If the highest and best use is speculative (the insured claims it can build the Taj Mahal, an extreme "for example"), then it may not be used, but if it is viable (the insured could build a single family home), it may be used. The date of discovery remains the valuation date, and "actual loss" is still not defined in the policy.

Tom Imperiale wondered how the fact that an insurer gets two appraisals might play into a court's handling of a case involving a claim. Ashley noted that it might be expected that an insurer will not allow both appraisals to come before the court, and it isn't clear how that might have happened. It also isn't clear whether or not it factored into the decision in this case. That said, she does not believe the final decision is surprising. Ashley also noted that the precedent case, although out of California, has been followed in Washington and most western states.

Dan MacMillan asked if appraisers typically included a "highest and best use" in an appraisal. Ashley thought so, even though that isn't specified in a policy, and perhaps that is based on appraisal standards. In any event, in most cases, the current use is already likely to be the "highest and best use".

- f. **Education Committee** – Gerry Guerin and Michelle Taylor. The fall seminars are set for Saturday, September 7 in Yakima and Saturday, October 5 in Lynnwood. Gerry reported that they are doing well with the speaker lineups, but there are a couple of slots yet to fill.
- g. **Customer, Consumer and Insurance Commissioner Liaison Committee** – Sari-Kim Conrad. Sari reported the meeting with the OIC is scheduled for the morning of September 23. She is looking for more attendees, and will re-send the invitation to the Board and others as a reminder. It will be in-person and via Zoom. She also needs topics in advance for an agenda. In the past, the OIC website content has been an issue, and while it was updated recently it did not appear to her to address concerns that the title industry has about clarity concerning title insurance for the public.

She would also like to schedule an immediate follow-up meeting among the title company attendees, perhaps at a local coffee shop, to discuss how the meeting went.

- h. **WTP** – Paul Hofmann. In Paul's absence George noted that someone is scheduled to take the test, and may already have done so. In addition, there was an application submitted, for which the fee needs to be remitted.
- i. **Native American Lands Workgroup** – Megan Powell. Megan noted the ALTA's Native American committee recently submitted an amendment of the ALTA 48 endorsement to the Forms Committee for consideration. It should address the substantial feedback from tribes and tribal attorneys. Hopefully a promulgated form will be available by the end of the year.
- j. **TITAC** – Paul Hofmann. No new report.
- k. **Agents Section** – Anthony Carollo. No new report.
- l. **Underwriters Section** – Megan Powell. No new report.
- m. **Newsletter** – George Peters. No new report.
- n. **Grievance** – No new report.
- o. **TAN** – Maureen Pfaff. Maureen reminded everyone to have their staff renew TAN memberships. Also, the TAN committee will be sending reminders about volunteers to be on the committee.
- p. **Technology** – Paul Hofmann. No new report.
- q. **Nominating Committee** – Craig Trummel. No report needed until prior to the next convention.

4.0 Upcoming Meetings

- (1) Monday, November 18, 2024, (2) TBD (early 2025), (3) Thursday, May 19, 2025
(Convention at Coeur d'Alene – save the dates May 19-21)

5.0 Adjournment

Action: Motion to adjourn the meeting was carried, meeting adjourned at 1 p.m.

1.0 Adjournment

Attested:



George Peters, Executive Director

DRAFT

WLTA BOARD MEETING – DATE: 8-12-2024 – Quorum = 12; Board attendance = 20

| OFFICERS | Position | Company | Yes | No | Voting | Proxy To |
|------------------------|--------------------------|-------------------------------|------|----|--------|----------|
| Jim Blair | President | Fig | 1 | | 1 | |
| Ashley Callahan | Vice President | Old Republic | 1 | | 1 | |
| Craig Trummel, WTP | Immediate Past President | WFG | 1 | | 1 | |
| DIRECTORS | TERM 2023-2025 | | 0 | 0 | 0 | |
| Lori Bullard, WTP | Director 2023-2025 | Pacific Northwest | 1 | | 1 | |
| Marcella Carey | Director 2023-2025 | Frontier Title | 1 | | 1 | |
| Meri Hamre | Director 2023-2025 | Aegis Title Group | 1 | | 1 | |
| Bernt Nessel | Director 2023-2025 | Horizon Group | 1 | | 1 | |
| Chris Rollins, WTP | Director 2023-2025 | Stewart | 1 | | 1 | |
| Erin Stines | Director 2023-2025 | Westcor | 0 | X | 1 | |
| DIRECTORS | TERM 2024-2026 | | 0 | 0 | 0 | |
| Ben Case | Director 2024-2026 | Title One | 1 | | 1 | |
| Lindsey Doucette | Director 2024-2026 | Fidelity National Title Group | 0 | X | 1 | |
| Gerry Guerin, WTP | Director 2024-2026 | Stewart | 1 | | 1 | |
| Gale Hickok | Director 2024-2026 | Guardian Northwest | 1 | | 1 | |
| Paul Hofmann, WTP | Director 2024-2026 | Aegis Title Group | 1 | | 1 | |
| Peter Johndrow | Director 2024-2026 | Stewart | 1 | | 1 | |
| Dan MacMillan | Director 2024-2026 | FNT Group | 1 | | 1 | |
| Maureen Pfaff, WTP-NTF | Director 2024-2026 | Olympic Peninsula | 1 | | 1 | |
| Jensen Salisbury | Director 2024-2026 | Chicago Title | 1 | | 1 | |
| CHAIRS | COMMITTEE | | 0 | 0 | 0 | |
| Anthony Carollo | Agent Section | Vista Title | 1 | | 1 | |
| Megan Powell | Underwriter Section | First American | 1 | | 1 | |
| Michelle Taylor | Legislative Co-Chair | Fidelity National | 0 | X | 1 | |
| JP Kissling | Legislative Co-Chair | Fidelity Title | 1 | | 1 | |
| Sari-Kim Conrad | CCR & OIC Liaison | First American | 1 | | 1 | |
| OTHERS | | Total = 23; Quorum = 12 | 20 | 0 | 23 | |
| George Peters | Executive Director | WLTA | X | | | |
| Carrie Tellefson | Lobbyist | Sound Gov't Solutions | X | | | |
| Sam Miller | Lobbyist | Sound Gov't Solutions | X | | | |
| Tom Imperiale | | Agents National | | | | |
| Kris Weidenbach | | Chicago | | | | |
| Troy St. George | | CW Title | | | | |
| Kent Pelt | | Doma | | X | | |
| Paul Merz | | Integritech Solutions | TENT | | | |
| Kevin Fiet | | Fidelity National | X | | | |
| Lindsay Doucette | | Fidelity National | | X | | |
| Rick Randall | | Fidelity National | | | | |
| James Griffen | | First American | | | | |
| Paul Hammann | | First American | | | | |
| Jen Modjeska | | First American | | | | |
| Maria Parris | | First American | | | | |
| Rick Randall | | First American | | | | |
| Dan Tift | | First American | | | | |
| Shawn Toor | | First American | X | | | |
| Robin Aberasturi | | Futura (Alliance; AmeriTitle) | X | | | |
| Russ Davis | | Futura (Alliance; AmeriTitle) | X | | | |
| Cynthia Simpson | | Futura (Alliance; AmeriTitle) | | | | |
| Jack Wheir | | Futura (Alliance; AmeriTitle) | | | | |
| Brian Bowers | | NexTitle | | | | |
| David Fennell | | NexTitle | | | | |
| Stephen Routh | | NexTitle | | | | |
| Theresa Kolesinski | | NexTitle | | | | |
| Allison Davis | | Old Republic | | | | |
| Paul Brown | | Old Republic | | | | |
| Cidney Bryan | | Old Republic | | | | |
| Cameron McFaddan | | Old Republic | TENT | | | |
| Bill Ronhaar | | Old Republic | | X | | |
| Steve Metcalfe | | Premier Title | | | | |
| Tiani Brandner | | Stewart | X | | | |
| Matt London | | Stewart | | | | |
| Dwight Bickel | | Title Advisor | | | | |
| Ray Davis | | Title Resources Guaranty | | | | |
| Bob Rice | | Title Resources Guaranty | | | | |
| Steven Black | | Westcor | | | | |
| Erik Helgeson | | Westcor | | | | |