

Although the AI Perplexity system believes “It’s a low-cost, high-impact fraud prevention measure with reasonable operational trade-offs.” I believe that it adds additional layers of government oversight that the private sector is already pivoting to address by adding additional insurance coverage, notably the ALTA 49 and 49.1 endorsements. I would recommend that we monitor this Bill and provide our industry alternative when opportunities arise.

AN ACT Relating to authorizing county auditors to create a 1 voluntary property title protection program to prevent land record 2 fraud; amending RCW 65.04.030, 36.22.185, and 36.22.240; reenacting 3 and amending RCW 36.22.250; adding a new section to chapter 36.22 4 RCW; and declaring an emergency.

AI REVIEW

This proposed House Bill 2298 (2026) is a notable step toward improving real property title security in Washington State—a response to increasing national concerns about *deed fraud* or *home title theft* (where a fraudster illicitly records a deed conveying someone else’s property to themselves or a fake buyer).

Let’s break down its intended benefits, risks, and cost implications for both consumers (property owners) and title insurance companies.

1. Overview of HB 2298’s Intent

The bill authorizes county auditors to implement a voluntary “Property Title Protection Program” aimed at preventing fraudulent land record transfers.

A property owner could record a “fraud protection instrument” that effectively *locks* their property record — prohibiting recording of ownership transfers unless validated by:

- A secure personal identification number (PIN),
- An approved override process, or
- A court order/attorney authorization.

Recording offices could delay recordings by up to five business days for verification, thus creating a buffer period to detect and respond to suspicious activity.

2. Potential Benefits

For Consumers (Property Owners)

- **Fraud prevention:** Adds a strong procedural barrier against unauthorized deed recordings—a real problem for elderly or absentee owners.
- **Peace of mind:** Owners gain a direct tool to control or monitor title changes, complementing existing fraud alert subscription programs (like King County’s).
- **No fee burden:** HB 2298 explicitly exempts “fraud protection instruments” and their releases from recording surcharges and assessments (RCW 36.22.185, .240, and .250 amendments), meaning the recording itself adds *no extra document fees*.

For Title Insurance Companies

- **Reduced fraud exposure:** Could decrease claims and losses related to fraudulent deeds or identity theft in title chains.
- **Improved transaction confidence:** Lenders and underwriters would have a clearer verification process before closing if such protection measures exist.
- **Collaboration opportunity:** May promote partnerships between county auditors and title companies for secure verification and notice procedures.

3. Potential Drawbacks and Operational Concerns

For Consumers

- **Added complexity:** The process of creating, maintaining, and releasing a “fraud protection instrument” could be confusing to laypersons—especially if a PIN or override procedure fails at closing.
- **Closing delays:** The bill allows up to five business days delay when a fraud protection instrument exists, potentially slowing down legitimate transactions such as sales, refinances, or probate transfers.
- **Court order reliance:** An “emergency override” through court order could create procedural friction in urgent cases.

For Title and Escrow Companies

- Recording delays risk: The optional five-day recording delay may impact transaction timing, funding disbursements, and post-closing commitments.
- Workflow modification: Title companies might need to confirm fraud protection status before escrow closings, adding operational steps.
- Data coordination: County auditors, title companies, and possibly eRecording vendors will need clear electronic protocols to verify PIN releases.

4. Estimated Costs and Administrative Burden

HB 2298 does not create a new statewide surcharge or tax.

It allows counties the *option* to build the program locally, meaning costs will depend on each county’s infrastructure:

Cost Type	Who Bears It	Estimated Range / Note
System development (software, PIN management, alerts)	County auditor’s office	Moderate start-up costs (likely \$50K–\$200K per county depending on population, based on similar title alert programs)
Ongoing administration	County	Possibly offset by small voluntary subscription fees (if counties adopt them). Bill permits program creation but does not mandate user fees.
User participation	Property owners	None, unless county decides to impose an optional participation or registration fee (not required under bill).
Transactional impact (delays, verifications)	Title/escrow companies	Minimal-to-moderate, depends on volume and automation of override procedures.

So—no direct statutory fee increase for the consumer or title industry arises from this bill, aside from local administrative costs if counties choose to implement programs.

5. Overall Assessment

Stakeholder	Benefit	Cost / Risk	Net Effect
Consumers	Stronger protection from title fraud, free participation	Slight procedural delay, possible confusion	Positive if well-implemented
Title Insurance Companies	Reduced fraud risk, improved integrity of public records	Longer turnaround times, required new verifications	Moderately positive
County Auditors	Public trust benefit, modernization of recording oversight	Implementation cost, systems integration	Neutral to slightly negative (depends on funding support)

Overall, HB 2298 is good for consumers and reasonably beneficial for title insurers, provided that:

- Counties design efficient override and PIN verification systems, and
- There's clear coordination with closing industry professionals to prevent transaction delays.

It's a low-cost, high-impact fraud prevention measure with reasonable operational trade-offs.