

Lower Cost Title Insurance is a Big Boost to Brokers and Lenders

ENTITLE DIRECT Insurance has challenged conventional thinking in title insurance, creating a business model that saves consumers hundreds, even thousands of dollars on their closing costs. For mortgage brokers and lenders, ENTITLE DIRECT is delivering a competitive advantage by offering significantly lower title insurance premiums and Guaranteed Rates & Fees, which have become even more meaningful given the new RESPA regulations.

By proving itself to be a reliable, low-cost alternative to the traditional channels—ENTITLE DIRECT creates both increased business opportunities and RESPA compliance for brokers and lenders, says Timothy M. Dwyer, president and chief executive officer of Entitle Direct Group, the Stamford, Conn.-based parent of Independence, Ohio-based EnTitle Insurance Company. He explains below why legions of mortgage brokers and lenders have moved away from purchasing through the traditional agent-driven model in favor of ENTITLE DIRECT.

What sets ENTITLE DIRECT apart from other title insurers?

ENTITLE DIRECT's insurance premiums are 35 percent below what other traditional providers charge. While that's obviously great news for homeowners, buyers and sellers, there also are significant advantages for mortgage brokers and lenders.

First and foremost, in today's ultra-competitive business climate, shaving a few hundred dollars off the closing costs on a GFE can make the difference in who wins the business and closes the loan. And ENTITLE DIRECT's *Guaranteed Rates & Settlement Fees* mean no worries about whether your HUD-1s will match your GFEs.

At ENTITLE DIRECT, we also combine those incredibly low rates with over 30 years of title insurance underwriting and settlement experience, so everyone involved in the transaction can feel confident that their transaction will close smoothly and on schedule.

And the fact that we're licensed in 32 states and the District of Columbia, and still growing, makes us a great fit for multi-state brokers and lenders who want to limit the number of providers they recommend.

How are you able to deliver those savings?

The bulk of the cost-reductions come from our direct model, which eliminates the hefty commissions of traditional agents. We employ a mix of highly trained and experienced staff along with access to an on-the-ground network of searchers, attorneys and mobile closers, so we do not rely on title-insurance agents to market and deliver our policies. And we assign one of our Title and Closing Specialists to each account, so everyone doing business with us has a go-to person. All this enables us to deliver title insurance smarter, faster and cheaper than competitors. In fact, we generally conduct searches and deliver title commitments in 72 hours or less.

Homeowners aren't the only ones who experience savings: We help brokers and lenders avoid the stiff penalties of miscalculating GFEs. Through our *Guaranteed Rates & Settlement Fees*, we provide all the charges up front and don't tack on any hidden junk fees.

Have state regulators approved your rates, even though they're different from set rates?

Thirty-two states plus the District of Columbia have approved our rates and welcome our business, with more on the way. In the coming year, we anticipate that we will receive licenses and rate approvals in 13 more states.

There's a common misperception among many brokers and lenders, that states set title insurance rates. There are only two states, Texas and New Mexico, where the rates are set by statute with no discounting available, and New Mexico is in the process of changing that.

In fact, many states don't require rates to be filed at all. In most other cases, title insurance underwriters either file their own rates or work together as a bureau to agree upon rates for state insurance department approval. We have opted out of this cartel-like approach, filing our 35% lower rates separately and delivering lower rates across the country.

How does ENTITLE DIRECT help to further transparency?

Transparency has emerged as an industry mantra, and we support efforts to improve borrowers' understanding of the closing process. Our patent-pending Control Panel allows brokers to offer their clients access to a secure website to view their HUD-1 and other loan documents prior to closing. The advance viewing of documents leads to early discovery and resolution of errors and other problems, resulting in smoother closings.

And our *Guaranteed Rates & Fees* offer additional transparency, giving lenders and brokers confidence that their GFEs will be well within RESPA guidelines.

“ENTITLE DIRECT combines incredibly low rates with over 30 years of title insurance and settlement experience.”

Should lenders and brokers feel confident in handling title insurance in a new way?

Yes, definitely. Although ENTITLE DIRECT was launched in 2008, it is backed by more than 30 years of experience through EnTitle Insurance Company (formerly Guardian National Title Insurance Company), which has been underwriting residential and commercial title insurance policies since 1978.

EnTitle Insurance Company has earned a Financial Stability Rating® of A' Prime (*Unsurpassed*) by Demotech, the leader in title insurance company ratings, and we are rated by Lace Financial as well. We issue full American Land Title Association (ATLA) policies, accepted by every major national lender as well as Fannie Mae, Freddie Mac, and the Federal Housing Administration (FHA). Additionally, our Board of Directors includes a former state insurance commissioner.

What does the future hold for ENTITLE DIRECT?

We will continue to bring low-cost title insurance to the marketplace. As part of that effort, we will continue to help mortgage brokers and lenders win more business, close more loans and feel confident about their GFEs being in compliance. ■