

## WELCOME!

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For ALTA® “Seven Pillars of Best Practices” articles see [archived newsletters](#).

#### *Coming up in future issues:*

April 2014 Issue:  
RESPA Compliance plus Notary and Mobile Notary Compliance

May 2014 Issue:  
Record Retention Management

**The responsible and compliant use of social media in a business setting is one of the most challenging things facing the financial services industry. Some service providers have chosen to ban its use all together in an effort to minimize the risk of distribution of private, confidential information. Too harsh? Probably. Thinking through the many and various ways social media can be used, and accurately determine what each form of social media is best designed for, is at the center of the challenge.**

The self-created professional bios and network groups available on LinkedIn are very different from the immediacy of following someone on Facebook or Twitter. Nevertheless, all three are significantly different from the abundance of “how to” information, photos and recipes on Instagram and Pinterest. Picking the right social media forum for personal versus business use is important. While it will be by actual use that throngs of users will determine which sites are most popular for specific information, it will remain the obligation of the individual users to determine what is posted.

**Those employed in financial services, mortgage lending, real estate appraisal and settlement services have been under a legal obligation to protect non-public private information (NPPI), since the passage of the Gramm Leach Bliley Act (GLBA) in 1999. In 2013 new rules published by the Consumer Financial Protection Bureau (CFPB) and “best practices” recommended by the American Land Title Association (ALTA) specifically included requirements to protect the security of data and NPPI. With the common and widespread use of all forms of electronic devices, including cell phones and personal digital assistants (PDAs), and the ease of communicating via social media, the challenge has become how to use these new technologies and remain compliant with the enhanced legal obligations and regulatory rigors for data security and protection of NPPI.**

As an example of this reality, in early March, representatives from one of America’s largest mortgage lenders conducted an on-site compliance audit of one of WFG’s production facilities. Although the audit had been scheduled weeks in advance, everyone in attendance was surprised when one of the auditors asked to inspect every computer in the office. The auditor’s target: office computers and whether employees had unrestricted access to the Internet and to social media sites. Of equal concern was whether any of the computers could be used to download data, including various forms of NPPI, onto flash drives or CDs. The heightened scrutiny under which settlement service providers are viewed is new and must be taken seriously. Having well defined and enforced rules for the permitted use of personal devices and use of social media has now become a necessity.

This month in *TheFourthC*, Justin Tucker describes how various forms of social media can be used to enhance communications and increase the effectiveness of everyone involved in the real estate transaction. While at the same time, staying within the bounds required by regulators and WFG customers.

Enjoy this month’s issue of *TheFourthC*.

Donald A. O’Neill  
Executive Vice President & Chief Compliance Officer  
WFG National Title Insurance Company

## *Social Media as a Compliant Business Tool*



### **TIPS AND TOOLS you can use**

#### Recognize Situations That Can Create Concerns—Where to Find Answers?

- [WFG Social Media Policy and Procedures](#)
- [WFG Unfair, Deceptive, or Abusive Acts and Practices \(UDAAP\) Policy and Procedures](#)
- [WFG Brand and Trademark Proper Use Policy and Procedures](#)
- [WFG Compliance Bulletin on Marketing Practices CB09092013.1](#)
- [WFG Compliance Department](#)

## **WFG COMPLIANCE IN MARKETING AND SALES**

**There is the gut instinct to separate marketing from compliance. Marketing is creative, it's outside the box, it's designed to communicate a message that evokes interest and emotion. Compliance, on the other hand, is about rules, regulations and processes. Those two worlds shouldn't collide, should they? With the constantly evolving landscape of compliance, I'm here to tell you that it creates a unique set of opportunities (and challenges) for us in the marketplace.**

First things first. If marketing is about communicating our brand message, then we must enthusiastically acknowledge how becoming compliant is a major focus of WFG's evolving identity. **Our valued business partners will take note of how serious we are about this.** We are uniquely positioned to do this at a higher level than our competitors. WFG is nimble enough to embrace change, yet stable enough to invest resources in a compliance management department and a robust CMS (Compliance Management System). The opportunity is there for us to create differentiation in the marketplace.

The first layer to do this is simply communicating our efforts, systems and goals to our lenders, realtors and title agents. They want to partner with compliant companies such as WFG. The second layer is about helping them make sense of compliance as it pertains to their own business. Providing them with resources and education is invaluable. **Have you had a conversation about compliance on a sales call recently?** I would challenge you to do so. The window is open, and you don't have to have all the answers, you just need to know where to find them (hint: we have an awesome Compliance Department).

As I mentioned before, with the opportunity compliance creates to generate new business, we must also embrace the challenge of creating compliant marketing materials ourselves. It is vital that we put in time and effort to make sure anything we push out to market complies with federal and state laws. Leverage your internal resources. I'm not talking simply about a product flyer, or an invite to an event (which also needs to be compliant). I'm talking about how we represent WFG, what we do, and most importantly our rate information. **It's important that we speak accurately about who we are and what we do.** When in doubt ask! We are all here to help and support.

Along with traditional marketing materials like flyers, emails and postcards, there is entire new media to consider. Social media are amazing tools. It allows us to connect with our clients and engage in meaningful conversations, but social media haven't hit puberty yet. We are still discovering the various ways it can be used effectively and compliantly. Something to keep in front of your mind, our competition watches everything we do on social media. Make sure what you post to social media (if marketing related) is compliant. We want to offer you autonomy in the sense that you know your market best, so help us in protecting that autonomy by being compliant. Because...I know when I see my competition doing something illegal on Facebook, I print it out, and it goes right into a "folder" for future use. We want to be at the forefront of embracing new media, leveraging video pages, creating social media business pages, etc. **We just need to do it the right way.**

**Collectively let's embrace compliance and marketing. The two will be forever linked moving forward. It's all in an effort to protect the consumer, and at the end of the day that is a very good thing because at WFG, we exist solely for our clients.**

*Justin Tucker  
Vice President of Marketing, Sales & Technology  
WFG National Title Insurance Company*



# WFG SCHOLAR

powered by Williston Financial Group

...it's a great place to learn

Corporate Policies and Procedures, Regulations, Industry Best Practices, Professional Development

Watch for this **NEW** course in April: **WFG Internal & External Mobile Notary Policy and Procedures—Course 1**.



To receive credit for outside job-related courses, please send certificate of completion and course agenda to: [training@wfgnationaltitle.com](mailto:training@wfgnationaltitle.com)

For **WFG Portal & WFG Scholar** questions, please contact: [training@wfgnationaltitle.com](mailto:training@wfgnationaltitle.com)

Need help logging in? Click on [WFG Scholar](#) and [WFG Portal](#) to learn more.

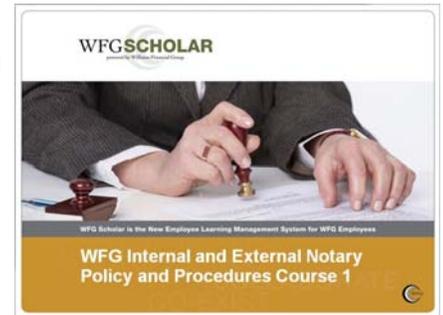


## WHAT'S NEW FOR APRIL?

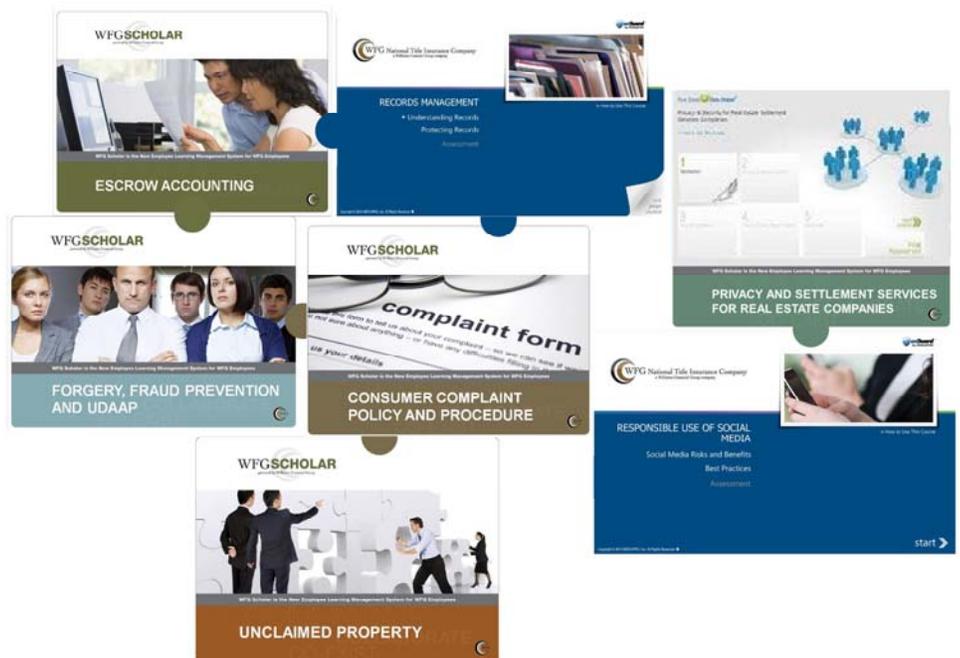
### WFG Internal and External Mobile Notary Policy and Procedures— Course 1 - **Mandatory Course for Escrow**

#### Course Description:

Course 1 provides a comprehensive understanding of notarial principles, standards and procedures when performing a notarial act as well as the guiding principles and signing responsibilities for internal and external notaries public and mobile notaries. In addition, this course reviews WFG requirements for their internal and external mobile notaries for their adherence and complying with all relevant privacy laws, including the Gramm-Leach-Bliley Act as well as all privacy standards and policies adopted by our financial institution customers.



## Have you taken these courses?



CFPB  
Final Rule  
[click](#)

# FAST FACTS

Closing  
Disclosure  
Form  
[click](#)

**Turn to The FourthC Fast Facts each month for continued information from the 1888 pages of the final CFPB rule on the Integrated Mortgage Disclosures.**

## **What are the rules for disclosing fees “paid to” a specific person on the new Closing Disclosure Form?**

Pursuant to page 1700 of the Official Interpretations, a fee is not considered “paid to” a person if the person does not retain the fee. The example given, “if a consumer pays the creditor transfer taxes and recording fees at the closing and the creditor subsequently uses those funds to pay the county that imposed these charges, then the transfer taxes and recording fees are not “paid to” the creditor. Similarly, if a consumer pays the creditor an appraisal fee in advance of the closing and the creditor subsequently uses those funds to pay another party for an appraisal, then the appraisal fee is not “paid to” the creditor. The fee is also not considered “paid to” a person, if the person retains the fee as reimbursement for an amount it has already paid to another party.”

## **What is the new rule for the time period to send the seller the new Closing Disclosure form?**

This has not changed, however, let’s review. Pursuant to page 1741 of the Official Interpretations, in a closed-end consumer credit transaction secured by real property that involves a seller, other than a reverse mortgage, the settlement agent shall provide the disclosures required no later than the day of consummation (closing). If during the 30-day period following consummation, an event in connection with the settlement of the transaction occurs that causes such disclosures to become inaccurate and the inaccuracy results in a change to the amount actually paid by the seller, the settlement agent shall deliver or place in the mail corrected disclosures no later than 30 days after receiving the information. The example given, “assume a transaction where the seller pays the transfer tax, the consummation occurs on Monday, and the security instrument is recorded on Tuesday, the day after consummation. If the settlement agent receives information on Tuesday sufficient to establish that transfer taxes owed to the State differ from those disclosed, the settlement agent complies by revising the disclosures accordingly and delivering or placing them in the mail no later than 30 days after Tuesday.”

## **Did the new rule change the rescission period for refinances?**

No, however, they did create a more precise rule for what is considered a “business day”. All calendar days except Sundays and the Federal legal holidays apply when the right of rescission, the receipt of disclosures for certain dwelling or real estate secured mortgage transactions or private education loans is involved. Four Federal legal holidays are identified in 5 U.S.C. 6103(a) by a specific date: New Year’s Day (January 1st); Independence Day (July 4th); Veterans Day (November 11th) and Christmas Day (December 25th). When one of these holidays falls on a Saturday, Federal offices and other entities might observe the holiday on the preceding Friday. In cases where the more precise rule applies, the observed holiday is a business day. See page 1654 of the Official Interpretations.



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The **WFG Compliance Program** incorporates the latest industry best practices, as well as CFPB's most recent guidance for third party settlement service providers. Simply put, if it affects our customers, it will affect our day-to-day operations. Through our corporate directive to communicate, collaborate and co-exist, our three "C's," along with our commitment to compliance, the fourth "C," we continue to proactively work with our customers in the consumer's best interests.



WFG POLICIES AND PROCEDURES	STATE & FEDERAL LAWS AND REGULATIONS	TRAINING AND CERTIFICATIONS	AUDIT
<ul style="list-style-type: none"> <li>- Licensing</li> <li>- Escrow Trust Accounting</li> <li>- Privacy and Information Security</li> <li>- Real Estate Settlement Policies and Procedures</li> <li>- Title Production Policies and Procedures</li> <li>- Liability Insurance and Fidelity Coverage</li> <li>- Consumer Complaint Tracking and Resolution</li> </ul>	<p><b>EXPECTATIONS:</b> CFPB &gt; Lenders &gt; Service Providers</p> <p><b>FIVE STEPS:</b> Service Providers &gt; Lenders &gt; CFPB</p> <p>RESPA, Dodd-Frank Act, CFPB, GLB, Reg Z and Anti-Rebating</p>	<ul style="list-style-type: none"> <li>- Employees and Agents</li> <li>- WFG Corporate Policies and Procedures and Regulatory Compliance</li> <li>- Continuing Education Credit Hours</li> <li>- Certification (Annual)</li> </ul>	<p><b>DIRECT OPERATIONS AND SERVICE CENTERS:</b> Adhere to WFG Policies and Procedures; Regulatory Compliance</p> <p><b>AGENTS:</b> New Agents Onboarding; WFG underwriting requirements; all compliance related matters</p>

For more information about WFG National Title Insurance Company find us at [www.wfgnationaltitle.com](http://www.wfgnationaltitle.com)