



Welcome to TheFourthC WFG's Monthly Compliance Newsletter

Part of the evaluation process for candidates seeking employment with WFG is successfully completing a pre-employment background check. This process has never been more important as companies engaged in mortgage finance, title insurance, and settlement services - and the regulatory agencies that supervise them - have become more demanding in knowing the background of those individuals hired to produce products or provide services to consumers.

In last month's issue of *TheFourthC*, we addressed the importance of vetting fourth party services providers. Part of that vetting process is running the appropriate background checks on the prospective vendor and its employees.

In this month's issue, Lee Ann Fenske has written an article entitled "The Importance of Background Checks." The article describes the various reasons why running background checks on full-time permanent and temporary candidates prior to their hire date is a vital part of the on-boarding process. Background reports showing poor credit, liens, judgments or collection matters can disqualify a prospective employee from employment. Bad credit and other negative findings in a background report can also hamper later advancement in the organization. In this month's article Lee Ann describes the resources available through WFG's Employment Assistance Program (EAP) that can help current employees with a number of important areas of their lives, including credit and debt counseling.

As a reminder, the long awaited TILA – RESPA Integrated Disclosure (TRID) rules have become effective for loans originated October 3 and after. WFG is still receiving TRID related questions as we work through the transition process from the older TILA loan disclosure and HUD-1 settlement forms. Each WFG direct operation has a "TRID phone tree" that escalates TRID questions through the different levels of WFG's experienced team. If you have any questions about TRID, please contact your local TRID expert or manager. Questions posed by lenders about title and/or settlement services rates should be handled in the local operation and if necessary escalated per the TRID phone tree. Contact TRIDReadiness@wfgnationaltitle.com if lenders have questions about WFG's rate or collaboration portals. Due-

diligence questionnaires submitted by lenders should continue to be sent to compliance@wfgnationaltitle.com.

Also, in this month's issue, you will learn "What's NEW in *WFG Scholar*," and what new and revised corporate-wide policies and procedures were approved in September.

Interested in a particular compliance or audit topic? Or, writing an article for *TheFourthC*? We are always looking for ideas for new articles and new contributors. If you have an idea for a future article or want to write an article, please contact us at compliance@wfgnationaltitle.com.

Enjoy this month's issue of *TheFourthC*.

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



The Importance of Background Checks

One of the top tasks that a WFG manager and our Human Resources Department is responsible for is hiring the very best candidate possible. Hiring the very best candidate means several different things. Most importantly we want to make sure that our employees and our customers are safe. Safe from a criminal that could possibly harm them – physically, financially, and emotionally.

The Department of Justice stated workplace violence accounts for 18 percent of all violent crimes. Employee theft is the cause of 33 percent of all business failures as reported by the U.S. Department of Commerce. A background check helps WFG learn more about our future employees and vendors. We want to make sure that there isn't anything lurking in their past that could potentially harm WFG or create a safety hazard for our other employees or customers.

WFG conducts a criminal background check, identity verification, sex offender registry and soon a search of the Office of Foreign Assets Control (OFAC) on every employee (including temporary employees), and on certain vendors. In addition, we run a credit background check on employees that have fiscal responsibilities as allowed by the Fair Credit Reporting Act (FCRA).

Background checks are run for the prior seven years, and in some situations when allowable by state law we run a ten year background check. Some of our lender customer's Master Service Agreements (MSA) now require a ten year background check be run on all employees, contract workers and vendors.

There are situations where WFG will require a new background check. Take for instance if an employee is being considered for a promotion and due to various levels of security will be required to have bank access to trust account funds. We also will rerun an employee's credit background check if the employee feels that they have cleaned up blemishes on their prior background check that resulted in the employee not being able to advance in the company. We encourage our employees to take advantage of our [Employee Assistance Program \(EAP\)](#), which offers qualified specialists that can provide debt counseling. Poor credit can be an impediment on career growth in our industry.

It's important for the company, manager and the candidate to have the background checks run prior to employment. WFG has experienced situations where we have rescinded our offers of employment due to:

- The candidate's social security not matching who they say they are;
- Background checks reflecting that the person was convicted of theft;
- Gun-related misdemeanors and convictions, and
- DUIs when their new position requires driving for the company, etc.

It's a red flag if the candidate or the vendor does not want to complete our written authorization form to run the background check, or if they are slow in getting the required form back to the company.

Background checks can take longer and are more expensive for the branch if the candidate has lived in several states. The searching company checks all locations where the candidate has lived in the prior seven or ten years.

The background screenings are important not only for our employees and customer's safety, but it is also a requirement of CFPB and our lender customers. We must provide proof that we make every attempt to keep potential fraud away from our customer's non-public personal information and funds. This is accomplished by hiring qualified candidates.

Background checks can save time, money and worry when it comes to hiring employees and vendors. Follow the [WFG Background Check Policy and Procedures](#) at all times and contact WFG's Human Resources Department if you should have any questions or concerns. Click here to learn more about our [WFG Vendor Management Policy and Procedures](#) and the [WFG Internal and External Notary Public and Signing Services Policy and Procedures](#).

*Lee Ann Fenske
SVP Compliance/National Training Manager
WFG National Title Insurance Company*

Policies and Procedures

A summary of new and revised WFG Policies and Procedures that were issued in September, 2015 are:

Revised

- [WFG Facility Move v1.2](#)
- [WFG Anti-Bribery and Corruption \(ABAC\) and Illegal Kickbacks v2.2](#)
- [WFG Vendor Diversity v2.0](#)



What's New in WFG Scholar

Ramquest RealEC Closing Insight Integration (mandatory for Ramquest users)

This is a short 25 minute video that explains the integration between Ramquest and RealEC Closing Insight.

P&P Acknowledgements:

- PP Ack. WFG Vendor Management Policy and Procedure v1.0 – Dated 8/31/2015
- PP Ack. TRID Escrow Closing and Settlement v1.0 – Dated 10/01/2015
- PP Ack. WFG Ethical Business Standards and Code of Conduct v2.0 – Dated 10/12/2015
- PP Ack. WFG Closing Uninsured Transactions v1.1 – Dated 10/15/2015

If you have any questions or concerns regarding your account, please contact training@wfgnationaltitle.com.



WFG Compliance Program

The WFG Compliance Program incorporates the latest industry best practices, as well as CFPB's most recent guidance for third party settlement services providers.

[Check out all the new information on our website](#)