



**The American Land Title Association's  
Title Insurance and Settlement Company Best Practices  
As Performed at North Central Florida Title, LLC  
Updated February 28, 2014**

As President of North Central Florida Title, LLC, I'm pleased to provide you with our company's policies and procedures in conjunction with the American Land Title Association's Best Practices.

North Central Florida Title, LLC was founded in 2008 and operates in the State of Florida. Our company currently employs 4 full-time and 3 part-time employees and primarily services Citrus, Columbia and surrounding counties. All of our main staff have years of experience in their respective locale.

We utilize state of the art closing software supplied by TSS via a real time hosted environment. All of our data is stored off site in Allentown, PA in an environmentally and cyber secured facility operated by Independence IT. Our escrow accounts are protected by Positive Pay, reconciled through Rynoh Live and monitored daily. All NPI materials are maintained safely by TSS and we shred all hard copy documents on site utilizing Shred IT. Our offices are secured and monitored by Security Safe Company.

Thank you for your business and for your continuing confidence.

Sincerely,

Frank E. Stevenson

President

[fesdjs@aol.com](mailto:fesdjs@aol.com)

## **Policies and Procedures**

### **Licensing**

**Purpose** To document mandated insurance licenses and corporate registrations (as applicable) so that North Central Florida Title, LLC is able to remain in good standing with the State of Florida.

**Scope** These policies and procedures are for all of North Central Florida Title, LLC (hereafter referred to as "NCF") locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

#### **Procedures Licensing**

NCF maintains active agency (business entity) licenses as well as agent licenses and notary licenses.

The following people are licensed in accordance with state specific regulations:

- Persons who discuss coverage and exceptions
- Persons who sign commitments
- Persons who sign policies

A tracking report is maintained as a monitoring control and periodically reviewed by Management to ensure the appropriate business professionals are licensed and renewed when necessary.

Licensed individuals, along with their active licenses, have been communicated to our underwriter. The underwriter is notified when a license becomes inactive.

Licensed individuals maintain the necessary continuing education requirements including any necessary ethics requirements. Documentation is maintained to evidence the requirements have been met.

NCF maintains and has on file the appropriate American Land Title Association Policy Forms License.

## Licensing Status

Date Updated: 02/28/2014

<u>Name/Entity</u>	<u>State</u>	<u>License Type</u>	<u>License #</u>	<u>Expiration Date</u>
Patricia H. Lang	FL	Agent	P205281	N/A
Brenda Styons	FL	Agent	P061980	N/A
NCF	FL	Agency	P172251	N/A

## Policies and Procedures

## Escrow/Trust Accounting

**Purpose** Document escrow/trust internal controls are in place to meet requirements for the safeguarding of client funds and to minimize the exposure to loss of client funds.

**Scope** These policies and procedures are for all of NCF locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

**Procedures** **Escrow funds and operating accounts are separately maintained.**

NCF maintains 2 escrow accounts for real estate and mortgage loan transactions. Escrow/trust funds are maintained under our fiduciary capacity and are not commingled with NCF's operating funds or an employee or manager's personal account.

### **Escrow/Trust Accounts Trial Balance Reports.**

A trial balance report depicting the balance of a particular customer's funds can be produced for each escrow/trust account at any time. This report depicts all individual customer file balances that do not have a zero balance. On a monthly basis, RYNOH Live reconciles the trial balance report to the bank balance and reconciled book balance, creating a "three way" reconciliation.

Trial balance reports are produced for each escrow/trust account, including recording accounts and underwriter premium accounts.

### **Escrow/Trust Account Reconciliations**

It is the responsibility of the President to reconcile the escrow/trust accounts in conjunction with RYNOH Live. Account receipts and disbursements activity are reconciled daily (two way) along with Positive Pay maintained by RYNOH Live.

Monthly, a three-way reconciliation between the bank records, book records, and trial balance is performed. This reconciliation is completed within four business days of receipt of bank statement by using RYNOH Live.

A listing is kept of all escrow/trust accounts. This list includes underwriter premium accounts, recording accounts and dormant accounts.

Each month, escrow/trust account reconciliations are reviewed by the Underwriters'

Auditors and management and evidence of the review is documented. The escrow/trust account reconciliations are available to the title insurance underwriter in real time through RYNOH Live.

Escrow/trust account reconciling items are clearly noted on the reconciliations. These reconciling items are followed up within 4 business days of completion of the

reconciliation so as to not carry over on the reconciliations from month to month.

The President reviews and signs off on all 3-way reconciliations within 10 business days.

**Escrow/Trust Accounts are properly labeled and maintained in insured institutions.**

Escrow/trust bank accounts are appropriately designated as "escrow" or "trust" accounts. This designation is noted in the original banking agreements as well as on our check stock, deposit slips, and bank statements. Unless mandated by state regulation or directed by a customer with a signed agreement, escrow/trust accounts are maintained with insured financial institutions.

**Dormant file balances.**

Customer files that continue to hold funds after the settlement date are reviewed periodically to determine if any disbursements have been made. The President's approval is required for any disbursement from an inactive escrow. An inactive escrow is defined as any escrow which has had no activity for the past six months. This approval is documented and maintained.

**Banking Transactions conducted by authorized employees.**

Via agreements with financial institutions, only authorized employees for escrow/trust bank account transactions may disburse funds. Wire transfer

initiation and approval levels are set and reviewed for changes in staff routinely. Former employees are immediately deleted as signatories and authorized wire transfer individuals. A list of authorized individuals is maintained in the Escrow Account Information Report.

Authorized check signers and wire individuals do not maintain the escrow/trust accounting records or perform the escrow/trust account reconciliations. The reconciliation is provided by a 3<sup>rd</sup> party vendor, RYNOH Live.

**Positive pay, ACH Blocks, and international wire blocks are used.**

The "Positive Pay" feature offered by RYNOH Live is used on escrow accounts. The President reviews the positive pay exception report daily as does each office manager. All positive pay items are cleared immediately.

ACH blocks and international wire blocks are placed on all escrow accounts to prevent

unauthorized users from withdrawing funds from the account.

**Background checks.**

NCF utilizes Landrum Professional, a payroll provider, who drug tests and performs background checks on all prospective employees. All escrow signatories are cleared by the underwriters.

**Escrow/trust account training.**

NCF provides escrow/trust account training as needed to individuals handling customer funds. This training is conducted by the Office Manager, Title Express and RYNOH Live employees and tutorials.

**Contact Officer:** Frank E. Stevenson, President

**Date Approved** February 28, 2014

**Date of**

**Commencement** February 28, 2014

**Amendment**

**Dates** N/A

**Date for Next**

**Review** February 28, 2015

**Related**

**References and**

**Links**

- Policies and procedures relating to escrow accounting are kept by the President of NCF in a computer folder entitled "Escrow Trust Accounting P&P".
- Banking agreements and wire transfer user reports are kept by the President of NCF in a computer folder entitled "Bank and Wire Info".
- Escrow Account Info is kept by the President of NCF in a computer folder entitled "Escrow Account Info". This is a summary of pertinent escrow account information.

## **Policies and Procedures**

## **Privacy and Information Security**

**Purpose** Document a privacy and information security program (policies and procedures) to ensure NCF maintains written protocols for the protection of data and

Non-public Personal Information (NPI).

**Scope** These policies and procedures are for all of NCF locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

**Procedures** NCF has a formal privacy and information security program that is appropriate with the size, complexity and nature and scope of the Company's activities and the sensitivity of the information in NCF's possession and as requested by our underwriters. As part of this program, NCF maintains a Privacy Policy Notice (see attached) that is provided to customers and consumers for each order processed.

NCF policies associated with the privacy and information security program are given to all employees and the employees must acknowledge in writing that they have read and understand such policies. It is the responsibility of Office Manager to ensure NCF has received all employee acknowledgements.

NCF makes an assessment on an annual basis of the standards and requirements affiliated with NCF's information security program, including those set out in this policy and procedure document.

### **Physical Security of NPI**

NCF utilizes Landrum Professional as the information provider for background and credit checks. NCF individuals who have access to NPI is restricted to authorized principals and employees who have undergone a formal background check and credit report process which identified no irregularities.

Our data storage is maintained by TSS in Annapolis, Md., via a hosting agreement with

NCF. TSS provides a complete hosted solution for our software needs. They maintain the closing software (Title Express) and also lease us our Microsoft operating software. All of our data is safely stored in a secure facility in Allentown, Pa., as provided by Independence IT.



All on site computer equipment is maintained by JEO Enterprises. In addition to the security provided by TSS and Independence, our local network is protected by Sonic Wall for the network and individual firewalls and virus protection on all CPUs. JEO Enterprises runs periodic spyware checks with Malwarebytes and SuperAntispyware. Registry cleaning is with CCleaner and via Microsoft Security updates.

### **Disposal of NPI**

NCF has defined and communicated to employees the types of data/information that falls into the NPI category. Any NPI data is disposed of accordingly. Paper records are shredded every 30 days on site by Shred-It. When disposing of computers and portable storage devices, JEO Enterprises uses a software application to erase/wipe clean the device. Security Safe Co secures and monitors our physical offices.

### **Disaster Management Plan for NPI**

TSS has a documented disaster management plan to ensure adequate back-up, recovery and business continuation procedures for it's hosted clients. Since TSS maintains all of our secure functions and our offices are in areas of Florida that have not experienced a disaster, our disaster plan is quite minimal. We can operate our offices from either location and remotely even though they are over 100 miles apart. Each of our managers can function from home via a laptop or home computer. We can download all needed files and info we need from TSS via the internet. All of our local equipment is easily replaceable.

**Contact Officer:** Frank E. Stevenson, President

**Date Approved** February 28, 2014

**Date of**

**Commencement** February 28, 2014

**Amendment**

**Dates** N/A

**Date for Next**

**Review** February 28, 2015

**Related****References and**

**Links** Internal Company Policies:

- Policies and procedures relating to privacy and information security are kept by the President of NCF in a computer folder entitled "Privacy and Information Security".
- NCF's information security program and disaster management plan are kept by the President of NCF in a computer folder entitled "Information Security" and "Disaster Recovery".
- NCF's "Privacy Policy Notice" document is kept by the President of NCF in a computer folder entitled "Privacy Policy Notice". This is a summary of pertinent security information.

## Privacy Policy Notice

### PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of North Central Title, LLC.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE

FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

**RECORDS AND INFORMATION MANAGEMENT  
CONSENT AND ACKNOWLEDGEMENT FORM**

This will certify that I have read and understand the "North Central Florida Title, LLC Non-Public Personal Information Policy". Furthermore, I also understand that North Central Florida Title, LLC is committed to protecting its records and fully complying with all applicable laws and regulations. I understand that when I have a concern about a possible violation of this Policy, I have a duty to report the concern to management. I further understand that this Policy does not constitute a contract and may be modified from time to time by North Central Florida Title, LLC with or without notice.

---

Print Name of Employee/Consultant/Contractor

---

Signature of Employee/Consultant/Contractor Date

## **Policies and Procedures**

### **Document Recordation / Title & Settlement Pricing**

**Purpose** Document recordation and rate/pricing procedures and policies to assist NCF in compliance with applicable contractual obligations and Federal and State Consumer Financial Laws.

**Scope** These policies and procedures are for all of NCF locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

**Procedures** **Pricing Procedures**

The Company utilizes rate manuals and online calculators, as appropriate to ensure correct fees are being charged for title insurance policy premiums, state-specific fees and endorsements.

Employees are aware of contractual and statutory rate and pricing requirements. Title insurance policy premiums, state specific fees and endorsements are calculated in accordance with the title insurance underwriter or regulatory or promulgated rate manual through NCF's software and/or through the use of title insurance underwriter rate calculators. All applicable rate discounts, such as Simultaneous Issue, Reissue, Refinance, and Substitution rates are calculated in accordance with the requirements in the rate manual.

When rate change bulletins are received, the Office Manager will communicate these rate changes to the appropriate parties and will test the accuracy of such changes and report the results to Company Management.

Throughout the year a representative sample of closed files is subject to a post-closing review by the Auditing Department of our underwriter to conclude if fees were correctly charged.

**Recording Procedures**

Submit or ship documents for recording to the county recorder (or equivalent) or the person or entity responsible for recording within 2 business days of settlement.

After review of county specific recording requirements documents are NCF submitted for recordation by the Closer or Closing Department Assistant. When available and economically feasible, document recordation will be processed electronically via E-recording. When E-recordings cannot be utilized or are not available and when The Company does not utilize an employee, documents will be shipped for recording. The Company ships documents using UPS or FEDEX, tracks all packages and maintains tracking information for 6 months.

**Timely responses to recording rejections and verify recording is filed of record.**

NCF uses an Alert function via Rynoh Live to monitor all recordings. After documents are sent for recordation, NCF maintains contact with the appropriate personnel and parties to resolve any problems. After documents are recorded, detailed information such as book, page, instrument number, time and date are included in the transaction file.

**Policies and Procedures**

**Title Policy Production/Premium Remittance**

**Purpose** Maintain written procedures related to title policy production, delivery, reporting and premium remittance to the insurer to ensure NCF meets its legal and contractual obligations.

**Scope** These policies and procedures are for all locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

**Procedures Policy Inventory**

NCF receives its policy inventory directly from the insurer via an electronic policy application. A Policy Inventory Report is available in the application to track and monitor all of the electronic policy numbers allocated to NCF.

The following items are included in the Policy Inventory report:

- The electronic policies received by NCF
- The file number associated with each policy number
- Unused policies
- Voided policies
- Policy numbers assigned, but not yet reported to the insurer
- Policy issued, but not yet reported to the insurer

In addition to the Policy Inventory report, NCF has a tracking system that identifies files that have closed for which policies have not been issued.

Electronic policy stock is limited to authorized users with login and passwords.

Policy inventory duties have been clearly defined and are the responsibility of the

Office Manager. We are able to reconcile our policy inventory records with the Insurer's records.

### **Policy Issuance**

Policies are issued to customers (lender and/or purchaser) within 30 days after the transaction is disbursed and when possible, at closing. Electronic logs are maintained within the software system to monitor all orders that have closed and disbursed in which final policies have not been issued.

If a short-form lender's policy is issued, it can be delivered immediately after disbursement; however, monitoring procedures are still in place to ensure the necessary documents are recorded.

### **Premium Remittance and Policy Reporting**

In accordance with contractual or statutory obligations on a monthly basis, NCF reports to the insurer all title insurance policies (including endorsements), premiums and other fees as contractually obligated. Reporting is performed via electronic upload through the insurer's electronic reporting web-based system. Physical copies of the policies are emailed (or mailed) to the insured.

Premium remittance duties have been clearly defined and are the responsibility of the Office Manager. We are able to reconcile the premiums and fees we charged to our customers with the premiums and fees remitted to the insurer.

## **Policies and Procedures**

### **Professional Liability Insurance**

- Purpose** Document procedures for review of professional liability coverage (errors and omissions insurance, fidelity and surety bond) and so that NCF has financial capacity to cover its professional services obligations.
- Scope** These policies and procedures are for all locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.
- Procedures** NCF is required, in accordance with Florida Law, to carry and maintain errors and omissions insurance as well as surety and fidelity bonds. The President is responsible for renewing all insurance coverages. NCF furnishes copies of all the insurance policies and applicable bonds to their title underwriter(s), including all endorsements, and proof of payment of the current premium.

#### **Professional Liability Insurance Coverage - Errors and Omissions**

NCF carries professional liability insurance for errors and omissions in accordance with NCF's contractual obligations in the amount of \$1,000,000 per occurrence with a \$1,000,000 aggregate limit issued by Acord, a company acceptable to our title insurance underwriters. This comprehensive liability policy has a deductible of no more than \$10,000 per loss. A copy of the most current policy is attached. Since the Company utilizes our underwriters for the search and commitment function, our loss exposure is limited to the closing function.

#### **Fidelity Bond Coverage**

Fidelity coverage is required by state law. See attached.

When requested by the customer or required by state regulation, the Company will issue an insurer's Closing Protection Letter (CPL) in connection with the settlement funds and issuance of a title insurance policy. This CPL will be issued via the insurer's automated Closing Protection Letter system.

#### **Surety Bond Coverage**

Surety bond coverage is required by Florida law. NCF carries surety coverage issued by Lexon Insurance Company. See attached.



**Policies and Procedures**  
**Consumer Complaints**

**Purpose** To establish a process for receiving and addressing consumer complaints to ensure that NCF addresses any instances of poor service or non-compliance.

**Scope** These policies and procedures are for all locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.

**Procedures** **Maintain a standard consumer complaint form that identifies information that connects the complaint to a specific transaction.**

NCF has a standard consumer complaint form (attached) and uses this to record any/all consumer complaints. As circumstances warrant, supporting documents are attached to the complaint form which provide additional information including communications, facts or specific details. Management documents approval on completed consumer complaint forms.

**Single point of contact for consumer complaints and process for routing consumer complaints to appropriate personnel**

The Office Manager is the single point of contact and the President is the back-up for consumer complaints. The nature of the complaint determines to which appropriate personnel the complaint will be forwarded.

**Log of consumer complaints that includes whether and how the complaint was resolved.**

NCF maintains a Consumer Complaint Log (attached) with information on all consumer complaints and their status. Company Management will periodically review, date and sign-off on the Consumer Complaint Log.

**Contact Officer:** Frank Stevenson, Trish Lang, Stacey Clyatt

**Date Approved** February 28, 2014

**Date of**

**Commencement** February 28, 2014

**Amendment**

**Dates** N/A

**Date for Next**

**Review** February 28, 2015

## **Related**

## **References and**

### **Links**

- The Consumer Complaint Form is kept by the President of NCF in a computer folder entitled "Consumer Complaints".
- The Consumer Complaint Log is kept by the President of NCF in a computer folder entitled "Consumer Complaint Log".

## Consumer Complaint Form

Please complete appropriate section(s) below, then "save as" using the following format:

"Last Name Consumer Complaint MMDDYY" and email to [fesdjs@aol.com](mailto:fesdjs@aol.com)

File Name Example: Smith Consumer Complaint 04-01-13

**Date of Inquiry:** \_\_\_\_\_

**Consumer Contact Information:** \_\_\_\_\_

**Property Address (Street, City, State, Zip)** \_\_\_\_\_

**Contact Address (if different from Property Address)** \_\_\_\_\_

**Contact Phone Number** \_\_\_\_\_

**Additional Contact Phone Number**

\_\_\_\_\_

**Transaction Information:**

**Agent File Number:**

**Policy Number:**

**Property Type (Residential or Commercial)  
etc.)**

**Transaction Type (Purchase, Refi, REO,  
etc.)**

**Briefly describe the nature of the consumer's inquiry including dates of any conversations, phone calls, and names (including title and company affiliation) of those with whom consumer has spoken.**

**Indicate whether additional information or documentation is attached under separate cover.**

**Advise consumer that this will be routed to Frank Stevenson, President.**

Underwritten by First American Title Insurance and Westcor Title Insurance

