

NMLTA Board Meeting Minutes

March 12, 2024

ZOOM (hosted by Rob Grinage)

Opening Business:

- Call to Order by President Gricel Chavez: 12:32 PM (mdt)
- Roll Call:
 - **Board Members:** Gricel Chavez, Peggy Brown, Scott Florez, Craig Danekas, Amanda LaBombard, Alissa Johnson, Warren Hill, Antoinette Giron, Dale Rycraft, Gary Sandoval
 - **Members:** Kevin Peterman (Alliant), Bill Wooten (FNF), Cass Burton (FNF), Josephine McGrath (FNF), James Rogers (Doma), TJ Peck, Elizabeth Shields (Westcor), JW Baldock, (FNF), Jessica Schlamp (PGP), Orlando Lucero (FNF), Rob Grinage (Host)
- Anti-Trust Statement Acknowledged – Reviewed by Gricel.
- Meeting Agenda was shared by the host for review. Motion to approve agenda for March 12, 2024 meeting by Craig, seconded by Peggy - Passed unanimously
- The minutes from the past three meetings, which had all been unavailable until this meeting, were presented by the host to the board for approval. Gricel suggested a motion to approve the minutes for all three meetings together, and was so moved by Amanda, and seconded by Craig – Passed unanimously.

Financial Reports

The financial reports for both January and February were presented and explained by Alissa for the Finance Committee. Various portions of the reports were discussed at length, and in particular it was suggested that the bookkeeper might join our future meetings during review of the financials, in order to explain some of the parts that seemed confusing and difficult to read due to the QuickBooks formatting. Motion was made by Craig to table the approval of February financial reports until Stacy, the bookkeeper, can explain how to read and understand the figures. Motion seconded by Anto – Passed unanimously. After reviewing the January financial statements, motion was made by Craig to also table approval of them as well. Motion seconded by Gary – Passed unanimously.

Approval of New Member Registrations

Rob reported that we have two new registrations for Associate Membership to review and approve. The first one is for ClosingLock, who could be a potential exhibitor at future conventions, and the second is for Bohannan Huston, Inc., an engineering company which often contacts title agents to obtain property reports for areas where right-of-ways are being acquired or expanded for highways, etc. The application for ClosingLock was complete and they have prepaid their membership dues, however the application

for Bohannon Huston was incomplete, and Rob will follow-up with them to finish completing it. Motion was made by Craig to approve membership for both applicants, seconded by Alissa. Scott suggested that the application of Bohannon Huston needs to be completed before their membership can be officially approved, so Craig amended the motion to say ClosingLock is approved now, and that Bohannon Huston will be approved as soon as they complete the application information. Passed unanimously

Committee Reports

1. Rules, Rates and Forms:

a. Forms Subcommittee (Orlando Lucero)

Orlando reported that the subcommittee did have their meeting and the topic of whether to pursue the promulgation of any new forms during this cycle was discussed at length. It was decided that we should hold off on any forms that require exploring a fair and adequate premium rate, due to handling the Rate Hearing at the same time. However, there are several endorsements that we may consider presenting, for which rates can be modeled on other similar endorsements that we are currently issuing. The subcommittee plans to discuss with Spencer Edelman and our collaborative team, and get their thoughts on whether the additional work would be cost prohibitive or interfere with the new rate making process we are attempting to adopt with the OSI.

b. Rules Subcommittee (Bill Wooten):

No Report

c. Ratemaking Procedure Subcommittee (Cass Burton and Warren Hill):

Cass reported on 3 high points regarding recent activities...

First, that Spencer has delivered his rough draft of the introductory materials for the briefing book, and the subcommittee sees it as a good start; it nicely lays out the procedural arguments for engaging in a collaborative rate making process, as opposed to an adversarial hearing. Spencer is still seeking real-life stories regarding the trends in income and expenses from Members, so feel free to send any you have to the committee.

Second, Cass discussed the issue of who the OSI might retain as counsel for the hearing. They have officially published the RFP for the position, but have not identified anyone as yet. He suggested that if anyone knows of a good attorney who might be good and fair in that position, they might discuss the matter to see if they are open to it. The person they choose will impact greatly NMLTA's strategy as a stakeholder.

Third, our actuarial expert, Jason Pessel, has been working on his methodology and attempting to arrive at an initial rate indication, using the latest data for 2022. They were hoping to have that initial rate indication by the end of February, but at this time it looks like we should have it before the April board meeting. Cass will review his findings and translate them into laymen's terms to report to the board.

Dale discussed having just attended the OSI Nominating Committee meeting that morning, and found out that they are having a bit of trouble finding someone to serve as counsel. He did report that D.J. Powers was no longer interested in that role, and that news was well received by all. Dale also had an opportunity to chat with Stephen Thies about the collaborative rate making process we are exploring, and he indicated that we can present our ideas directly to him.

A bit more discussion ensued about possible candidates for a hearing officer and/or legal counsel to represent the OSI, who might lean more in favor of the title insurance industry, and whether there would be any possibility of suggesting it to anyone we know. Cass said there will be more to come...

2. **Education Committee (Josephine McGrath)**

Josephine reported that the one underwriter who had expressed an interest in presenting a webinar for CE credit, was planning to have it sometime in October. The committee was hoping to have something sooner, and will be exploring ways to reach out to other underwriters and see if anyone might respond. We are open to anyone that would like to present a webinar, either a live or recorded one, that we can make available on-demand from our website.

3. **Legislative Committee (Elizabeth Shields)**

Elizabeth reported that of the items on the committee's watch lists for this past session, only 4 of the bills actually got passed, and none of them were title insurance specific. Some dealt with affordable housing and ways to establish a fund for this, but nothing of real significance.

4. **Underwriter Committee (Gary Sandoval)**

Gary reported that the Title Guaranty Association has been formed, and a Board has been established and ratified. Scott Florez is the President, and informed us that they are in the preliminary stages of working out administrative tasks with the OSI, establishing a bank account, and things like that. This will be an association primarily of Insurers, and there is a meeting planned for October – more information will follow.

5. **Agent Committee (Craig Danekas)**

Craig had nothing new to report this month

6. **Membership Committee (JW Baldock)**

Rob Grinage reported for the committee, and recently had a discussion with Scott Florez about the Certification Program that was presented during February's board meeting. The discussion led to making a change in the name of the program, and instead of "certifications" the NMLTA would present official "designations" to qualified professional members, along the lines of what ALTA does with the NTP designation. Also a survey will be sent out to our membership to get a feel for the level of interest there would be in such a program, and Scott will be interested in appointing a Task Force to establish and operate the program if it is determined there will be adequate participation to make it worthwhile.

7. **Fraud Task Force (Gary Sandoval)**

Gary reported that the Fraud Awareness Webinar will be presented in two days, on March 14th from Noon to 1:00 p.m. Registration has been open for a while now, open to both members and non-members for free, and so far there have been 34 registrants. 5 to 10 of those appear to be non-members currently. Rob will be preparing an email blast with the Zoom link for registrants, and will make it

available on our website in the event details, so that any last-minute registrants can find out how to attend.

8. **Social Media (April Kovari)**

No report this month.

9. **Convention Committee (Gricel Chavez)**

Gricel reported that the committee is scheduled to meet tomorrow, March 13th, and if anyone is interested in serving on the committee please try to attend. More information will follow next month.

10. **Past Presidents Committee (Dale Rycraft)**

Dale reported that two of our past presidents, so far, have agreed to serve on the Nominating Committee this year.

11. **PAC/Chili Currier (Craig Danekas)**

Craig had no report for this month.

12. **President's Report (Gricel Chavez)**

Gricel brought up the subject of Title Insurance Reform, which President Joe Biden made a point of including in his State of the Union speech, and whether the NMLTA should have an official response to this. Gary and Warren mentioned that ALTA has already taken a strong position on this, and that we might be able to just use their materials to inform our membership audience about what is being proposed and discussed. Gary felt that it would not be necessary for NMLTA to put anything of our own out there to members, over and above what ALTA is already doing, since most of our members are also ALTA members and are probably already aware or have heard. Warren also mentioned that the ALTA representative at our Convention will likely speak about this at some length.

Old Business

1. **Tax preparation** – Alissa Johnson agreed to contact the accounting firm that was suggested by Stacy, or bookkeeper, to discuss their pricing and availability to do the tax return for the NMLTA. More information will follow...
2. **Document scanning services** – Rob Grinage confirmed that he received the thumb drive containing the document scans, and is in the process of copying everything to our Sharepoint records with Microsoft 365, for permanent storage and review at any time. Dale mentioned that the PDF copies were done with OCR, so they should be completely searchable once they are available online.
3. **High End Excise Tax for Affordable Housing** – This matter was tabled for this month by Gricel.

New Business

13. **Corporate Transparency Act** – Warren brought up this topic and the concern that it will soon affect the entire country, and not just the most populated areas. This is a government proposal to basically track money and try to prevent money laundering. Our concern is about the liability of reporting, and the amount of time that will be required to prepare the monthly reports. ALTA is also very involved in responding to this, but the NMLTA may want to think about preparing our own response and possible action. Orlando did mention that New Mexico was currently not affected, but the possibility is certainly being explored to go nationwide.

Gricel announced the next meeting will be on Tuesday, April 9th, at 11:00 a.m.

Meeting adjourned at 1:43 p.m.