

A Bird's-Eye View of Title Research Automation and the Title Agent

WHITE PAPER

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RedVision has the paradoxical position of being one of the industry's largest providers of title search services in the nation while not being a title company and possessing a senior technology team that grew up in foreign exchange and securities trading technologies.

The title industry has come a long way, as software companies and internet use allow information to flow more freely and in structured ways while automating back-office steps. But if you were to tour a foreign exchange trading room where billions of dollars are moving globally in nanoseconds, untouched by human hands, you'd quickly realize how much title production is not automated. From our perspective, the biggest contributor to that problem is the nature of the public records in the U.S. and the lack of standards.

Data Dilemma

The basis for title research begins with locating relevant data in the public record. In the U.S., that means more than 3,600 recording jurisdictions and thousands more tax records and municipalities. There are differences in media, depth of history, availability practices, and formats. This disparity has created a cottage industry of search specialists nationwide that possess two key attributes for abstracting: knowledge of county practices and physical proximity to records.

If records are not accessible electronically, there is a hard stop for seamless automation. For counties where records are completely electronic, or provided to third-party vendors like RedVision, or where records are available online, there is still a breakdown in automation. For a system to automatically process an instruction, it needs to have consistent data fields.

The title industry has made progress with efforts like MISMO, but we do not yet have an ecosystem where all participants speak the same language. As a result, we have a labor-intensive services industry prone to inevitable delays and errors when many "hands" are required to produce a transaction. The problem is that this service model usually requires a significant fixed cost in an industry without predictable revenues.

Different Is Good

There are parallels that can be learned from other industries, the major one being that companies should focus on what makes them different, not on what makes them the same. Researching property and public records is a core component of the closing, but everyone does it.

Since there are practical limits to the level of automation that can be achieved, I believe the title agent should concentrate on points that will distinguish their services, address risk management, and

optimize sales engagement. Investments in staff and technology should be focused on the customer and not the factory.

Rather than a general goal of automation, a good plan would start with those things that grow revenue such as closing execution, exception handling, and customer service. Then come production requirements, tasks that can be fully automated or outsourced and what must be retained for compliance or lack of alternatives.

With this focus, technology can be made to flourish and contribute to the broader strategy of creating a more variable cost model while distinguishing the agent's unique service offering from its peers.

RedVision® is the premier nationwide provider of real property title data, search examination and curative-ready solutions for local and national clients. RedVision has more than 1,600 client organizations, including financial institutions, title underwriters, local agents, lenders, attorneys and foreclosure/default processing firms. RedVision utilizes its proprietary technology to connect vast U.S. county records and an expert workforce to provide its blue chip customers with reliable property data, abstracts and examined title reports. Rooted in the principles of accuracy, objectivity and innovation, RedVision has delivered over 6.5 million title reports since 2006 and gained recognition as a pioneer in the industry.

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