

*Transnation Title Agency incorporates all of the Divisions listed below*

*Effective: January 1, 2021*

## Transnation Title Agency Best Practices

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#### **Revision History**

Revision	Date	Description
2018	7/2/2018	Updated document to 2018
2018-01	12/7/2018	Updated Antivirus Suite information
2019	7/1/2019	Updated document to 2019
2021	1/1/2021	Updated document to 2021 and implemented ALTA V. 3.0 requirements
2021-01	03/31/2021	Added St. Clair Division to footer

*Ann Arbor Division; Central Division; Grand Rapids Division; Great Lakes Division; Lakeshore Division; Mason Burgess Division; Metro Division; National Escrow Title Division; Northern Division; St. Clair Division*

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## ***Licensing***

Transnation maintains all Company and Employee Resident Producer licenses as mandated by state regulations to conduct the business of title insurance and settlement services.

## **Procedure**

- All appropriate personnel are licensed. This includes, but is not limited to, all sale personnel, commercial closers, commercial examiners, senior residential closers and all title and escrow management.
- Transnation maintains a record with all individual resident producer license information, as well as all company resident producer licenses.
- Transnation coordinates all personnel changes to ensure that the underwriter and the state are properly notified when a licensee is newly appointed and/or no longer with our agency.
- Transnation reviews the State's Regulatory Department or Agency websites to ensure proper appointments, at minimum of annually.
- Transnation has established and maintains appropriate compliance with ALTA's Policy Forms Licensing.
- Each Transnation Title Agency office location performing settlement services maintains appropriate listing in the ALTA Registry.

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## **Escrow Account Controls**

### **Procedures**

- Separate bank accounts are established for all escrow funds. Escrow funds are not commingled with operating funds.
  - Current list of escrow accounts is kept on hand and is available upon request for all underwriters.
- Escrow funds are deposited in Federally Insured Financial Institutions unless directed otherwise by the beneficial owner.
- Escrow accounts are identified or titled as “escrow” or “trust” accounts. Appropriate identification appears on all account-related documentation; including bank statements & agreements, disbursement checks and deposit tickets.
- Positive pay and ACH debit blocks are utilized when available.
- Transactions are conducted by authorized employees only. Current list of authorized employees is kept on hand for each escrow account.
  - Authorization levels for each employee are updated on an annual basis.
  - Former employees are immediately deleted as listed signatories on all escrow accounts.
- Authorized signatories are not involved with the reconciliation process.
- Outstanding file balances are documented.
- All escrow accounts are reconciled on a daily basis.
- Trial Balances are prepared for all escrow accounts.
  - Trial balances indicate if any files are overdrawn and/or have an open escrow balance.
  - Trial balances are reviewed on a monthly basis by management.
- At the end of each month Three-Way reconciliations are performed reconciling the bank statement, check book and trial balances.
  - The end of month Three-Way reconciliation is reviewed and signed off by management.
  - Three-Way reconciliations are scanned into our computer system and kept for a minimum of 7 years.
  - Copies of Three-Way reconciliations are available upon request for all of our underwriters.
  - Background and credit check policy available upon request.
- Credit and background checks are performed on all new employees involved in the escrow process that go back at least 5 years.
- Credit reports will be obtained on all escrow, accounting and management personnel every three years.
- Background checks will be obtained for all employees every three years.

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## ***Escrow Account Controls continued***

- Training manual available upon request.
  - Training is conducted upon hire for all new employees who have access to customer funds.
  - Ongoing training for existing employees is done on an annual basis.
- A separate written wire transfer procedure is in place and tested at least annually.
  - For outgoing wire transfers, this includes a procedure to verify wire transfer instructions independent of the initial communication.
  - For incoming wire transfers, this includes a procedure to alert consumers regarding the risks of wire fraud and guidelines to mitigate losses.
- A separate written wire fraud response procedure, which includes the recommendations of the ALTA Rapid Response Plan, is in place and is updated at least annually.

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## ***Background Check Policy and Procedure***

### **Policy**

All offers of employment are contingent upon satisfactory results of a background check and credit report deemed appropriate for the position applied for by the job applicant. Background checks and credit reports will be conducted on all newly hired employees and on employees who are promoted, going back at least 5 years. It is also required that background checks be performed on all employees at a minimum of every three years. Credit reports will be obtained on all escrow, accounting, and management personnel at a minimum of every three years. Additional searches including, but not limited to, motor vehicle history reports may be required based on the applicants/employees position or expanded job responsibilities.

### **Procedure**

1. Manager must forward Applicants Employment Application to Human Resources plus the position applicant is applying for.
2. Upon receiving Applicants Employment Application and email address, Human Resources will enter Applicants information into Credential Check system.
3. Human Resources will email Applicant instructions on the background checking process. Manager will be copied on this email.
4. Applicants within the state of Indiana will be required to provide a copy of their Driver's license/State ID Card for Criminal Background check for the state of Indiana. Applicants can email a copy directly to [HRDept@transmi.com](mailto:HRDept@transmi.com).
5. Applicant will receive an email from [info@credentialcheck.com](mailto:info@credentialcheck.com) to login and enter personal information to start the background and credit check process.
6. Background checks can take between 24 to 72 hours from the date the applicant submits his/her information.
7. Human Resources will review the results and share the results with the Manager. Based on their discussion, it will be determined if the applicant will be hired for the position or the employee will be promoted or authorized to handle or continue to handle Company funds.
8. Should it be determined that the applicant will not be hired or the employee promoted or removed from handling Company funds based on the results of an unfavorable background check/credit report, the Manager will let the applicant/employee know the reason(s).
9. Human Resources will contact Credential Check to send out a copy of the background check/credit report to the applicant/employee if an unfavorable decision is obtained.

For questions, please contact OFTA Managements Human Resources at [HRDept@transmi.com](mailto:HRDept@transmi.com).

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## ***Information Security Policy and Procedures***

Transnation Title Agency maintains measures to guard against unauthorized or unlawful processing of personal data and against accidental loss, destruction or damage. The following is our established information security plan designed to protect non-public information in the Company's possession and detect loss of non-public information.

### **Policy**

- Written plan for the disposal and maintenance of non-public personal information.
- Training program for all staff on security systems and procedures.
- Written Business Continuity Plan in case of catastrophic loss.
- Written IT Business Disaster Management Plan to recover from a breach that compromises the confidentiality, integrity, or availability of non-public personal information.
- Company's Privacy Policy is reviewed annually, posted on our website, and is also provided directly to customers via electronic and/or hard copy format during a transaction.
- External service provider policy to help ensure compliance with our information security program.
- Audit and testing procedure to help ensure compliance with our information security program.

### **Physical Security Procedures**

- "Clean desk" policies (project and staff records are all kept in a locked filing cabinet, and all computers are locked when away from their desks).
- Access to non-public personal information is restricted to authorized employees who have undergone Background Checks at hiring and designated intervals.
- Access to and use of removable media is restricted and/or prohibited.
- Accredited encryption software is implemented on all outgoing email and fax messages to ensure secure delivery methods when transmitting non-public personal information.
- Personal data is to be collected only for the purpose specified and is only able to be accessed by authenticated personnel.
- Data collected is to be relevant but not excessive for the purposes required.
- On an annual basis, title insurance application forms and any other forms that we use are reviewed to confirm that we are not asking for irrelevant information.
- Data is not to be kept for longer than necessary for the purposes collected, including complying with applicable laws.  
Within 30 days of closing:
  - Files are scanned into our secure server and paper copies are shredded by NAID Certified Secured Destruction Services.
  - Files are moved to locking filing cabinets located in our office.
- Data is not removed from the office, except when contained within appropriately secured data transmission methods
  - Paper files are never removed from the office except as needed for a remote closing by authorized personnel.

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## ***Information Security Statement continued***

### **Network Security Procedures**

- Data is protected with appropriate technical and organizational measures to minimize the risk of unauthorized or unlawful processing and against accidental loss or destruction or damage to personal data:
  - Servers are stored in locked facilities.
  - Facilities that house our servers are only accessible through multiple layers of authentication: proxy card, keypad, and standard key to the server rack.
  - Remote access to files is only available with the proper credentials.
  - Data is accessible only with proper authentication.
  - Unified Threat Firewalls are in place to protect data.
- Controls on access to information (password protection on files and server access).
- Remote access is only provided to our server for employees.
- When remote access is provided, the following security measures are in place:
  - It is a condition of remote access to the office network by staff that their home computers also have anti-virus software installed which is regularly updated with the latest virus definitions.
- Access to data whether current or archived is provided to those individuals who, in the course of performing their responsibilities and functions, must be a member of that specific security group.
- All data on the network is protected by an accredited anti-virus suite that runs on servers and workstations, and is updated automatically with updated virus definitions as released by the manufacturer. Administrator will be notified if any computer has been infected with a virus.
  - All viral infections are dealt with immediately and the end-user that is infected is logged off until the infected profile is fixed.
- All user data is backed up to disk automatically on a daily basis, using an appropriately secure system for fast indexing and data restoration process.
- A full server backup to Disk takes place every weekend.
- Daily and weekly backups are securely stored in a remote room away from the data center.
- A 6 month archive disk is preserved, and for the next 6 months is securely stored off site, in case of a catastrophic system loss.

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## **Privacy Notice**

We respect the privacy expectations of our customers and the requirements of Federal and State privacy laws. We believe that making you aware of how we collect, use and disclose your non-public personal information (“Personal Information”) will form the basis for a relationship of trust between us. We reserve the right to change this Privacy Notice from time to time consistent with applicable privacy laws. By providing us with your Personal Information, you consent to the collection, use and disclosure of the information in accordance with this Privacy Notice. Concurrently with this Notice, you may also receive a privacy notice from the insurance company we represent in your transaction. Please review that notice carefully as their privacy policy may differ from ours.

We collect Personal Information about you from the following sources:

- Information we receive from you, such as your name, address, telephone number, social security number, or bank information;
- Information we receive from your lender, attorney, real estate broker, or others about your transaction with us, our affiliates, or other related parties; and
- Information we obtain from public records and/or government entities.

We use your Personal Information to provide products and services to you in connection with your transaction. We will not disclose your Personal Information to others, except as provided herein or as permitted by law. We will disclose your Personal Information when you direct or give us permission, when we retain service providers to provide products, services or functions for your transaction, or when we suspect fraudulent or criminal activities. We may also disclose your Personal Information when permitted by applicable privacy laws, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you. Additionally, we may disclose your Personal Information to other title agencies or companies if needed to clear title to real property or assist in title production.

One of the important responsibilities of our company is to record documents in the public domain. Such documents may contain your Personal Information.

We restrict access to Personal Information about you to those employees who need to know that information to provide the products or services requested by you or your lender.

We maintain physical, electronic, and procedural safeguards that comply with appropriate Federal and State regulations. We utilize industry best practices for security and encryption standards, including Unified Threat Management firewalls and security practices, to shield and protect your personal data in electronic formats from outside threats.

If you have any questions or concerns regarding our Privacy Notice, please contact our legal department at [Legal@transmi.com](mailto:Legal@transmi.com) or 616-454-4115.

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### **Settlement Policies and Procedures**

- We acknowledge that Lenders expect full disclosure of all receipts and disbursements in accordance with written mutual instructions.
- All sets of Closing Instructions are collected and reviewed prior to closing.
- If any one set of Closing Instructions is adverse to another set of closing instructions – we obtain in writing from all parties consent to the changes made to correct the adverse matters prior to closing.
- The closing is performed in accordance to all instructions from:
  - Lender Closing Instructions
  - Title Commitment
  - Purchase Agreement
  - Any other misc. agreements (Escrow Agreements, etc.)
- Follow all Real Estate Settlement Procedures Act (RESPA) guidelines in preparation of the Settlement Statements.
- All files are required to use a closing checklist in assembling the file for closing.

### **Mortgage Fraud Awareness and Prevention**

Our agency will not tolerate ANY deviation from standard closing procedures that would result in Mortgage fraud. All employees have been presented with an outlined fraud statement and each has signed acknowledgement thereof.

### **Pricing Procedure**

When rate change bulletins are issued, they are immediately reviewed by senior title advisors and legal department, and changes are sent out to the staff in order to ensure that proper rate changes are made. Rate Manuals and Rate Calculations are reviewed annually and upon underwriter re-filing rates/rules with appropriate staff thru monthly production meetings. Quality check files after Settlement to help ensure customers were charged correct, established rates. Provide refund within 30 days to customers when an overpayment is detected.

### **Recording Procedure**

Documents are submitted or shipped for recording to the proper recording office within 5 business days of Settlement. Where set up and available, electronic recording is used, or documents are hand delivered or sent overnight delivery. Shipments of documents for recording are tracked and a log is kept. We verify that recording actually took place and maintain recording information for each document in each file.

### **Third-Party Signing Professionals Procedure**

Established separate written procedures to ensure that third-party signing professionals, including notary public, possess the appropriate qualifications, professionalism, knowledge, and comply with Company policies.

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## ***Timely Policy Issuance and Premium Remittance***

### **Procedures**

- Title Insurance Policies shall be issued at the “table” whenever allowed by the insured’s and circumstances.
- All residential title policies shall be issued and delivered to the insured within 30 days of satisfying terms and conditions of the title commitment.
- Premiums shall be remitted within time expectations of the insuring underwriter.

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### ***Insurance Coverages***

Transnation Title Agency maintains appropriate levels of professional liability (errors and omissions insurance) from a carrier that is acceptable to our underwriters, given the Company's size and complexity, settlement volume, and the nature and scope of our operations in an amount that is not less than agreed to in the Company's underwriting agreement(s). Further, Transnation Title Agency maintains appropriate levels of other insurance coverages from carriers that are acceptable to our underwriters, in amounts that are not less than required by state law or agreed to by the Company's underwriting agreement(s).

#### **Insurance Coverages Include:**

- Professional Liability (Errors and Omissions)
- Fidelity/Crime Bond Liability (Includes Social Engineering)
- Directors and Officers Liability
- Employment Practices Liability
- Cyber Liability
- Property/Business Income Liability
- Workers Compensation
- General Liability
- Fiduciary Liability
- Umbrella

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### ***Consumer Complaint Resolution Process***

All employees need to be sensitive to the idea that consumers (buyers, sellers, or borrowers) may provide feedback to us in a variety of ways; including phone calls, voice mail, email, regular mail, or in person. Any employee could receive feedback of a negative nature from a consumer; therefore, it is necessary for all employees to have access to, and the ability to, complete a feedback intake form in order to initiate our complaint resolution process.

To initiate the complaint resolution process, an employee will need to access our Company website (<https://TransnationTitle.com/>) and locate the web button titled 'Contact Us' located at the top of the page. This is to be done immediately upon receiving negative feedback. After completing the form as applicable, press 'Send' to forward the information to management. The form submission then progresses to a management monitored e-mail inbox, which will be promptly reviewed and forwarded to the appropriate resolution coordinator for action.

Upon receipt of the email, the resolution coordinator will investigate and determine the best solution to resolve and/or respond. The resolution coordinators will communicate to the consumer that the matter has been received and provide them with his/her name and contact information in the event questions arise during the resolution process. Resolution coordinators will thank them for the feedback, as this provides us an opportunity to improve our service and will make us a better Company. The determination of the best solution may involve others in the office. Additionally, the matter will be utilized to instruct and communicate improvement to the service we provide. Consumers will receive a full explanation of the resolution.

A control log of the Complaint reports is stored in our electronic systems. Management reviews these regularly. Internal audits are performed throughout the year to review complaints, resolutions, and to identify areas for improvement.

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