

# NYSLTA

New York State Land Title Association, Inc.

Tradition, Excellence, Knowledge and Vision

Summer  
2017  
Newsletter

## What is the NYSLTA President up to?

On March 11, Assembly Majority Leader Joseph Morelle held a “Town Hall” style meeting to inform the community about the Governor’s proposed 2017-2018 Budget and what was likely to be in the Assembly’s proposed budget, and to get feedback and questions from the audience. NYSLTA President Bill Collins (a constituent of MOA Morelle) met with him after the meeting to discuss NYSLTA’s memorandum regarding the provisions in the Governor’s Budget that could seriously affect the title industry and the real estate market in New York. All those provisions were omitted from the final Budget.



President Bill Collins discusses NYSLTA Opposition Memo with New York Assembly Majority Leader Joseph Morelle at March 1, 2017 Budget Forum.



## Industry News Information

- **Free Isn't Free Anymore - Important Changes to NYC's Independent Contractor Law**

If you work with closers who are not on your payroll, you are subject to the Freelance Isn't Free Act (Local Law 140 of 2016). This law establishes and enhances protections for independent contractors, such as Closers, specifically: the right to a written contract, the right to be paid timely and in full, and the right to be free of retaliation. NYSLTA members may download a model contract from the County & Municipal File Library on the Member web site. **[Download the Model Contract](#)**  
**[Click here to find out more](#)**

- **Interest Rates**

NYS Tax Department Quarterly Interest Rates Applicable to Over and Under Payment of Tax for the Period 7/1/2017 through 9/30/2017. **[Click here for more information](#)**

- **DFS Fines ZENEFITS \$1.2 Million for Repeated Violations of New York Insurance Law**

On April 11, 2017, The Department of Financial Services (DFS) Superintendent Maria T. Vullo announced that YourPeople Inc., doing business as Zenefits FTW Insurance Services, will pay a \$1.2 million fine following an investigation by the DFS for repeated violations of Insurance Law, including allowing unlicensed employees to solicit, negotiate and sell insurance policies. As part of a consent order entered into with DFS, Zenefits will take all necessary actions to ensure that all of its employees and contractors acting as insurance producers in New York are properly licensed and have completed all required training and education.  
**[Click here to find out more](#)**

- **New York State Title Insurance Agency Entity License Renewal**

NYS Title Insurance Agents entity license expires on June 30, 2017. Title agents will need to renew by clicking on this link **<https://myportal.dfs.ny.gov/nylinxext/>**. If you are a sub-licensee under the entity license, you are required to take a total of 15 continuing education credits.

Licensees cannot take the same course and receive CE credit with the same approval number more than once for that course. Therefore, you must keep track of what you have taken.

As for those licensees who are attorneys, you do not need to complete CE requirements. However, according to the DFS, an attorney will need to provide a letter of good standing from the Office of Court Administration and upload that letter during the online renewal application.

- **What Happens If You Do Not Renew Your New York State Title Insurance Agency Entity License By The Deadline?**

According to the DFS, those Title Agents who do not renew by the June 30, 2017 deadline, will have two years from the date of expiration to relicense without having to take the licensing exam.

You will need proof of the 15 CE credits to relicense sent to the DFS along with a printed application and the appropriate check amount. Click here for the application and instructions. [http://www.dfs.ny.gov/insurance/licensing/applications/title\\_indiv.pdf](http://www.dfs.ny.gov/insurance/licensing/applications/title_indiv.pdf)

If you do not relicense within the two years, you will have to take an exam.

- **Beware of Fraudulent Email Schemes During Title Insurance Transactions**

By buffaloreflex.com. [Click here to read the full article](#)

- **The Village of Garden City Has Changed its Certificate of Occupancy Fee**

The municipal fee for most Certificates of Occupancy in the Village of Garden City will cost \$100 for each legal address or folder. This fee includes up to 10 certificates with additional certificates costing \$10 each. The Village has updated their price sheet for all fees.

[Click here for more information](#)

- **The Town of North Hempstead Department of Building, Safety, Inspection & Enforcement Has Changed its Certificate of Occupancy Fee**

The Town of North Hempstead Department of Building, Safety, Inspection and Enforcement has stated that the Certificate of Occupancy requests from February 27, 2017 forward, all title searches will be:

- \$50 per single family and two family residential properties
- \$50 per commercial tenant space, property address and for multi-family dwellings

[Click here for more information](#)

***What Smaller Title Agents Need to Know about the  
New York State Department of Financial Services  
Cybersecurity Regulations***

**Article for the NYSLTA, March 30, 2017**

**By: Christopher Gulotta, Esq., CIPP**

**Cybersecurity Requirements for Financial Services Companies**

The Amended New York State Department of Financial Services (DFS) Cybersecurity Regulations (the “Regulations”) became effective March 1, 2017. For the smaller agents who come under the §500.19 exemptions, here are 10 critical compliance requirements, deadlines and considerations to keep in mind:

1. These Regulations are now effective, yet the compliance journey is a long and tedious one and cannot be achieved overnight. It’s imperative that you understand what is expected and start preparing now. Most title or settlement agents we work with who actively commit the time, capital and resources necessary still require 3-6 months to become ALTA Best Practices and Information Security certified.
2. The Regulations are the first comprehensive “state” regulations to address the rising Cybersecurity threats and risks. Other states will surely follow suit. While many of the requirements of these Regulations are already considered best practices under existing federal law (Gramm Leach Bliley Act or “GLBA”) and federal regulations (FTC Privacy, Safeguard & Disposal rules), other requirements exceed the mandates of federal laws and regulations.
3. The scope of the protected information is broader than GLBA’s personally identifiable financial information and includes: all nonpublic electronic information (even if not personally identifiable or financial in nature), if it’s: (i) business related information “the tampering with which or unauthorized access or use of which would cause a material adverse impact to the business, operations or security of the Covered Entity”; or (ii) information concerning an individual which because of a unique identifier, can be used to identify a person.
4. The small Covered Entities exemption (see: §500.19(a)(1)(2)&(3)) are defined generally as Covered Entities with: (1) fewer than 10 employees (including independent contractors), located in New York or responsible for the business of the Covered Entity; or (2) less than \$5,000,000 in gross annual revenue in each of the last three fiscal years from New York business operations; or (3) less than \$10,000,000 in year-end total assets (calculated in accordance with GAAP). These “small” Covered Entities may be “exempt” from the more onerous requirements of the Regulation. However, they must still comply with Section 500.02 (Cybersecurity Program), Section 500.03 (Cybersecurity Policy), Section 500.07 (Access Privileges), Section 500.09 (Risk Assessment), Section 500.11 (Third Party Service Provider Security Policy), Section 500.13 (Limitations on Data retention) and Section 500.17 (Notices to Superintendent). These small Covered Entities that are exempt are required to file the Notice of Exemption and all other Notices. It is important to note that if a title agency falls under the DFS small Covered Entity Exemption, they still have to follow the GLBA or FTC Privacy, Safeguard or Disposal rule requirements.

5. Risk Assessments are critical under the regulations. Not only are such assessments required, but they are the documented basis for each Covered Entity to: (i) evaluate and categorize the identified Cybersecurity risks or threats facing the Covered Entity; (ii) evaluate the confidentiality, integrity, security and availability of the Covered Entity's Information Systems including the adequacy of existing controls; and (iii) establish how such risks will be mitigated and how the Cybersecurity program will address such risks.

Each Covered Entity, large or small (exempt or non-exempt) has to develop written policies and procedures to ensure that any Third Party Providers with access to the Entity's systems and Nonpublic information are included in the company Risk Assessment. "Minimum Cybersecurity practices" must be met, initial and ongoing due diligence and oversight are expected of the Covered Entity to confirm the Third Party Provider has their own policies and procedures for access controls, multi-factor authentication and incident response.

6. Timeline for Small/"Exempt" Covered Entities:

- (i) March 1, 2017: Effective Date of Regulation;
  - (ii) August 28, 2017: Transitional Period ends and Covered Entities must have their Cybersecurity Program (§500.02) and Cybersecurity Policies and Procedures in place (§500.03) and must have their Access Privilege safeguards in place (§500.07);
  - (iii) September 27, 2017: Initial 30 day period after determination that the Covered Entity is exempt: a Notice of Exemption (Appendix B to the Regulations) must be filed by the Covered Entity notifying the DFS that it believed it comes under the limited exemption;
  - (iv) February 15, 2018: a Certificate of Compliance must be filed (Appendix A to the Regulations. This Certification must be signed by the Chairperson of the Board of Directors or a Senior Officer and on February 15<sup>th</sup> of each subsequent year, a Certificate must be filed for the prior year;
  - (v) March 1, 2018: a Risk Assessment as prescribed in §500.09 must be conducted (and periodically thereafter);
  - (vi) September 3, 2018: Written policies and procedures for the periodic disposal of Nonpublic Information (§500.13); and
  - (vii) March 1, 2019: Develop a Third Party Service Provider Security Policy (§500.11).
7. Incidence response: pursuant to §500.17, a Covered Entity must notify the superintendent "as promptly as possible but in no event later than 72 hours from a determination that a Cybersecurity event has occurred."
  8. Compliance Recommendations: Start now! The best place to start is with a risk assessment, preferably from an independent third party familiar with both the DFS regulations and with the internal work flows, processes and data flows of title agents. Also, developing your Cybersecurity program and Cybersecurity policies and procedures takes some time and collaboration with your IT, office management and information security consultants. One size does not fit all here. Each company has unique circumstances, potential remediation needs and alternative remediation solutions. These all need to be articulated in as detailed a format as possible demonstrating that your unique compliance posture takes into account your unique obstacles and remediation solutions.

9. Recommended Resources: ALTA has developed Best Practices 2.0 (2012) for Title Insurance & Settlement Agents. Pillar 3 and the recommendations contained therein; represent a great starting point for information security compliance. Title insurance underwriters also offer compliance solutions through educational webinars and Best Practice web pages and resource portals.

### **Conclusion**

August 28, 2017 is quickly approaching. Each company will have its own timing challenges to meet the basic requirements of 23 NYCRR 500 based largely upon their current compliance posture. It is critical to have an independent company assess your current risk posture, identify gaps and work with your IT and management teams to timely and compliantly bridge the gap. Remember, in February of 2018, *you* may be signing a NYS DFS Certification opining on your company meeting all the applicable DFS Cybersecurity requirements.

**Christopher Gulotta, Esq.**, CIPP, is the founder of Real Estate Data Shield, Inc., a New York based information security and compliance consulting company for title & settlement agents. Mr. Gulotta has over 25 years of title and settlement experience and is a Certified Information Privacy Professional. REDS offers security compliance solutions including web-based staff training, information security policy templates and Fractional CISO consulting services (“DataSAFE”), specifically focused on the NYS DFS Cyber Security regulations.

## **Lender Collaboration: Email and Phone Are Not Your Friend**

**By Vicki DiPasquale, Vice President, Sales, Simplifile**

Communication and collaboration technology has progressed leaps and bounds over the past decade, yet when it comes to lenders and settlement agents, phone calls, emails, and even fax are still the primary workflow methods. Of course, as the saying goes, “if it isn’t broke, don’t fix it,” but perhaps this workflow is more broken than many realize.

### **Email and Phone Miscommunication**

Communicating via phone and email creates an inconsistent process that can result in errors, missed information, and delays. Think about it: if information is being communicated via multiple channels, it’s impossible to know how that information is going to be communicated at any given time. For example, let’s say the lender is expecting a phone call from the settlement agent regarding an updated fee. If the agent sends an email instead, the lender may not be checking his or her inbox for that information, thus creating a delay that could affect closing. Furthermore, if the information is communicated by phone it can be misheard or written on a sticky note that’s easily misplaced.

Using email or phone for communication also prevents both sides from working with real-time data. What may have been true on Thursday afternoon at 4 p.m. when the information was initially communicated may not be true by Friday morning at 10 a.m. when the information is received. Not only does this create additional complexity, but it also opens the door for errors and wasted effort.

### **A Matter of Security**

While most organizations have security measures in place to protect data on their servers, they may not provide the same level of security for their email or telephone, especially VOIP, systems. Thus, communicating via these mediums can inadvertently expose sensitive consumer data to unauthorized access by outside parties. Not only does this represent a clear violation of consumer privacy laws, but communication via phone or email also raises concerns about the ability of both parties to provide a record of communication in the event of a regulatory audit.

Proving the content of a conversation held verbally is next to impossible. Even if notes are taken and included in the loan file, how can regulators verify that those notes accurately reflect what was said? Emails can be accidentally deleted, end up in spam filters, or just get lost in the shuffle. In auditors’ minds, without a verifiable audit trail, it’s as if those conversations never happened. Furthermore, this points to the instability of email and phone as a means of communication. Systems fail. Data gets corrupted. Outages happen. General office software and systems aren’t designed to facilitate the kind of collaboration lenders and settlement agents need to be effective and secure.

### **Modern Collaboration**

More and more companies are using integrated communication platforms for collaborating on projects. For example, Google offers tools for multiple users to work together on documents and spreadsheets in real time, with instant visibility into each other’s changes and live chat. At the enterprise level, many tech companies rely on Atlassian’s integrated tools like Confluence, JIRA, Trello, and more to constantly stay informed and work together.

These solutions take direct email and phone communication out of the equation and often offer the peace of mind of data encryption and high security standards. For settlement agents and lenders there are now similar tools available for consolidating collaboration workflow and increasing security. For example, Simplifile connects settlement agents and lenders. All parties are able to receive, track, share, and validate documents and fees in one place. With built-in messaging, lenders and settlement agents can discuss changes, updates, and deficiencies instantly on a document and fee level. Since all work is done within one system, there's real-time visibility into each other's processes, which prevents errors and miscommunication.

It's time to rethink traditional workflows and communication processes. Phone, email, and fax should no longer be the gold standard for collaboration. The right technology can offer efficiency and peace of mind to businesses in this new regulatory environment with ever-changing security risks.

**About the author:**

Vicki DiPasquale, Vice President, Sales, Simplifile

Vicki, who has a doctorate degree in management, manages Simplifile's sales team, overseeing and supporting all sales activities for the company. With more than 30 years of title industry experience under her belt, Vicki has worked for underwriters, attorney and corporate agents, real estate-related companies, and has independently lent her real estate experience to a number of consulting projects and as a traveling notary and closer. Vicki's expertise encompasses all aspects of title insurance, closing, sales, agency and management, and she has an affinity for using technology to simplify business processes.



# Passings

Lou Kushner passed away this year. Lou and Joe Friedman owned a title agency called Attorneys' Abstract Inc. The company was purchased by First American in the early 70's. At that time, Lou became Executive Vice President and chief counsel until his retirement. He was also an Honorary Life Member of the New York State Land Title Association.

Laraine Milazzo, retired agency representative and manager for First American Title Insurance Company for many years passed away Tuesday, January 17, 2017.

Nancy Piccirillo passed away January 5, 2017 surrounded by her soul mate for 43 years, John, her children, Jessica, David and Laura, her sister, Susan, and other adoring family and friends. Nancy graduated from Mepham High School in 1973, and from the Catholic Medical Center as an RN in 1977. Later on, she was a loving wife, mother who was there for each joy, tear and everything in between. She loved watching the birds flying to the feeder, listening to the waves and reading (hardcover) novels on the beach. She was a #1 Elton John fan, a Parrothead extraordinaire, and a first-hand witness as the ball passed Buckner in '86. Although, Nancy was not directly in the title insurance industry, we all know her very well and could never forget her beautiful soul inside and out.

Edward M. "Ed" Norton passed away May 31, 2017, at the age of 89, surrounded by his loving family. Ed was born in 1927 in Scranton, Pa. His family later moved to NJ and at 17, he enlisted in the United States Navy. During his long and distinguished career in the title industry, Ed served as the Senior or Chief Counsel at City Title, National Attorneys, Title USA, TRW Title, Nations' Title, Fidelity and United General.

# Announcements

**LandStar Title Agency**, a New York based national title insurance provider, is pleased to announce that veteran attorney Julie B. Rubinberg, Esq. has joined the agency as Counsel to further develop their growing portfolio of regional and national accounts.

Julie comments, "I am excited to join the LandStar team. I believe that my extensive experience in New York real estate law is a perfect fit for LandStar's growth strategies."

Senior Counsel and Senior Vice President, Kenneth P. Warner said, "Having a well-respected attorney like Julie on board speaks volumes. She will play a pivotal role in our expansion and our commitment to being a leading title agency."

Julie resides in Port Washington. For additional information, visit [www.landstartitle.net](http://www.landstartitle.net).

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Heroes To Heroes Foundation



Heroes To Heroes Foundation has been named in The 2017 Long Island Business News Corporate Citizenship Awards.



Heroes To Heroes was built from the desire to help American disabled veterans from all walks of life who are struggling to re-enter civilian life.

Michael Haltman, President of Hallmark Abstract Service, serves as Board Chair of the organization. Mr. Haltman is pleased to announce that the Heroes To Heroes Foundation has won the LIBN Corporate Citizenship Awards in the category 'Leadership Excellence – Nonprofit'.

The awards ceremony took place on June 6, 2017 at the Crest Hollow Country Club in Woodbury, New York. You can read more about the awards and the winners by clicking here: <http://libn.com/corporate-citizenship-the-business-of-giving/>.

If you are interested in finding out more about Heroes To Heroes, kindly contact:

**Michael Haltman, President**  
**Hallmark Abstract Service**  
<https://www.hallmarkabstractllc.com/>

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## **Magnolia Abstract Corp.**



Congratulations to Barbara Prignano of Magnolia Abstract on her 10<sup>th</sup> year anniversary. Barbara is an attorney and owner of Magnolia Abstract Corp. in East Islip, New York. Magnolia Abstract is a member of the New York State Land Title Association and is licensed by the State of New York.

Barbara is also an author of children's books and has two young children who always continue to inspire her.

<http://www.magnoliaabstract.com/>

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## **Harry W. Hawley, Inc.**



Congratulations to Harry W. Hawley on your 40<sup>th</sup> year anniversary. Located in Delaware County, New York, Harry W. Hawley, Inc., is recognized by the New York State Land Title Association as a Certified Independent Title Agent, signifying a high level of education and experience in the title searching and title insurance fields.

<http://hwhawley.com/>

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## Regulations 206 and 208

Regulations 206 and 208, which have been proposed by the Department of Financial Services (DFS), are causing concern in the real estate community, including with attorneys, title insurance companies, abstractors and the thousands of small business in the title insurance ecosystem.

The DFS can activate regulation 206 as early as late June and regulation 208 could be in effect by mid-August.

The NYSLTA has issued formal comment letters to the DFS regarding proposed regulations 206 and 208.

You can download the comment letters and post a comment on the Newsblog.

[Click to view News Blog](#)

## Don't forget to register

### 2017 Convention and Annual Meeting - Syracuse NY Sunday, August 20, 2017 – Wednesday, August 23, 2017

#### **Downtown Syracuse Marriott is completely sold out.**

There is a block of rooms available at the Jefferson Clinton Hotel located in Armory Square a short walk to the Marriott.

To make a reservation, please call 315-425-0500 or email [todd@jeffersonclintonhotel.com](mailto:todd@jeffersonclintonhotel.com). Be sure to reference NYSLTA for a special rate.

To view details and register for our Annual Convention, please click the following link

<https://nyslta.site-ym.com/page/2017ConvSplash>

## Important Dates

### **New York State Agent Licensing**

**June 30, 2017** – New York State Title Insurance Agent Licensing Renewal

New York State Title Insurance Agents need to renew their entity licensing by June 30, 2017.

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### **New York State Cybersecurity Regulation (23 NYCRR Part 500)**

**March 1, 2017** - 23 NYCRR Part 500 became effective.

**August 28, 2017** - 180 day transitional period ends. Covered Entities are required to be in compliance with requirements of 23 NYCRR Part 500 unless otherwise specified.

**September 27, 2017** – Initial 30 day period for filing Notices of Exemption under 23 NYCRR 500.19(e) ends. Covered Entities that have determined that they qualify for a limited exemption under 23 NYCRR 500.19(a)-(d) as of August 28, 2017 are required to file a Notice of Exemption on or prior to this date.

**February 15, 2018** - Covered Entities are required to submit the first certification under 23 NYCRR 500.17(b) on or prior to this date.

**March 1, 2018** - One year transitional period ends. Covered Entities are required to be in compliance with the requirements of sections 500.04(b), 500.05, 500.09, 500.12 and 500.14(b) of 23 NYCRR Part 500.

**September 3, 2018** - Eighteen month transitional period ends. Covered Entities are required to be in compliance with the requirements of sections 500.06, 500.08, 500.13, 500.14(a) and 500.15 of 23 NYCRR Part 500.

**March 1, 2019** - Two year transitional period ends. Covered Entities are required to be in compliance with the requirements of 23 NYCRR 500.11.

**Click here to view DFS website <http://dfs.ny.gov/about/cybersecurity.htm>**

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### **New York State Land Title Association Annual Convention**

**August 20, 2017 – August 23, 2017** - New York State Land Title Association Annual Convention - Sunday, August 20, 2017 – Wednesday, August 23, 2017

# ALTA SPRINGBOARD 2017



# To view new members of the New York State Land Title Association

[CLICK HERE](#)

New York State Land Title Association, Inc. is the  
statewide voice of the Title Insurance Industry

All news, information, dates and articles contained in this newsletter are for informational purposes only  
and all content may be subject to change.

**Have an idea for an article?**  
Email [Sue.Schirtzer@fnf.com](mailto:Sue.Schirtzer@fnf.com) or  
[news@NYSLTA.org](mailto:news@NYSLTA.org)

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**Newsletter Committee:**  
Suzanne Schirtzer, Chair  
Fidelity National Title Group

Jean Partridge, Vice-Chair  
Benchmark Title Agency, LLC

Dawn Pereyo, Committee Member  
Westcor Land Title Insurance Company

Kathy Randazzo, Committee Member  
Advantage Title Agency, Inc.

## **BECOME A MEMBER**

All title professionals in New York State, members and non-members, benefit from the work of the NYSLTA. The work we do and the things we can accomplish are only limited by the will, resources and support of our members. By joining the NYSLTA and supporting your professional association, you help us accomplish more and accelerate progress toward a business environment optimized for the secure conveyance of title to real property. There are also competitive advantages and direct benefits to you and your company. Most of our benefits and services are exclusively for members.

<http://nyslta.site-ym.com>