

# FAQs About ALTA's Best Practices v.4.0

AMERICAN  
LAND TITLE  
ASSOCIATION



**Question 1:** What are the ALTA Best Practices?

**Answer:** *The ALTA Best Practices Framework has been developed to assist title agencies, settlement agents, and title insurers (collectively referred to as “Company” or “Companies”) to optimize their practices and procedures to ensure financial and data security, operational stability, and to meet regulatory requirements along with fulfilling customer needs and requirements.*

**Question 2:** Why did ALTA develop these best practices?

**Answer:** *Initially, Best Practices were developed as regulators, consumers, and investors increased their focus on mortgage lenders knowing details about the Companies that they do business with. But today to help meet this need, ALTA developed the Best Practices to highlight title industry policies and procedures exercised to protect lenders and consumers, while ensuring a positive and compliant real estate settlement experience.*

**Question 3:** Are these Best Practices mandatory?

**Answer:** *No. These Best Practices are a voluntary tool to help the title industry ensure the quality of operations and to highlight the safeguards in place to ensure that closing activities meet all applicable laws and regulations.*

**Question 4:** How were the Best Practices developed?

**Answer:** *ALTA’s Board of Governors approved the Best Practices developed by the Best Practices Executive Committee, comprised of title agents and title insurers, and the Best Practices Work Group, which also includes vendors to the industry. Additional ALTA Engagement Groups and the use of industry comment periods allow for the input of varied groups in developing these standards.*

**Question 5:** Will the Best Practices be updated again?

**Answer:** *Yes. ALTA has two standing committees to review and update the Best Practices. Because of the rapidly changing nature of technology and business practices, the Best Practices Executive Committee has decided that interim changes will likely be made more frequently than in the prior three-year cycle.*

**Question 6:** Do title companies have a say in what should be in the Best Practices?

**Answer:** *Yes. In fact, the Best Practices Executive Committee that led the development of the Best Practices consists entirely of ALTA member title insurers and agents. We also welcome ALTA members to get involved by joining the Best Practices Work Group, which reviews the proposed standards and provides valuable feedback to the Best Practices Executive Committee.*

*As with ALTA's policy forms, the proposed revisions to the Best Practices are open for public comment after being adopted by the Board of Governors, and these comments are then reviewed by the Best Practices Executive Committee. In addition, after the revisions to Best Practices are published, the Best Practices Executive Committee will accept suggestions for future changes to ALTA Best Practices from the public on an ongoing basis. Whether or not you are an ALTA Member, we welcome your feedback and ask that you please submit any suggestions to [bestpractices@alta.org](mailto:bestpractices@alta.org).*

**Question 7:** How does a Company use/adopt these Best Practices?

**Answer:** *There are several ways a Company could use these Best Practices. Those that wish to adopt the ALTA Best Practices would start by reviewing its own written policies and procedures to determine alignment with the [ALTA Best Practices Framework: Title and Insurance Company Best Practices v. 4.0](#) document, which is available at <https://alta.org/best-practices>.*

*Some Companies already follow the actions described in the ALTA Best Practices, but do not have written procedures in place to document what they do. ALTA highly recommends that Companies have structured policies and procedures in place to ensure consistency and measure their policies against their practices. The formal documented comparison of the ALTA Best Practices to the written policies, procedures, and activities is an important part of the Best Practices assessment process.*

**Question 8:** Will ALTA provide help or tools to the Companies to make it easier to adopt these Best Practices?

**Answer:** *Yes. ALTA has developed various Best Practices documents that support the creation and evaluation of a Company's Best Practices. Various additional documents, including the Best Practices Assessment Procedures, evaluation tools, and additional documents that assist with the creation of Company procedures, related documents, and Best Practices assessment evaluations are provided at <https://alta.org/best-practices>.*

**Question 9:** Who issues an ALTA Best Practices certification following an ALTA Best Practices assessment?

**Answer:** *There are two ways to perform an assessment and certify the results under ALTA Best Practices:*

*(1) perform an internal assessment, where staff internal to the Company handles all aspects of the assessment, including all reviews, testing, and documentation, and provides all results of the assessment including providing the certification of the assessment results, or*

*(2) contract for a third-party assessment, where an independent third-party handles the assessment analysis and certification paperwork.*

*In either case, the assessment results and certification are kept by the Company that is ALTA Best Practices certified. ALTA does not request, receive, or retain any evidence of a company's Best Practices certification.*

**Question 10:** The prior version of Best Practices was 3.0, and the current version is 4.0. When do I need to transition from my 3.0 assessment and certification to ALTA Best Practices version 4.0?

**Answer:** *Best Practices v 4.0 was published on January 23, 2023, and is effective on May 23, 2023. At any time after publication on January 23, 2023, Companies may evaluate against Best Practices v 4.0, but all evaluations after May 23, 2023, must be performed against version 4.0 of ALTA Best Practices. Please note that assessments are valid for 24 months after completion so, for example, an evaluation that was completed on July 1, 2021 is valid until July 1, 2023, when evaluation against version 4.0 would be required.*

**Question 11:** How can I learn what has been updated in Best Practices v 4.0?

**Answer:** *There are several helpful sources of information:*

- 1. The [ALTA Best Practices website](https://alta.org/best-practices) (at <https://alta.org/best-practices>) provides documentation, including a PDF overview, that illustrates the details of the program including the specific changes that have been implemented. We highly recommend downloading this overview document.*
- 2. A title insurer is a useful source of information about the Best Practices program.*
- 3. ALTA will offer webinars overviewing the changes.*
- 4. Various FAQ and informational documents on the [ALTA Best Practices site](https://alta.org/best-practices) will be updated as questions are identified.*

**Question 12:** Can non-ALTA members adopt ALTA Best Practices?

**Answer:** *Yes. The ALTA Best Practices standards are publicly available, as ALTA is setting a standard for the entire industry. Additional documents, such as the ALTA Best Practices: Assessment Procedures, will be publicly available, though other documents and assisting materials will be restricted to ALTA Members, and to non-members who purchase access to the Best Practices materials at <https://www.alta.org/publications>.*

**Question 13:** Do title insurers require their title agents to adhere to the Best Practices?

**Answer:** *The Best Practices are a voluntary tool. It is at the discretion of each title insurer and title agent to determine whether the Best Practices will be part of a title agency's policy issuing agency agreement.*

**Question 14:** Does the adoption of these Best Practices mean lenders may drop their requirement that title agents be vetted?

**Answer:** *ALTA developed the Best Practices to provide a comprehensive uniform solution for the marketplace. Each lender will determine whether the Best Practices are sufficient to meet their needs.*

**Question 15:** If a title agency has multiple offices, does each office need to complete an assessment?

**Answer:** *ALTA believes it is important that Companies have their processes documented and followed. Though ALTA strongly recommends that each office confirm their adherence to Best Practices, ALTA encourages members to ask lender clients and title insurers for guidance on what will meet their expectations.*

**Question 16:** Can a Company perform the Best Practices Assessment internally, or does the Best Practices Assessment require the use of an independent external third-party?

**Answer:** *It is not required that an external third party perform the Best Practices Assessment, and the ALTA Best Practices allow for either method. By adhering to written policies and implemented procedures aligned with the Best Practices standards, most of the work for a successful assessment has already been completed. Nonetheless, some title agencies may prefer to have an external independent entity perform the evaluation to determine if the written policies and implemented procedures align with ALTA Best Practices.*

**Question 17:** Are there specific entities currently performing third-party assessments?

**Answer:** *Various accounting and auditing firms can handle Best Practice Assessments. In addition, ALTA provides a listing at our ALTA Marketplace of entities that have expressed that they can provide various Best Practices assessment services:*

*<https://www.alta.org/marketplace/>*

**Question 18:** What happens if a Company does not pass all sections of the assessment? How soon are they able to implement corrections and have the deficiencies re-evaluated?

**Answer:** *It will be up to those seeking the report and the assessment provider to make that determination. However, the certification will identify any exceptions and describe the remediation plan and timeline established to address those exceptions.*

**Question 19:** If there are discrepancies between the Best Practices and industry requirements or recommendations, how does a Company handle the differences if following the industry guidance?

**Answer:** *Since technology recommendations (such as those provided by “[NIST](#)”, which is the National Institute of Standards and Technology) and recommended business practices do change, there may be instances where a discrepancy will arise. If you identify a discrepancy, then document the difference as an exception, and attribute the exception to the source of the recommendation, and provide the information to [bestpractices@alta.org](mailto:bestpractices@alta.org). We welcome all information for future consideration by the ALTA Best Practices Executive Committee and Work Group.*