

## 2019 Arrives, and not a Moment too Soon



### MY PERSPECTIVE

By Frank Pellegrini, Prairie Title CEO

In many respects, 2018 was a year to remember. Unfortunately, much of what will be remembered in our industry

was not positive. Two of the “highlights” of the year were:

- A continued slow housing market despite low interest rates, much of it caused by a shortage of existing homes on the market.
- Cyber-crime in the form of increasing attempts to defraud home buyers.

On the real estate economy and its prospects for 2019, NAR has noted recently an uptick nationally in homes available for sale during the first six months of 2018. Let's hope that trend continues. That's really the key to growth in our industry in the coming year. See page 4 for more discussion about the real estate economy and perspective from respected industry sources.

Equally as important as a growing real estate economy is preventing cybercriminals from stealing our customers' money as they move toward closing on a new home.

Our industry has always been attractive to scam artists because of the large amounts of money involved in real estate transfers. And it's not just large organizations that are under attack. As Forbes noted recently:

“Cybercriminals are equal-opportunity attackers. While breaches within huge corporations like Target and Equifax consume the headlines, businesses of every size are under attack, especially in industries like health-

care, law and finance which, by trade, store and manage vast amounts of sensitive data.”

Mortgage scams often have targeted consumers by delivering fake wiring instructions to home buyers, a troubling trend that continues today. And spoofing, in which a person or program successfully masquerades as another by falsifying data to gain an illegitimate advantage, has also come to the forefront with potentially disastrous consequences for those who are not diligent at all times about how they handle payoff notes. Please see page 3 for much more information about preventing cybercrime, including spoofing.

### In other news

There's divided government in Washington and strengthened Democratic majorities in both chambers of the state house, plus a new Democratic governor. In a strange way both developments may help move our governments to action.

It's clear that Democrats in Springfield now rule the roost, and you would think that would lead to action. Not always action business people might like, but more action than the last two years. For us, that means we must keep in close touch with our state associations and representatives to be certain we have a measure of influence over the legislature's activity.

*Wishing you, your colleagues and your family a happy, peaceful, prosperous 2019!*



On the national level, nothing will get done without agreement between Republicans and Democrats, and that just might be a good thing. Perhaps bipartisan compromises on some of the big issues facing our nation can be achieved. Maybe we will even get progress

see **MY PERSPECTIVE** page 2

### IN THIS ISSUE

1. **My Perspective**  
*2019 is here*
2. **Fast Five Questions**  
*We ask Betsy Rousakis and Tori Kosacz*
3. **Focus on Cybercrime**  
*What you need to know*
4. **The Economy, Going Forward**  
*The experts weigh in.*

# Five Fast Questions

Five Fast Questions is a monthly feature in ASSURANCE which aims to help you get to know the Prairie Title team members you work with on a more personal level. Here are Five Fast Questions for Betsy Rousakis and Tori Kosacz.

## Betsy Rousakis, Customer Service Representative

### Where were you born?

I was born and raised in Chicago.

### What do you love most about the real estate business?

It's like fitting the pieces of a puzzle together from start to finish: from property listing, to sales contract, through attorney representation, the title company's work, and the closing. Putting all this together to give the consumer their happily ever after in their new home.

### What's your favorite vacation spot?

It can be anywhere that I spend time with my husband and kids. A simple weekend in Milwaukee watching the Cubs play. An adventure to another country. Sitting on the beach in the Caribbean or going crazy at Universal Studio visiting the Harry Potter exhibit.

### Why do you like working at Prairie Title?

The people, including attorneys you meet, support staff, customers, employees. It's always a variety and never the same and never a dull moment.

### What historical figure is most important to you?

Michelangelo (not the teenage mutant ninja turtle), Italian sculptor, painter and architect. His work throughout his career is awe-inspiring, including the painting of the Sistine chapel and sculpting the Statue of David, among others. To have actually been able to view his works, and having the knowledge to know how difficult his process was, and what beauty that he created for the world to see, was awesome. The statue of David is one of my most admired pieces he created, and I can and did view it for hours in Florence.



## Tori Kosacz, Title Examiner

### Where were you born?

In Harvey, Ill., but I grew up in Arlington heights and Evergreen Park.

### What do you love most about the real estate business?

I love being a small part of people realizing their dream of home ownership. I have not yet realized that dream myself, but I very much look forward to it!

### What's your favorite vacation spot?

Nashville, Tenn. I am a huge country music fan and Nashville is for sure the place to go for some of the best live country music out there! Some of the biggest names in country music got their start there just by getting up on stage and singing in one of the many bars on Broadway.

### Why do you like working at Prairie Title?

Well, I love the people I work with like family and am very close with some of them. Everyone is always there to help each other out and I love that!

### What historical figure is most important to you?

Someone I very much admire is the singer Pink. She is a very talented musician and is always advocating for women to know their worth and always be themselves no matter what anyone says.



## MY PERSPECTIVE from page 1

on some of the issues facing our industry, including the future of the GSEs and revisions to TRID disclosures. One can always hope.

### Finally, what's in a name?

After reports that former CFPB Acting Director Mick Mulvaney's plan to officially change the agency's name to the Bureau of Consumer Financial Protection could cost businesses hundreds of millions of dollars to implement, new director Kathy Kraninger has officially ended the effort

to change the agency's name.

"I care much more about what we do than what we are called," Kraninger wrote in an email to all CFPB employees. "As of December 17, 2018, I have officially halted all ongoing efforts to make changes to existing products and materials related to the name correction initiative."

That's a refreshing injection of common sense from a government official who has quite a bit of influence over our industry. Let's hope 2019 brings more of that.

## Contact Us

You can contact any member of our management team or department heads via e-mail. Or dial our main number at 708-386-7900 and ask for the following extensions:

Frank Pellegrini - **CEO** ..... ext. 1301  
frank@prairietitle.com

Mary Pellegrini - **Customer Service** ..... ext. 1306  
mpellegrini@prairietitle.com

**Scheduling** ..... ext. 1303  
scheduling@prairietitle.com

Steve Gillum - **Account Executive** ..... 630-450-0093  
sgillum@prairietitle.com

Michael Guerin - **Account Executive** .... 847-651-5635  
mguerin@prairietitle.com

Van Hante - **Account Executive** ..... 708-692-2824  
vhante@prairietitle.com

Prairie Title  
6821 North Ave.  
Oak Park, IL 60302  
www.prairietitle.com



# Focus on Cybercrime

## Preventing Spoofing

"Over the past six months, the title and settlement industry has seen a sharp increase in the use of spoofed mortgage payoffs by cybercriminals," wrote Thomas Cronkright, CEO/Co-founder of CertifiID (Grand Rapids, Mich.) in a recent white paper. "Knowing a vast majority of payoff letters get sent via fax, the cyber perpetrator creates payoff statements that look identical to those issued by the lending institution. These false statements are then faxed to the title or escrow company disbursing the transaction after closing.

"What to do?" the paper continues. "This scam underscores the need for remarkable diligence when requesting a mortgage payoff letter. If possible, fax or send an encrypted email to the lender requesting the payoff rather than trusting an online portal. When forced to use an online portal, confirm the accuracy of the bank account credentials before acting on them either through a phone call, secure message or another form of validation."

The FBI's Internet Crime Complaint Center adds the following advice:

- Always compare the link in the email to the link that you are actually directed to.
- Log on to the official website, instead of "linking" to it from an unsolicited email.
- Contact the actual business that supposedly sent an email to verify if the email is genuine.

All great advice and we practice these principles at Prairie Title every day. As inconvenient as it may seem, we must all take careful steps to confirm and verify every payoff letter we receive without exception. Our livelihoods depend on it.

## Building Strong Passwords: A Key to Preventing Fraud

Passwords are critical gateways to your company's databases and networks. But they're also potential open doors for hackers. Up there with "password" and "qwerty" in the Hack Me Hall of Fame are passwords that are short common terms like team names, dog breeds, dates

and other easy-to-guess options.

They're risky on two fronts, according to the Federal Trade Commission. First, an up-to-no-good insider will take one look at the screensaver of an employee's adorable sheepdog Ralphie and immediately try "sheepdog" and "Ralphie." Second, common words are particularly susceptible to dictionary attacks. When creating passwords, remind your employees to skip those obvious choices. This is one time when good spelling can lead to bad results.

Longer passwords are better, of course, but they can be harder to remember. So how can businesses balance security and practicality? The FTC suggests considering the passphrase as an alternative. Hackers aren't likely to guess a nonsense word like "iwtraranaped," but the guy in the next office who plays in a Kiss cover band on weekends will instantly remember "I want to rock and roll all night and party every day." Careful companies layer in mandatory numbers, symbols, or cases, making "iW2r+ran+ped!" an even stronger option.

Here are some tips on building strong passwords.

### A strong Password should:

- be at least 8 characters in length
- contain both upper and lowercase alphabetic characters (e.g. A-Z, a-z)
- have at least one numerical character (e.g. 0-9)
- have at least one special character (e.g. ~ ! @ # \$ % ^ & \* ( ) - \_ + =)

### A strong password should not:

- spell a word or series of words that can be



## The following are vital suggestions for using passwords

- Do not share your password with anyone for any reason.
- Change your passwords periodically—at least every three months.
- Do not write your password down or store in an insecure manner. Never store a password in an unencrypted electronic file or use the "save my password" feature on websites for important passwords.
- Do not use automatic logon functionality on websites or devices.
- Avoid reusing a password.
- Avoid using the same password for multiple accounts or sites.
- If you have an in-home Internet router, change the default password periodically. Each router has a basic default username and password combination. This makes it easier for hackers to break into your network.

*Courtesy of the American Land Title Association.*



# The Economy, Going Forward

As the new year dawned, forecasts regarding the general economy and the real estate economy were plentiful, as always. We picked out highlights of what we felt were some of the more compelling projections from long-time experts to share with you.

## CoreLogic:

- We expect long-term yields to rise, nudging 30-year fixed mortgage rates up to an average of about 5.25 percent by December, the highest in a decade.
- Higher interest rates will affect housing and mortgage market activity.
- At the margin, homeowners who currently have low-rate mortgages will be incented to stay in their home rather than sell, keeping the new-listings flow relatively low.
- The larger monthly payments that come with higher mortgage rates will likely soften buyer demand, leading to less pressure on home prices. For our national CoreLogic Home Price Index, we forecast price growth to slow by one percentage point over the next 12 months.

- For mortgage lending, higher rates mean even less refinance activity in 2019.
- The dollar decline in refinance will be largely offset by the dollar increase in home-purchase lending, keeping the overall dollar volume of originations about the same between 2018 and 2019.

home sales have risen the last two months, which is notable given that they had declined for most of 2018.

"The slowdown in home sales and home prices in 2018 was concentrated on the high end of the market and along the more expensive coastal and formerly hot markets. While interior housing markets exhibited

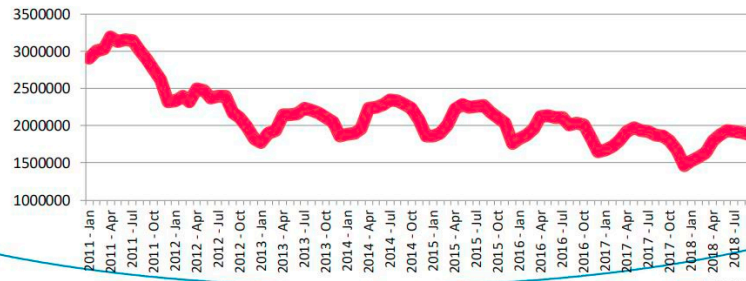
a slowdown, it was milder than the slowdown in coastal markets. Therefore, the key is watching what will happen in these markets – and that's driven primarily by affordability.

"Generally, the monthly mortgage payment remains affordable for most buyers and that's good news. First-time buyers account for over 45 percent of purchases and their share hardly has been impacted by the run up in mortgage rates in 2018, which illustrates that they are a stabilizing

force to the market because their willingness to purchase is high.

"Homeownership rates finally began to recover over the last few years and it is concentrated among families earning less than the median income. The other good news is we've had a major home price boom, but there will likely be no crash thanks to the very large home equity cushion of about \$15 trillion."

## Inventory of Homes Finally Turning Higher



This chart from NAR gives us hope.

## Freddie Mac:

"We've been optimistic that sales are going to very modestly increase in 2019. For that to happen, economic growth needs to remain stable and mortgage rates need to remain under 5.25 percent. We expect both of those conditions to occur, which should support a modest rise in home sales. The latest monthly data indicate sales are stabilizing as existing



*Prairie Title staff gathered for a Thanksgiving "class photo" to express our gratitude to clients, and held a holiday party in December with the entire Prairie Title family. Our traditional holiday party was a big hit. We hosted a terrific art exhibit by Shelly Timm-Thompson late last year. Shelly's art really brought a splash of color to our office.*