



## To Embrace AI or not Embrace AI *Really, do we have a choice?*

By Frank Pellegrini - Prairie Title CEO

Change is difficult, as we all know, but coping is often a matter of making small changes in your life to absorb the positives change offers. At other times, change is disruptive and a major challenge in our lives, though it is not always apparent whether that change will be positive or negative.

Such is the case with Artificial Intelligence. AI, as it is commonly known, has the potential to change our world in ways that are rather straightforward – think of creating a basic document – while also encompassing frightening, almost surreal possibilities.

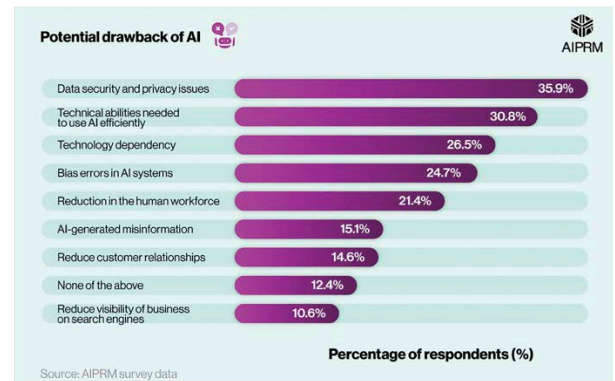
For the real estate industry, AI can provide great benefits, in my view, but that does not mean that we should not have concerns about the utilization of AI in our businesses and by our customers. On pages 2 and 3 of this issue you will find an extensive analysis of the potential uses of AI in our industry. The article was written by Jeremy Yohe, vice president of Communications for the American Land Title Association, so it is a bit tilted toward the title and escrow businesses. But much of what Jeremy discusses is applicable throughout the real estate industry, so I urge

you to read it in full.

Jeremy includes charts based on a survey by AIPRM a well-known prompt management library that helps users improve the output from AI-powered platforms like ChatGPT. In the chart at right you'll see that the respondents had various levels of concerns about the potential drawbacks of AI, with "Data security and privacy issues" not surprisingly at the top of the list.

What I found very interesting is the second-most cited concern: "Technical abilities needed to use AI efficiently." I believe that gets to the crux of the matter. Embracing the unknown and in this case a technology that is little understood can be scary. Learning how to use AI to the benefit of your business presents a stiff challenge, but the rewards are evident.

Jeremy's article details many of the ways AI can be used effectively and efficiently in our industry. I urge you to strongly consider a



deep dive into the world of AI and how the powers of AI can be best deployed to your advantage.

I would love to hear from you about how you are planning to implement AI in your business. Drop me a line at [frank@prairietitle.com](mailto:frank@prairietitle.com) and we'll get a dialogue going. Look for Prairie Title to continue addressing AI in future issues of ASSURANCE. Perhaps we'll even include your suggestions (with your consent).

Have a great summer!

## Real estate can Benefit from Gen AI

According to McKinsey and Co., Gen AI's strengths generally fall within one of four categories, which they dub "the four Cs."

- Customer engagement, which can be supported by tools such as conversational chatbots that answer questions and remove doubt from customer decisions.
- Creation, in the form of tools that generate new creative content, including text and images.
- Concision: Gen AI excels at synthesizing insights from unstructured data, interpreting conversations, and querying

large data sources.

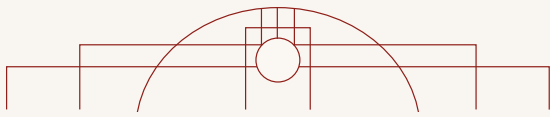
- Coding solutions, of which Gen AI offers many, including interpreting, translating, and generating code.

In their work with AI, McKinsey notes that, "We have seen real estate companies gain over 10 percent or more in net operating income through more efficient operating models, stronger customer experience, tenant retention, new revenue streams, and smarter asset selection."

Source: ALTA.org

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## Meet the Prairie Team

Prairie Title's excellence is directly attributable to the quality of our people. Our professional staff members have decades of experience in the industry, and they are dedicated to the notion that great customer service begins with them. As a result, our clients have easy access to dedicated real estate professionals in an environment where decisions are made quickly, but not imprudently.



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# Unlocking the Potential Practical Uses of AI

*By Jeremy Yohe*

Artificial Intelligence (AI) has moved beyond the realm of science fiction and academic research to become a key player in the modern business landscape. Title companies, among other industries, are beginning to recognize the transformative potential of AI. From automating routine processes to enhancing customer service, AI offers numerous applications that streamline operations and drive efficiency.

## AI Adoption

Title and escrow professionals are not sitting on their heels when it comes to engaging with AI. According to a survey conducted by Qualia, 90% of these professionals have already adopted generative (gen AI) solutions in one form or another, regardless of whether their respective companies have formally integrated AI into their workflows. The majority (84%) feel neutral, optimistic or very optimistic about the benefits of AI for the title and escrow industry. Qualia surveyed 378 title and escrow professionals.

Interestingly, the percentage of companies in the title industry using AI is significantly larger than companies worldwide. According to a survey from McKinsey Global, 65% of respondents report their organizations are regularly using AI. As of 2023, the global AI market size is worth an estimated \$454 billion, AIPRM reported. The North American AI market is the largest in the world—with a 37% market share.

## AI as a Tool for Efficiency

At its core, AI serves as a powerful tool for enhancing productivity by automating repetitive tasks. The rapid, employee-led adoption of AI tools is promising for its potential to transform title operations in the next few years, Qualia reported. "It signals that AI is 'sticky,' meaning employees continually come back to it because

it provides tangible value. When support for new technology comes from the bottom-up, leaders can expedite the integration of tailored solutions into the business without facing adoption hurdles," Qualia said.

Vishrut Malhotra, co-founder of Rexera, shared how his company integrates AI into title and escrow operations. Rexera uses AI to automate tasks such as managing homeowners association (HOA) documents, lien searches and mortgage payoffs — areas that require significant manual labor. AI technology allows the company to scale operations without increasing staff or overhead. AI processes routine tasks, such as quality control checks and document retrieval, freeing human workers to focus on more complex, high-value tasks.

"We receive about 30,000 to 40,000 emails from HOAs every month," Malhotra explained. "Our AI helps process these emails and links them to the right transaction. Automating this task, which was once done manually, saves us an incredible amount of time." He emphasized that AI allows Rexera to scale its operations effectively, ensuring accuracy and quick turnaround times.

"Without AI, we wouldn't be able to handle the volume or meet customer expectations at the level we do now."

Survey results showed the highest-ranked benefits of AI were increased productivity, automating repetitive tasks and increasing job satisfaction. Meanwhile, the lowest-ranked risk of AI was "losing my job to AI."

The key takeaway here is that AI isn't replacing human workers but acting as an augmentative tool. Businesses can manage larger workloads, improve accuracy and speed up processes by allowing AI to handle time-consuming, repetitive tasks. This

directly enhances productivity while reducing operational costs.

### AI in Customer Service and Communication

AI's potential in customer service is another transformative area. Hoyt Mann, co-founder of Alana.ai, explained how conversational AI has become a game-changer for title companies. Alana.ai acts as a 24/7 virtual assistant that interacts with clients, answering routine questions, scheduling tasks and even managing transactions. This innovation reduces the need for constant human intervention, allowing title agents and customer service professionals to focus on more complex issues.

"One of the key goals of Alana.ai is to take knowledge that's already inside your company and make it available in a conversational format," Mann said. "We focused on building an AI that could handle common inquiries—anything from providing updates on a trans-

action to answering questions about title policies. This ensures a seamless experience for clients while helping title agents avoid repetitive tasks."

The beauty of AI in this context is its ability to improve both internal efficiencies and customer experiences. For instance, AI can reduce the burden of phone calls or emails for frequently asked questions, such as "What is the status of my transaction?" or "What are my closing costs?" AI tools like Alana allow title agents to focus on higher-value tasks while maintaining excellent client communication.

### Customization and Personalization

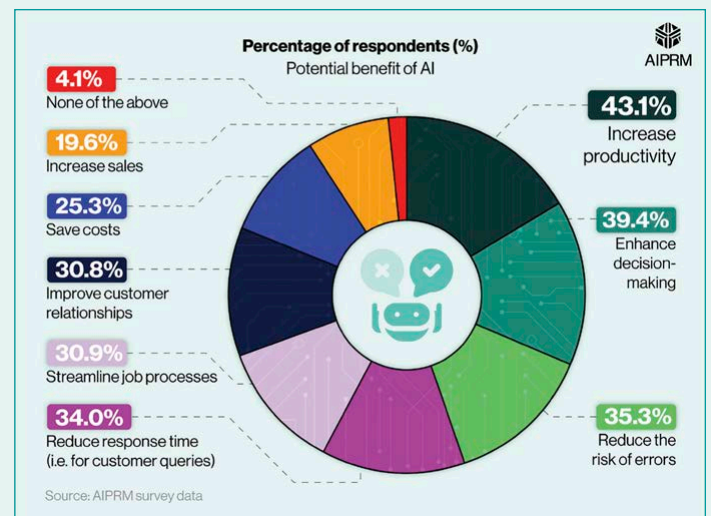
Experts have expressed the importance of maintaining human oversight when using AI. While AI can handle routine inquiries, complex situations still require human judgment. Mann pointed out that AI can be personalized to reflect the brand and culture of a business, ensuring AI-enabled communication aligns with the company's tone and values. This customization helps businesses integrate AI seamlessly into their customer interactions without sacrificing the personal touch clients expect.

Malhotra agreed with this thought, explaining that AI serves as a powerful enabler for businesses.

"AI works like an intern—it has basic reasoning abilities, but it still needs human oversight for more complex tasks," he said. "The combination of AI 'interns' with human operators works incredibly well for us, allowing us to scale and provide a solid customer experience."

### Practical Steps to Implement AI

For professionals wondering how to begin integrating AI into their operations, the first step is identifying repetitive processes that consume valuable time. Start by automating small, routine tasks—such as document management, data entry or customer inquiries. As Mann emphasized, it's crucial to partner with vendors who understand your industry's unique needs. Title companies, for example, should seek AI providers familiar with real estate transactions to ensure the technology fits seamlessly into their workflow.



### Overcoming Common Concerns: Data Privacy and Ethical Use

A significant concern for many professionals when adopting AI is data privacy. Both Malhotra and Mann stressed the importance of working with AI partners who prioritize data security and transparency. Ensure your AI solutions anonymize sensitive data and comply with all relevant privacy regulations. Moreover, ethical considerations are vital: businesses must remain transparent with clients when using AI tools, ensuring clients know when they are interacting with chatbots rather than a human.

Mann emphasized the importance of transparency and ethical use. He said it's essential companies introduce AI as a virtual assistant and be clear about its capabilities.

"People don't want to interact with AI under the illusion that they're talking to a human," Mann said. "That's why we make it clear that AI is there to assist, not to replace human interaction."

### Looking Ahead: The Future of AI in Business

As AI technology continues to evolve, it will offer even more sophisticated tools for enhancing business operations. AI's capabilities in areas such as video and voice interaction are expanding, which could lead to new ways of interacting with clients and handling transactions. While the technology is still developing and improving, professionals should view AI as a collaborative tool, helping teams become more productive and efficient without replacing the need for human oversight and expertise.

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### Terms to Know

**Artificial Intelligence (AI):** AI is a computer system that applies advanced analysis and logic-based techniques to interpret events, support and automate decisions, provide recommendations, and take actions. AI is already embedded into most people's day-to-day lives. For example, AI powers voice-recognition technologies like Google Home or Amazon's Alexa. AI also enables users to unlock their smartphones with facial recognition or instantly see and correct mistakes with spell-check functionalities.

**Generative AI (Gen AI):** Gen AI refers to deep-learning models that can generate unique text, images, audio and other content based on the data they were trained on.

**Natural Language Processing (NLP):** NLP technology involves the ability to turn text or audio speech into encoded, structured information.

**Large Language Models (LLM):** An LLM is a specialized type of AI that has been trained on vast amounts of text to understand existing content and generate original content. OpenAI's ChatGPT-4 is an example of an LLM.



# Professional Responsibility Considerations Using AI in Real Estate Transactions

By Scott Lascari, Fidelity National Financial Family of Companies

Fidelity National's Scott Lascari came to Prairie Title in June to conduct a Continuing Legal Education Course that focused on professional responsibilities regarding the use of Artificial Intelligence by real estate practitioners. Included in Scott's presentation were tips for deploying AI in your business including:

## 1. Recruitment

- a. Use AI to create job descriptions and identify candidates
- i. Use AI to create an initial working draft for your review only because of the risk of bias in job descriptions that do not appeal to specific demographics

## 2. Reports and Presentations

- a. AI can digest large volumes of information to distill and organize
- i. Be careful not to use proprietary information, intellectual property, or private data in the prompts

## 3. Marketing

- a. More creativity based and therefore can be ideally suited for AI
- i. Be careful that the AI is not using proprietary text or graphics online

## 4. Research

- a. Use cautiously as AI for research can open up the risk of "hallucinations" that is, AI presenting fiction as fact
- i. You must review for accuracy, relevance, and proper citation from legitimate sources

## 5. Chatbots

- a. The chatbot must be given specific guidelines that should be constantly monitored
- i. Note that chatbots can give inappropriate or offensive responses

## 6. Workplace efficiency

- a. Summarize your notes from meetings or research
- i. Compare documents for similarities and differences
- ii. Learn how to use a software program or feature (Microsoft Office or Apple programs)

## 7. Translation services

## 8. Summarizing your emails

To get a full copy of Scott's presentation, contact Mary Pellegrini ([mpellegrini@prairietitle.com](mailto:mpellegrini@prairietitle.com)) or Michael Guerin ([mguerin@prairietitle.com](mailto:mguerin@prairietitle.com)).



The Oak Park Area Association of Realtors sponsored a Spring gathering at Rustico in Oak Park. Pictured at left are Karen Olenski of First Community Mortgage and Prairie Title's Michael Guerini. At right: Michael Bailey, Government Affairs official with Illinois Realtors, Frank Pellegrini and Sharon Halperin, Association Executive, Oak Park Area Realtors.

## So Long, Old Friends

The Prairie Title family recently, reluctantly, said goodbye to three of our Prairie Dogs: Charlie Pellegrini, Nancy Goggin and Tori Kosacz. Charlie and Nancy have retired after distinguished careers in the title business, and Tori has moved on after 13 years with Prairie Title. She has accepted a new challenge working for the village of Hazel Crest.

We are sorry to see this trio of stalwarts leave Prairie Title, but we are so grateful for their contributions over the years.

Good luck Charlie, Nancy and Tori. We already miss you!



Nancy



Tori



Charlie



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