

ALTA Best Practice #1

When you go to the hospital for the operation, it goes without saying that the doctor should have a medical license in order to perform the operation. When you drive down the road, you expect that the driver coming at you in the other lane has a driver's license as well. The same is true when providing title and settlement services; the state takes the first step in vetting a service provider. The state determines who should hold a license to perform title and/or settlement services. It also sets forth requirements and examines applicants. These requirements vary by state but could include (1) a law license issued and regulated by the state bar, (2) a license issued and regulated by the department of insurance, (3) both, (4) none of the above. In some states, there are other licenses required such as bonds or notary certification. These requirements are set forth by the various state regulators and included in ALTA Best Practice #1. Click [here](#) for a quick reference to state requirements.

Now that you have your appropriate licensing, proving that you have it is simple. Congratulations! If you are properly licensed in your state to provide title and settlement services, you have already complied with the first of the seven pillars of professionalism that are the ALTA's Best Practices. Best Practice #1 states:

Establish and maintain current License(s) as required to conduct the business of title insurance and settlement services.

Purpose: Maintaining state mandated insurance licenses and corporate registrations (as applicable) helps ensure the Company remains in good standing with the state.

Essentially, licensing is the first and most basic element for compliance. Having completed those state requirements, and any subsequent annual requirements, such as continuing education and payment of fees, you can maintain your license in good standing.

There are a few other aspects to licensing requirements of ALTA Best Practice #1, specifically:

- 1) Maintain any and all licenses and registrations prescribed by the state bar (if applicable);
- 2) Maintain any and all licenses and registrations prescribed by the state department of insurance (if applicable);
- 3) Maintain any bonds or certifications prescribed by state regulators;
- 4) Complete all continuing education requirements;
- 5) Pay all fees associated with licensing;
- 6) If your entity is a non-personal entity, then your entity should file whatever annual reports (if any) and supporting documentation that are required for your entity to remain in good standing with the Secretary of State;
- 7) Establish and maintain appropriate compliance with ALTA's Policy Forms Licensing requirement;
- 8) Establish list of required business licenses;
- 9) Maintain an electronic or paper file with a log of licenses, expiration dates and copies of licenses for quick reference

Since you are already doing all of the above, ALTA Best Practice #1 simply restates the obvious by giving you credit for certain best practices that are already a part of your everyday business. For more information about the ALTA Best Practices and how to comply, please visit <http://alta.org/bestpractices>.