

ALTA Best Practice #1 - Licensing

When you go to the hospital for an operation, you take it for granted that the doctor has the necessary medical license to perform the surgery. When you drive down the road you assume that the driver in front of you has a valid driver's license. The same is true when clients come to your office for closing. When was the last time one of your clients asked to see your license to practice law? As you do with the surgeon and the driver they take it for granted that you have been issued a license to practice law by the state of North Carolina. Accordingly, compliance with ALTA Best Practice #1 is something the service provider should be able to take for granted because you are already doing it. ALTA 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.

If you are licensed to practice law in North Carolina, congratulations, you have complied with the first of the seven pillars of professionalism that are ALTA's Best Practices. Licensing is the first and most basic element for compliance. In the provision of title and settlement services the state of North Carolina has taken the first step in vetting you as the service provider. North Carolina sets forth requirements and examines applicants and determines who should hold a license to practice law. 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. Now that you have the appropriate license, maintaining and proving that you have it is the easy part.

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;
- 2) Complete all continuing education requirements;
- 3) Pay all fees associated with licensing;
- 4) 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;
- 5) Establish and maintain a list of required business licenses;
- 6) 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, compliance with ALTA Best Practice #1 should be as simple as creating the log referenced in numbers 5 and 6 above. In an effort to assist in your efforts to comply with the federal regulations promulgated by the CFPB, Investors Title has created a template for this log which can be accessed [here](#). For more information about the ALTA Best Practices and how to comply, please visit <http://alta.org/bestpractices>.