



THE TITLE REPORT

Market Intelligence for the Title Insurance Industry

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Back to the Future: Forecasting 2004 for the title agent

As Seen In The Title Report

Excerpt

For the title insurance industry this year will be shaped more by the refinance bust than by RESPA reform or almost any other economic force you can think of. The much discussed and long anticipated day of reckoning for an industry used to the steady flow of refinance business appears to be at hand. And judging by the predictions of major trade groups it won't be a pretty or even fleeting affair.

Charles Ferraro, president of Equity Settlement Services, Inc., in Smithtown, New York, began to prepare his company for the downturn in September 2003.

“We've spent a significant amount of time building forecasts and operating models to give an accurate picture of where volumes are headed,” Ferraro explained. “By adjusting capacity at the appropriate time we were able to continue to provide timely and high quality service while maintaining appropriate operating margins. In addition, we continue to create much tighter controls on all other line item expenses.”

“With volume declining business development becomes more important than ever,” Ferraro added. “We have aligned some of our most experienced and knowledgeable staff to focus on business development. In fact, although we have reduced staffing in most parts of our operation we have made a clear choice to increase sales staff and step up activity in Sales and Marketing.”

The slowdown has allowed the company to redouble its focus on product and service quality, develop and improve a company training programs, and assess internal procedures. In addition, Ferraro said, the company plans to continue to build on its technology infrastructure and further develop Equity Settlements national presence. Ferraro noted that while 2004 will be challenging for the title and settlement industry, “carefully planned and executed strategies will provide a platform for success in 2004 and beyond.”