

Fact Sheet for Title Companies

There is no “free pass” for Title companies, when it comes to privacy and data security laws. Under federal law, they are treated exactly the same as Title & Settlement companies with identical obligations to comply with privacy and data security laws.

- **Title companies are defined as “financial institutions.”** Section 225.86 of Title 12 of the Code of Federal Regulations includes real estate title abstracting as an activity that is financial in nature. Any financial institution that provides financial products or services to consumers must comply with the privacy and security provisions of the Gramm-Leach-Bliley Act as well as the rules that the Federal Trade Commission issued pursuant to it: the Privacy Rule and the Safeguards Rule.
- The Gramm-Leach-Bliley Act (GLBA) requires all financial institutions to develop and maintain security measures and safeguards to protect all **documents containing “nonpublic personal information.”**
- **Nonpublic personal information means “personally identifiable financial information” that a consumer supplies or that is obtained in connection with a transaction involving a financial product or services.** So long as this information is not available publicly, which is a narrowly defined category, it is covered information under Federal law.
- Title companies generally do **not** handle exclusively public information. **Most title companies handle private consumer information on a daily basis.** Such information includes information provided on loan or insurance applications, account information, and information from a consumer credit report. Common documents with non-public information include transfer tax returns, bank pay-off letters, and statement of identify forms (such as copies of drivers’ licenses). All these documents contain personal information, including social security numbers and account numbers, which federal regulations require be protected with appropriate measures.
- The FTC is increasingly using litigation as a means of enforcing its rules and regulations. For example, in *FTC v. Nations Title Agency et al.* (2006), a title company had disposed of confidential customer information in an unsecured dumpster, and hackers had exploited security flaws in the title company’s network. The title company was found in violation of the FTC’s Safeguards Rule, Privacy Rule, and Disposal Rule.

Our Solution

Our employee-training program in privacy and security is designed specifically for the Title & Settlement industry. Our interactive e-Courseware teaches your employees how to comply with federal laws, rules, and regulations. This cost-effective training allows you to significantly reduce your company’s liability risks.

After completing our course, your employee will know how to demonstrate reasonable care in handling personal data. Your company will be less likely to experience a data breach. The course also includes a built-in accreditation process. Following successful completion of the course, Real Estate Data Shield issues a certification, which demonstrates that an employee has gained essential knowledge about safe data handling practices.

We are a team of highly successful Title & Settlement entrepreneurs, internationally recognized privacy experts, and award winning e-courseware designers.

Let us help you be Privacy Smart.™