

ESCROW ADVISORY COMMITTEE MEETING

December 10, 2025

10:00 AM – 11:30 AM

300 S. Spring St., 15th floor conference room, Los Angeles, CA 90013

Or via. Microsoft Teams

Department of Financial Protection and Innovation Represented by:

Adrian Diaz, Deputy Commissioner, External Affairs
Boryana Arsova, Assistant Chief Counsel, Enforcement
Colleen Monahan, Deputy Commissioner, Legal
David Bae, Senior Counsel, Legal
Gary Suzuki, Special Administrator-Examination, Escrow
Greg Young, Senior Deputy Commissioner, Division of Corporations and Financial Institutions
Lara Verwer, Senior Counsel, Legal
Myriam Valdez-Singh, Deputy Commissioner, Legislation
Paul Liang, Assistant Deputy Commissioner, Escrow
Sheila Oliver, Deputy Commissioner, Escrow and Mortgage Lending Office

Committee Members Present:

Barry Sender, Village Escrow Services / Other Business Ownership
Diane Boudreau-Tschetter, California Business Escrow, Inc. / Business Specialization
Jason Watrous, Freedom Escrow / Chairperson EAFC**
Jennifer Felten, RELAW, APC
Jeffrey Behm, CPA, Landmark Certified Public Accountant
Nancy Silberberg, Altus Escrow, Inc./Past Chairperson EIC*
Patricia J. (P.J.) Garcia, Beach Pacific Escrow, Inc./ Chairperson EIC *
Stephanie Wolf, Pickford Escrow Company / Medium Sized Escrow Company
Tracy Elliott, Wine Country Escrow, Inc / Small Business

* Escrow Institute of California

** Escrow Agents' Fidelity Corporation

1. Welcome and Opening Remarks

Paul Liang called the meeting to order at 10:00 a.m. Roll call was conducted. Members confirmed their attendance in alphabetical order. Barry Sender, PJ Garcia, and Nancy Silberberg were present in person. Diane Boudreau-Tschetter, Jason Watrous, Jeffrey Behm, Jennifer Felten, and Stephanie Wolf confirmed their attendance virtually. A quorum was established.

Liang introduced the DFPI representatives in attendance, including Committee Chairperson Greg Young; Deputy Commissioner of Escrow and Mortgage Lending Sheila Oliver; Deputy Commissioner of External Affairs Adrian Diaz; Deputy Commissioner of Legislation Myriam Valdez-Singh; Deputy Commissioner of the Legal Division Colleen Monahan; Senior Counsel Lara Verwer and David Bae; Assistant Chief Counsel of Enforcement Boryana Arsova; and Escrow Program Examination Manager Gary Suzuki. Liang noted that he would serve as moderator.

Liang noted that Kelly Wirchak will join the committee beginning January 2026 as the incoming EIC President. Appreciation was expressed to Silberberg, who has been serving on the committee as past EIC Vice President. It was also announced that effective January 2026, Pat Garcia will step down as the EAFC representative, and Silberberg will assume the EAFC representative seat on the advisory committee.

Housekeeping reminders were provided regarding meeting timing, participation procedures, and availability of meeting materials.

2. Review and Approval of September 9, 2025, Minutes

Liang presented the draft minutes from the September 9, 2025, meeting, noting that they were distributed in advance, posted on the DFPI Escrow Program webpage, and available in printed form for in-person attendees. Young identified a typographical error in one item, which was acknowledged and will be corrected.

A motion to approve the minutes, with the noted correction, was made by PJ Garcia and seconded by Diane Boudreau-Tschetter. Committee Chairperson Young confirmed approval without objection, and the minutes were adopted as corrected.

3. DFPI Updates

- **DFPI/DRE Joint Bulletin**

Liang provided an update on the DFPI/DRE joint bulletin regarding commission disbursement authorization. He noted that the Escrow Program continues to receive recurring questions from industry stakeholders. Liang invited Monahan to comment further.

Monahan confirmed that DFPI continues to coordinate with the DRE and that both agencies are still reviewing the questions submitted. She emphasized that the department recognizes the need for transparency and stakeholder engagement. No new guidance is available yet, but updates are expected in the near future. No committee questions were raised at this time.

- **Legislative Updates**

- a. **SB 470 – Bagley Keene Open Meeting Act**

For clarification purposes, on October 1, 2025, the legislature passed two versions of an amendment to the Bagley-Keene Open Meeting Act. This will be addressed in detail at the March 17, 2026, meeting.

- b. **SB 825 – UDAAP Authority**

Valdez-Singh next discussed SB 825, which amends the California Consumer Financial Protection Law (CCFPL) to clarify DFPI's authority to enforce unfair, deceptive, or abusive acts or practices (UDAAP) against licensees previously exempt from certain CCFPL provisions, including escrow agents. She explained that the bill does not change the Escrow Law but confirms that DFPI may take enforcement action under UDAAP when conduct involves Consumer Financial products or services.

Liang expanded on the practical implications for escrow licensees. He encouraged licensees to review consumer disclosures, fee presentations, advertising materials, and communications to ensure clarity and accuracy. He emphasized the importance of transparency, particularly in areas where consumers may be confused about services, fees, or timelines. Liang also noted that bundled services, third-party relationships, and marketing practices could create UDAAP exposure if not properly managed.

Committee members engaged in a detailed discussion. PJ Garcia raised concerns about unrealistic closing dates often dictated by purchase agreements, particularly in business-opportunity escrows involving statutory notice periods. She asked whether escrow agents could face UDAAP exposure when consumers rely on contractual dates that cannot realistically be met.

Monahan responded that DFPI cannot provide specific legal advice in this forum but reiterated that transparency is the guiding principle. She noted that UDAAP concepts already exist in the Business and Professions Code and that DFPI evaluates such matters on a case-by-case basis.

Boudreau-Tschetter added that unrealistic closing dates are common and that escrow holders often cannot control timelines imposed by real estate agents or statutory requirements. She suggested that written disclosures or amendments clarifying that escrow cannot guarantee contractual closing dates may help mitigate risk.

Silberberg recommended that DFPI and the committee collaborate on guidance to help licensees navigate these issues.

Watrous asked whether the consumer complaint process would change under SB 825. Valdez-Singh confirmed that the process remains the same and emphasized that licensees not engaging in unlawful conduct should not view SB 825 as a threat.

Oliver added that DFPI will incorporate UDAAP considerations into its examination program and will present additional information to the committee at a future meeting.

- **Enforcement Actions**

Arsova provided an update on enforcement actions taken by the Department since the previous meeting. She reported that the Department had initiated or finalized several actions against escrow companies and individuals for violations of the Escrow Law.

Arsova stated that the Department revoked the escrow license of Grow Escrow, Inc. due to multiple violations, including failure to provide books and records for examination, unauthorized disbursements, and resulting trust fund shortages. The company also failed to notify the Commissioner of changes to its licensed location. As part of the same matter, the Department issued an order barring the company's president and owner, Parham Zar, from any position of employment, management, or control of an escrow agent due to unauthorized disbursements that caused trust fund shortages. Both the revocation and bar orders are now final.

Arsova next reported that the Department issued an accusation to revoke the escrow agent's license of Golden Sunset Escrows, Inc. for multiple violations, including failure to maintain required liquid assets and tangible net worth, failure to file annual reports, and failure to report criminal charges involving moral turpitude related to one of its officers.

The Department also took several actions against individuals holding positions of employment, management, or control at licensed escrow companies. An accusation was issued against Beverly Jane Stickler, a former manager at Opus Escrow, seeking to bar her from any position of employment, management, or control of an escrow agent due to misappropriation of trust funds that resulted in a trust fund shortage.

Similarly, the Department issued an accusation against Lisa Elaine McGuire, a former escrow officer at Pacific Trust Escrow, seeking to bar her from any position of employment, management, or control of an escrow agent. The action was based on multiple misrepresentations in loan transactions and unauthorized disbursements of escrow funds.

Arsova reported that the Department also initiated an action against Driven Escrow Services, Inc., seeking to revoke its license for multiple violations, including unauthorized transfers of escrow funds, causing a trust fund shortage, failure to maintain and provide books and records, financial deficiencies, and failure to file annual reports or pay assessments. As part of this case, the Department took action against Anthony Baez, the company's president and co-owner, for fraud, theft of trust funds, unauthorized disbursements, and failure to provide books and records for examination.

Arsova noted one additional enforcement action not yet reflected in the materials distributed to the committee. The Department took action against Escrow Technologies, Inc. following a cyberattack that caused a significant trust account shortage. The Department issued multiple orders, including an order to discontinue escrow activities, an order appointing a conservator, and an order taking possession of the company's trust funds and escrow records.

Arsova reminded the committee that all enforcement actions are posted on the Department's website under the Enforcement tab for those seeking further information.

- **Licensing Statistics**

Liang provided an update on licensing activity. As of November 30, 2025, the Department oversaw 707 licensed escrow companies and 1,045 licensed locations. Liang noted that the number of licensed companies had decreased by five compared to the same period the prior year, and the number of licensed locations had decreased by thirteen.

Liang explained that the Department does not observe significant fluctuations in licensing numbers and views the current changes as normal year-to-year variation. He added that the Department has not seen an unusual number of surrender requests for either main office or branch licenses.

4. FinCEN AML Rule

Liang introduced Agenda Item 4 by explaining that the new nationwide FinCEN Anti-Money Laundering rule for residential real estate transfers had technically taken effect on December 1, although implementation of the reporting requirement is now expected in March 2026. He noted that the rule may have significant implications for escrow licensees and invited committee member Barry Sender to provide an update.

Sender began by explaining that although the rule became effective in December, FinCEN issued a temporary relief order delaying mandatory reporting until March 1, 2026. He emphasized that escrow companies will nevertheless need to begin collecting information from buyers and sellers as early as January to avoid delays once the rule becomes enforceable. Sender noted that the California Association of Realtors has already published a federal reporting addendum that informs buyers and sellers of their obligations and requires them to provide requested information within seven days. He stressed that this addendum will be essential for escrow companies because of the extensive reporting obligations imposed by the new rule.

Sender then described the scope of the rule. A transfer becomes reportable when it involves residential real property, when the buyer is a trust or business entity, when the transfer is non-financed as defined by FinCEN, and when the property is located anywhere in the United States or its territories. He explained that non-financed transactions include all-cash sales, seller carryback financing, private financing, hard-money loans, and loans secured by collateral other than the property itself unless the lender is a financial institution with its own AML program. FinCEN's definition of residential real estate is broad and includes one-to-four-unit properties, condominiums, co-ops, mixed-use buildings, apartment buildings, and vacant land intended for future residential construction. Sender emphasized that there is no minimum sales price and that any transfer involving a legal entity or trust as the buyer must be reported unless an exemption applies. He briefly reviewed several exemptions, such as transfers involving credit extended by a financial institution with an AML program, easement grants or revocations, transfers resulting from the death of an owner, transfers incident to divorce, transfers to a bankruptcy estate, and transfers that do not involve any reporting person, although he noted that the last scenario would be extremely rare.

Sender then explained the “reporting cascade,” which determines who must file the report. The obligation falls to the highest-tier participant involved in the transaction, beginning with the settlement agent and moving through the preparer of the settlement statement, the person who records the deed, the issuer of the owner’s title insurance, the person disbursing the greatest amount of funds, the person performing the title examination, and finally the person preparing the deed. He noted that escrow companies will frequently fall into the top tiers of this cascade.

Sender described the extensive information required in the Real Estate Report. Escrow companies must provide their own identifying information, the closing date, the property address and legal description, and detailed information about the buyer, including Social Security numbers or other identifying information, residential addresses, authorized signers, and beneficial owners. If the buyer is a trust, the trustee’s information must also be reported. Similar information must be collected for the seller. The report must also include the purchase price, payment details, bank account information, and the source of funds for all payments made on behalf of the buyer. Sender explained that the report contains more than one hundred required data fields and that FinCEN’s BSA e-filing system will not accept incomplete submissions. He noted that the industry had requested the ability to indicate when a customer refuses to provide information, but FinCEN declined to allow this.

Sender explained that FinCEN released only a read-only preview of the reporting form, which includes multiple tabs and dropdown menus that cannot yet be accessed. This makes it difficult for escrow companies and software vendors to prepare their systems. He expressed concern about third-party vendors marketing low-cost reporting services to escrow companies, warning that it is unclear whether designating another party fully transfers liability away from the escrow officer. He also noted that many escrow officers may be uncomfortable allowing title companies or underwriters to contact their clients directly. Sender shared that his company has invested heavily in software development to automate reporting but is not prepared to offer services to outside companies due to the risks involved. He cautioned that offering such services in exchange for title business may raise RESPA Section 8 concerns and urged independent escrow companies to be aware of the potential compliance implications.

Sender highlighted the significant penalties for non-compliance, which range from modest fines to penalties exceeding one hundred thousand dollars. He warned that assisting clients in structuring transactions to avoid reporting is a serious offense that can result in fines and up to five years in prison. He urged escrow practitioners not to advise clients on how to circumvent the rule. Sender estimated that his company previously submitted approximately twenty-eight thousand Geographic Targeting Order reports annually but expects that number to increase to more than eight hundred eighty thousand reports under the new AML rule, underscoring the magnitude of the operational burden.

Committee members engaged in discussion. PJ Garcia expressed concern that consumers already struggle to complete basic escrow forms and predicted significant delays in

closings once the rule takes effect. Silberberg noted that trade associations are preparing training materials but are limited by the lack of finalized FinCEN guidance. She emphasized that transactions may shift from exempt to non-exempt as circumstances change and that escrow officers must monitor status throughout the escrow process. Silberberg also raised concerns about third-party vendors offering to complete reporting obligations for escrow companies, noting that it is unclear how such arrangements would work when multiple title companies are involved in a transaction.

PJ Garcia added that a separate designation agreement must be executed for each transaction if an escrow company chooses to designate another party to file the report. Sender confirmed this requirement and noted that the need for individual designations adds complexity and risk. PJ Garcia observed that many companies may be reluctant to rely on third parties due to the significant penalties associated with non-compliance. Silberberg and PJ Garcia explained that the Escrow Institute of California and the California Escrow Association are preparing a joint letter cautioning members to consult legal counsel before engaging such vendors.

PJ Garcia also noted that at least three lawsuits are currently challenging the AML rule, including constitutional claims. A member of the public asked about the status of the litigation, and Sender responded that recent delays were likely due to FinCEN not being prepared for scheduled court dates. Silberberg added that two lawsuits had already been delayed. PJ Garcia expressed surprise that consumer groups had not raised stronger objections given the volume and sensitivity of personal information that will be collected and retained.

Sender raised additional concerns about data-security risks, noting that a breach at a large title company or escrow provider could expose extensive trust, financial, and personal data. Silberberg agreed and noted that escrow companies must also be cautious when transmitting information to third-party vendors. PJ Garcia asked whether FinCEN had clarified how the rule applies when minors are involved in trusts. Sender responded that FinCEN has not yet addressed this issue and that the FAQs remain incomplete.

Felten noted that the FinCEN reporting form includes a checkbox for minors and requires a parent to provide the necessary information. She confirmed that the current rule does impose reporting obligations when minors are involved.

5. Roundtable Discussion: AI in title and escrow

Liang noted that the Escrow Institute of California had recommended a roundtable discussion on the growing use of artificial intelligence in the title and escrow industries. Liang explained that from a regulatory standpoint, AI raises important considerations related to data privacy, consumer protection, and transparency in how these tools are deployed. While AI offers opportunities to improve efficiency and accuracy, it also presents challenges that regulators and industry participants must evaluate carefully. He invited committee members to share their perspectives on how AI may affect escrow operations and the long-term stability of the industry.

PJ Garcia began by acknowledging that AI is becoming increasingly common across all business sectors, but she cautioned that the technology is still evolving and far from perfect. She stressed that new technologies must be implemented cautiously, particularly in escrow, where accuracy and nuance are critical. PJ Garcia noted that AI may be useful for certain processing tasks, but she would be hesitant to entrust an entire escrow transaction to an AI system. Escrow work often involves interpreting instructions, managing objections, and navigating complex communications, areas where human judgment remains essential. She added that at least one company has announced plans to roll out an AI-based escrow agent, and she expressed interest in seeing how that develops.

Silberberg shared her observations from the title side of the industry, where she has seen AI tools capable of performing searches and other tasks. She expressed concern about the “source of truth” for AI-generated information, emphasizing the importance of ensuring that AI systems rely on accurate and reliable data. Silberberg noted that many people are already using AI tools such as ChatGPT to draft communications, and she has even seen escrow instructions generated by AI. Some of these, she said, appear to be surprisingly well-constructed. She believes AI is “here to stay” and can be helpful, particularly for automating routine processes such as ordering demands. However, she stressed that the industry will need to determine how best to harness AI while maintaining appropriate human oversight.

PJ Garcia agreed, stating that she cannot envision a scenario, at least in the near future, where an escrow transaction proceeds without a human overseeing the process. Silberberg added that even technologies like self-driving cars, which have advanced significantly, still experience failures, underscoring the need for caution. Young noted that several autonomous vehicles had recently collided with one another, reinforcing the point that AI systems are not yet reliable.

Liang added that he has concerns about confidentiality when licensees use AI tools. He explained that he has received emails from licensees that appear to be generated by AI, sometimes addressing him directly as “Dear Recipient”. This raised the possibility that confidential email content may have been copied into public AI platforms. Liang questioned how safe such communications are if sensitive information is being entered into systems that may store or reuse user inputs.

PJ Garcia agreed that this is a serious concern, noting that if someone enters confidential information into a public AI tool, it may become accessible to others or incorporated into the system’s training data. Sender added that companies using AI for business purposes should be using enterprise versions that keep all data within a secure internal environment. Public, free versions of AI tools do not provide such protection, and anything entered into them may be exposed. Sender emphasized that this should be the first safeguard companies adopt.

Sender also noted that while AI can be a useful tool, it is evolving rapidly and will eventually be capable of making decisions and learning from its mistakes. He agreed with PJ Garcia that adoption should be slow and deliberate. Escrow is a niche market with many unique

conditions, making it difficult for AI to fully replace human expertise in the near term. Even with enterprise protections, users must still be able to recognize when AI is “hallucinating” or generating inaccurate information.

Boudreau-Tschetter echoed Liang’s concerns, stating that she too has received emails, sometimes from attorneys, that were clearly generated by AI and contained incorrect names or mismatched details. She referenced a presentation by Felten at a prior industry conference that covered AI platforms, their risks, and the importance of using paid, secure versions rather than free public tools. Boudreau-Tschetter suggested that Felten’s presentation might be valuable for DFPI staff as well.

Young added that a recent incident heightened his concerns: an AI company had been hacked. He noted that regulators already worry about AI hallucinations and the need for guardrails, but the possibility of AI companies themselves being compromised introduces an entirely new layer of risk. PJ Garcia observed that hackers are now using AI to conduct attacks, making the threat landscape even more complex. Young emphasized that with fraud and scams already increasing rapidly, the integration of AI into criminal activity is deeply concerning.

Boudreau-Tschetter agreed, noting that escrow companies are already under constant attack from increasingly sophisticated fraud schemes. She described receiving numerous fraudulent emails, including spoofed messages that appear to come from her own address. Fraudsters are cloning escrow email accounts, sending fake DocuSign notifications, and creating highly convincing payoff demands. She explained that her assistant has become fearful of clicking anything without verification, illustrating how pervasive and sophisticated these threats have become.

Sender continued by noting that AI-enabled fraud is already occurring at significant scale, including multimillion-dollar losses at major banks in Florida and Hong Kong. He emphasized that AI-driven impersonation has become so sophisticated that escrow companies can no longer rely on traditional identity-verification methods. Even when individuals appear in person to sign documents, it is increasingly difficult to confirm their identity with certainty. Sender suggested that the industry consider adopting biometric identity-verification tools similar to CLEAR, used in airports, to ensure that parties are who they claim to be.

Sender stressed that escrow companies must reevaluate their policies immediately, particularly regarding what information is shared over the phone. Sensitive details and authentication tokens should never be disclosed verbally. The rise of AI, he said, should serve as a wake-up call for the industry to strengthen cybersecurity practices and address gaps in “cyber hygiene.”

A member of the public commented that negligence is what differentiates unavoidable risk from preventable harm. PJ Garcia added that even secure email systems are being weaponized by fraudsters, meaning no communication method is entirely safe. Sender responded that the only truly secure communication is one in which both parties can reliably verify each other’s identity at the outset of the transaction. Young agreed, emphasizing the

need for a “trust and verify” approach and encouraging escrow professionals to front-load conversations about risk with their clients.

PJ Garcia noted that consumers often resist these conversations, prioritizing convenience over security. Young acknowledged this challenge but stressed that escrow is fundamentally a relationship-driven business, and the industry must find ways to reintroduce personal engagement to mitigate fraud.

Oliver concluded the discussion by emphasizing that while DFPI has taken steps within its authority, many of the issues raised fall within operational responsibilities of escrow companies rather than regulatory oversight. PJ Garcia responded that DFPI’s public-facing communications are helpful because consumers view the Department as a trusted source. Oliver reiterated that the Department will continue its outreach efforts but that industry collaboration is essential.

6. Public Comments

Liang opened the public comment period and invited members of the public to raise questions or concerns. A member of the public began by addressing the ongoing development of the joint bulletin between DFPI and the DRE. He explained that, based on reports from multiple licensees, DFPI examiners have been interpreting provisions of the Business and Professions Code during regulatory examinations and advising licensees that certain commission-payment practices constitute violations. He stated that these interpretations appear to conflict with the DRE’s own legal analysis of the same statutes, particularly regarding the use of Commission Disbursement Authorizations and the payment of commissions to agents or their LLCs. He expressed concern that inconsistent interpretations between the two agencies could result in unequal enforcement and place independent escrow companies at a competitive disadvantage compared to title companies or broker-controlled escrows.

Liang responded that DFPI does not cite Business and Professions Code violations in its escrow examinations and asked whether the concerns had been escalated to an examination manager. The commenter replied that multiple of his clients had been told during exit interviews that paying agents or their LLCs pursuant to a CDA could be considered an exception or violation of Business and Professions Code, even when brokers had authorized the payment. He reiterated that this conflicts with the DRE’s position and urged the Department to address the interagency inconsistency.

Oliver asked the commenter to provide specific examples so the Department could investigate. The commenter agreed to attempt to gather documentation, though he noted that licensees are often reluctant to be identified.

Silberberg asked whether examiners were saying CDAs could not be used at all or whether the issue was limited to payments to LLCs. The commenter explained that examiners were reportedly telling licensees that CDAs require buyer and seller signatures and that paying commissions to an agent’s LLC is unlawful. He reiterated that examiners had referenced the

Business and Professions Code, which DFPI does not enforce, and that the matter remains unsettled pending the joint bulletin.

The commenter then shifted to the earlier fraud discussion, noting that while fraud is a serious industry-wide problem, escrow companies are not legally responsible for verifying the identity of buyers or sellers unless their instructions specifically require it. He emphasized that escrow duties are defined by contract, and existing case law recognizes that escrow officers may never meet the parties in a transaction. He cautioned against imposing identity-verification obligations that exceed the legal standard of care.

Valdez-Singh asked the committee for its views on situations where the escrow licensee, not the consumer, falls victim to a fraud or scam, resulting in consumer loss. PJ Garcia responded that escrow companies must maintain commercially reasonable practices to prevent compromises of their systems. She noted that many email compromises originate from weak security practices by real estate agents or consumers, though she acknowledged that business-email compromise within escrow companies can occur.

The commenter described a recent trend involving fraudulent payoff demands. He explained that many lenders now require payoff requests to be submitted electronically, often through systems that return payoff statements via e-fax. In a recent case, a hacker infiltrated an escrow company's system, redirected incoming e-faxes, altered payoff demands, and delivered fraudulent versions for an extended period. As a result, multiple transactions relied on fake payoff statements, and lenders were not paid off for months. He noted that he currently has several lawsuits involving this issue, with losses ranging from \$200,000 to more than \$1.5 million.

The commenter emphasized that the shift to automated, paperless payoff systems has created vulnerabilities that escrow companies cannot reasonably mitigate without cooperation from lenders. He noted that many servicers provide no live phone support, making it nearly impossible to verify payoff demands. He urged regulators to consider requiring lenders and servicers to provide a reliable method for confirming payoff information, as payoff-demand fraud is now the most common and costly fraud affecting the industry.

PJ Garcia agreed that the issue is highly situational and depends on the specific circumstances of each transaction. Silberberg noted that the discussion underscores the need for stronger security protocols. PJ Garcia reiterated that escrow companies cannot be the "defenders of the world," but must act in their own best interest to avoid catastrophic losses. Sender added that while escrow companies may not be legally responsible for verifying identities or preventing all fraud, a single multimillion-dollar loss could destroy a business, making proactive measures essential.

The same commenter suggested that DFPI consider working with the Insurance Commissioner to encourage the development of more comprehensive insurance products. He explained that many escrow companies must purchase multiple policies due to exclusions in cyber and crime coverage, and even then, claims are often denied. He noted that many

policies exclude losses arising from failure to verify wire instructions, leaving licensees exposed despite paying substantial premiums.

Valdez-Singh expressed concern about the limited coverage available and the high barriers to making successful claims. The commenter added that in several recent cases, escrow companies believed they had coverage only to discover express exclusions after the loss occurred.

7. Closing Remarks

Liang reviewed potential dates for the next committee meeting. After discussion among committee members, the group tentatively agreed on Tuesday, March 17 at 10:00 a.m. Liang noted that this will be the first meeting requiring a physical quorum, and DFPI will send reminders when soliciting agenda items. He confirmed that at least six committee members must be physically present at the DFPI office.

Liang thanked all committee members and members of the public for their participation and engagement. He adjourned the meeting at 11:53 a.m.