

## A WORD WITH...

# Mark Tidd of TitleOne



## 'We've invested a lot of money in compliance.'

Mark Tidd, the CEO of the title and escrow company TitleOne, is still guided by the life lessons he received from his football coaches at Borah High School and the University of Idaho. Those lessons have helped him build TitleOne, which Tidd started with partners in July 2000, to be the market leader in Ada County.

When he left college with a finance degree in 1986, Tidd joined Morrison-Knudsen Corp., or MK, the construction management and civil engineering firm that was then based in Boise. MK sent Tidd to work on a service and logistics project with the U.S. Navy in Virginia. Until then, he had never been east of Idaho Falls.

Tidd quickly became a project manager for MK and eventually moved to the Bay Area to help the company start up two projects. In 1994, he joined Stewart Title in Boise, a local company that merged with two other companies to form Alliance Title.

*Idaho Business Review* sat down with Tidd to learn about his path to leading TitleOne, and his plans for the company's future. The interview has been edited for length and clarity.

### How did your earlier experiences prepare you for your job now?

I have been fortunate to be around some great leaders, including (Borah football coach) Dee Pankratz and (University of Idaho football head coach) Dennis Erickson.

Dee was probably where I learned about the discipline and hard work. He was the Vince Lombardi of Idaho football.

Dennis was a strategist and about how you win when maybe you don't have the most talent. You can apply your strengths to certain areas of weaknesses that a competitor might have and come out on top. Those types of things are what really interested me, and that probably has carried me throughout my life.

My first four years with MK on the East Coast were eye-opening. It was a lot of fun. Very quickly, in about two years, which I think was pretty fast on their timeline, they made me a project/business manager. I was running all the finance, the accounting, the HR, the safety, you name it – anything administrative, I was in charge.

As it turned out, every time we started

a new project it was like starting a new business. I really developed those skills to organize and put together the infrastructure.

They had some processes and systems in place at the home office in Boise, but they ran a very decentralized organization so the decision-making was all local. I really enjoyed working for MK, I learned a ton.

### Is the business the same now as it was then?

There are two basic services that a title company provides that are still the same. We sell title insurance policies, an assurance to the homeowner or their lender that they have marketable title to their property, and that there are no liens or encumbrances that get in the way of selling their house.

our business volumes were reduced by about 70 percent, and the majority of what was left was lender-driven business, whether it was bank-owned real estate, foreclosures, or short sales.

It's a realtor-driven market today, but between 2008 and 2011, most of the decisions were being made by lenders, and they weren't being made locally.

Pre-recession we had about 110 employees. We were at about 75 when it bottomed out. We're now at about 170.

### What else has changed for Title One since the recession?

We've invested a lot of money in compliance. For example, we've made changes related to data security and consumer information. All the doors to our production areas are key card-access-only. We've added email encryption, we have clean desk policies, we have added in background checks that maybe we weren't doing before on staff.

We've added a quality- and compliance-related position. There's a standard level of errors and omissions insurance that we used to keep, and we've increased that five times. All these things add up from a dollar standpoint.

That's some of the downstream impact of CFPB. It will end up costing consumers more.

The other thing that came out of the recession were some opportunities for consolidation in the market. Pre-recession we were still very much that local title company. We were local to the Ada and Canyon market, to Boise County, with four offices.

During the recession we added three counties in eastern Idaho, so we're in the Idaho Falls area now, we're in the Coeur d'Alene market, and the most recent acquisition was in the Magic Valley, where we bought Land Title and Escrow in March 2014 and added six counties to our service area, and five offices. So today we now serve 13 counties with 13 offices.

### What's next?

With the growth we've experienced over the last four years, we really want to dial in our operations for the new markets and make sure that we're stabilized and providing the same level of service that we've provided to the Treasure Valley for the last 15 years. And then we'll continue to keep our eyes open for opportunities to expand our footprint in the Northwest.

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### What was the title business like when you joined it?

After the merger, Alliance was a statewide operation with 20 or more offices across Idaho. I came in in the role of a controller, and then CFO. My nature is to try to learn the processes, so I spent a lot of time sitting with people learning their jobs and really trying to understand.

It was night and day from the environment I came from. For one thing, the relationship with the customer I had with MK was purely contractual and that kind of dictated what happened in the relationship. In the title business, it's real estate-oriented. Even today, although we view the buyers and sellers as our customers, the customers who make 98 percent of the decisions are the intermediaries such the realtors, lenders, builders, and attorneys.

I kept on asking the question, "Where are the contracts? Where are the purchasing agreements?" and there were none. Essentially we're selling a commodity and the pricing is very much the same, so to differentiate yourself in the marketplace is hard. And that's why the competition part is very important—that's why the strategy and how you position yourself in the market is really important. Those are some of those lessons I learned from Dennis Erickson.

The second service is the escrow closing service, the consummation of the transaction where we function as a neutral third party following instructions on how to receive and disburse the funds related to the transaction.

### What impact have the Dodd Frank Act and the Consumer Finance Protection Bureau had on your work?

Title companies are categorized as financial services, not all that different from banks. We're also vendors to the banks. CFPB is holding banks more accountable to the work their vendors do, so that of course has an immediate impact on us.

Real estate is a very local business, so typically local customers, whether it's the realtor, or the lender we're working with, are making the decision on who to select for the title work. As a result of CFPB and Dodd Frank, because the lenders were being held more accountable, large national lenders in particular all of a sudden said, "OK, we're only going to work with four title companies across the country."

They went to a model where they were using national underwriters who are also our suppliers. The local guys like us really did get kind of cut out of the mix. During the recession,