

SPECIAL REPORT

# State of AI in Title & Escrow



# Introduction: Welcome to the AI Era

Leaders across industries have long been fascinated by the promise of artificial intelligence (AI), but excitement surrounding AI reached new heights in late 2022 when OpenAI released ChatGPT, a groundbreaking generative AI (gen AI) chatbot that sparked the curiosity of the masses. Within five days of its launch, ChatGPT attracted over one million users—a record-breaking figure that would quickly inspire the release of other gen AI products, including Google’s Bard, just a few months later.

The ripple effects didn’t stop there. Fervor surrounding gen AI encouraged investors to inject nearly \$50 billion into gen AI startups in 2023 and big tech companies like Meta and Amazon to announce their own gen AI initiatives and products.

Welcome to a new era where AI is not just a distant concept, but a dynamic force reshaping entire industries in real time. With all the hype surrounding AI and gen AI, one question looms large: **Is AI just a buzzword, or is there actually business potential?**

Qualia set out to answer this question and more deeply understand the current state of AI in the title & escrow industry. Our survey of 378 title & escrow professionals found that **AI is already used by a staggering 90% of title professionals** who say it helps them increase their productivity and automate repetitive tasks.

Employee-led adoption of AI-powered tools underscores the inherent usefulness of AI for day-to-day workflows, yet most businesses are letting AI “happen to them” rather than building a deliberate strategy to get the most out of the technology and ensure secure operations. Notably, survey data showed that **94% of title & escrow companies currently operate without established AI policies**. This gap represents a significant opportunity for businesses to chart their AI strategies and gain a competitive advantage—not only by maximizing the benefits of AI, but also by safeguarding their operations with AI protocols that limit security and data privacy vulnerabilities.

Given how quickly AI is taking hold, title & escrow businesses must act now to build an AI strategy to guide the implementation of AI in a meaningful and secure way across their organization. This report is a foundational resource to get started. Inside you’ll find:

- A high-level AI field guide that decodes terminology in plain English and offers practical use cases for title operations
- A deep dive into first-of-its-kind data about the state of AI in the title & escrow industry
- A closer look at the advantages and considerations associated with AI — coupled with expert insights on how to capture AI’s potential while limiting its risks

# Demystifying AI for the Title & Escrow Industry: Terminology and Use Cases

Our survey results show that title & escrow professionals are already embracing AI, but many respondents also reported that they are unclear about AI terminology and the best way to harness AI and gen AI to improve the real estate closing process. We've compiled a brief field guide that acts as a reference point for title & escrow professionals to navigate AI terminology and learn the basics of AI use cases for the title & escrow industry.

## Key Terms



**Artificial Intelligence (AI):** AI is a computer system that applies advanced analysis and logic-based techniques to interpret events, support and automate decisions, provide recommendations, and take actions. AI is already embedded into most people's day-to-day lives. For example, AI powers voice-recognition technologies like Google Home or Amazon's Alexa. AI also enables users to unlock their smartphones with facial recognition or instantly see and correct mistakes with spell check functionalities.



**Generative AI (Gen AI):** Gen AI refers to deep-learning models that can generate unique text, images, audio, and other content based on the data they were trained on.



**Natural Language Processing (NLP):** NLP technology involves the ability to turn text or audio speech into encoded, structured information.



**Large Language Models (LLM):** An LLM is a specialized type of AI that has been trained on vast amounts of text to understand existing content and generate original content. OpenAI's ChatGPT-4 is an example of an LLM.

# Why Is Gen AI Having Such a Moment?

The release of ChatGPT in late 2022, and the massive influx of gen AI products hitting the market shortly thereafter, was no coincidence. Gen AI was not new technology — many companies already had years-long gen AI projects underfoot — however, groundbreaking developments in LLMs made the technology easier to leverage in a secure and efficient manner.

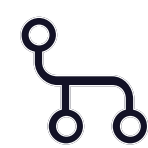
These advancements ultimately led to the release of ChatGPT, which immediately captured the interest of the masses. From there, the floodgates were opened. ChatGPT made it possible for non-AI companies to leverage generative AI-powered technology within their existing operations. This increased accessibility and affordability allowed millions of people to benefit from AI's transformative power without having to build AI systems themselves.

Over the course of 2023, billions of dollars were funneled into gen AI and AI startups. The clear use cases for the technology and the sharp increase of gen AI solutions hitting the market encouraged enterprises to spend about \$19.4 billion on gen AI technologies and related IT infrastructure in a single year.



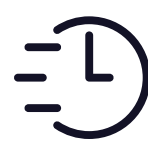
# Gen AI Use Cases for the Title & Escrow Industry

For title & escrow companies, the influx of gen AI tools hitting the market is especially valuable because of the technology's capacity to reduce the time-consuming, repetitive tasks that are common in the closing process. Gen AI can automate processes, personalize transactions, and reduce errors, allowing title & escrow professionals to better serve their customers. **Below are just a few examples of ways gen AI will enable title & escrow professionals to work more efficiently:**



## Reduce tedious tasks and rekeying

Extract unstructured data from documents, such as a purchase and sales contract PDF, and convert it into structured data that can be automatically inserted into fields within an order.



## Provide timely responses to client questions

Recognize what's happening in a file and draft an accurate, personalized response to a question sent by a transaction party.



## Enable more efficient workflows

Interpret information sent from a transaction party and use that information to assign the next relevant task in a workflow.



## Drive insights

Ingest information from a report or document and provide a high-level summary.



## Enable deeper research

Take a query from a user and provide a response that goes much deeper than a typical search engine result.



## Address blank page syndrome

Create the first draft of an email, memo, business brief, or piece of marketing content that can then be edited to fit your brand style and tone.



## Fraud detection

Identify atypical patterns; for example, two letters switched in an email address, to identify potential fraud.

Ultimately, AI solutions will create greater operational efficiency and stability, enabling title & escrow companies to adapt to future market fluctuations. Over the past few years, the real estate market has shifted from a refi boom to a high-interest, low-volume environment. To keep up with market changes, title & escrow companies had to ramp up staffing, only to cut staff later when volume slowed. As we await the next cycle, now is the time for title & escrow companies to invest in solutions and technology that enable them to scale up and down without falling into hiring and firing cycles that are detrimental to the business.

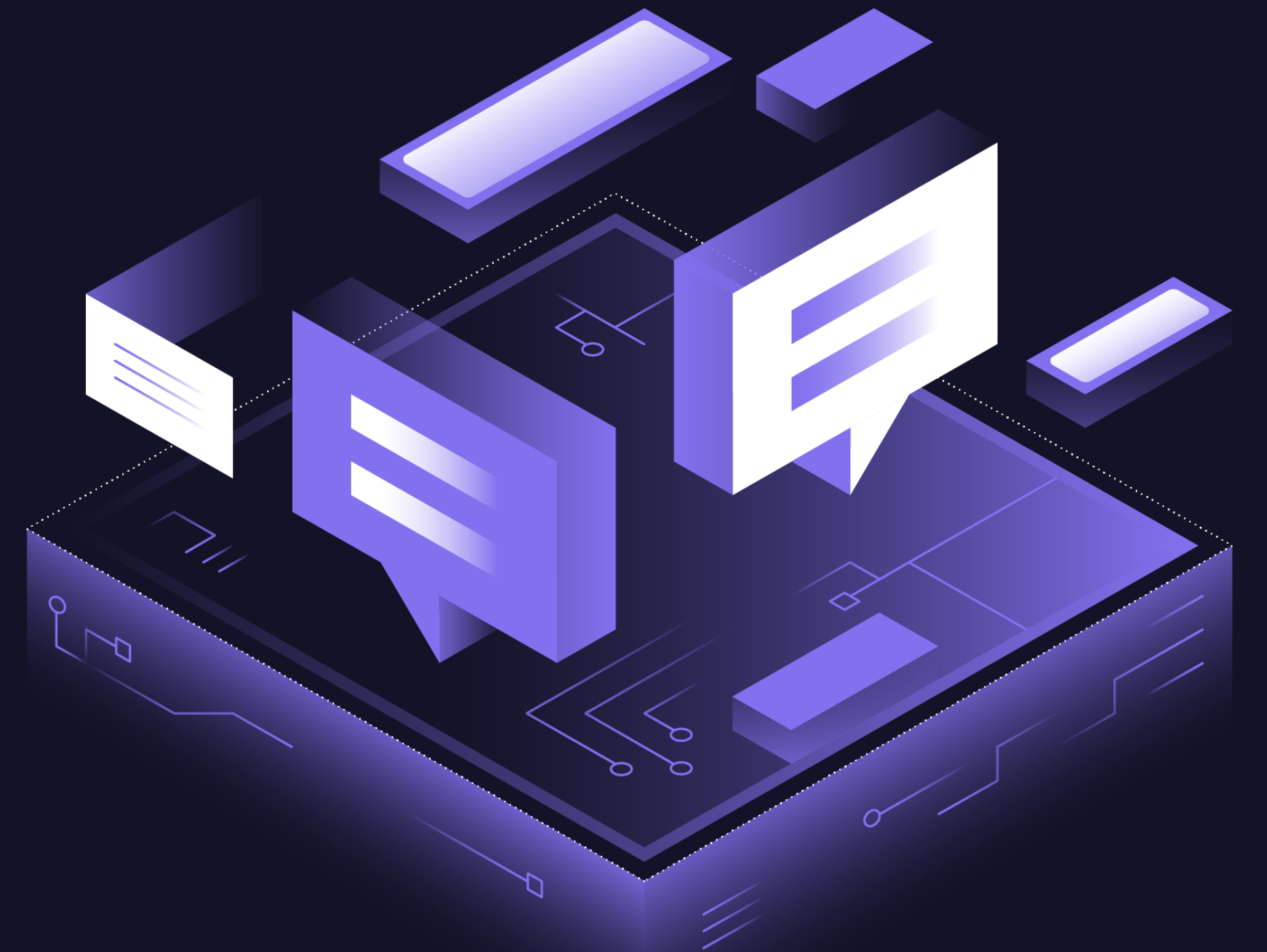
# The State of AI in the Title & Escrow Industry

Research from firms including [PWC](#), [McKinsey](#), and [CB Insights](#) shows that AI and gen AI were adopted at astounding rates in 2023; however, little to no research existed specific to the title & escrow industry. Qualia sought to change this by engaging 378 title & escrow professionals in an online survey to uncover sentiments surrounding AI in the title & escrow industry. Read on to see the results of Qualia's survey.

## The Title & Escrow Industry Embraces the AI Wave

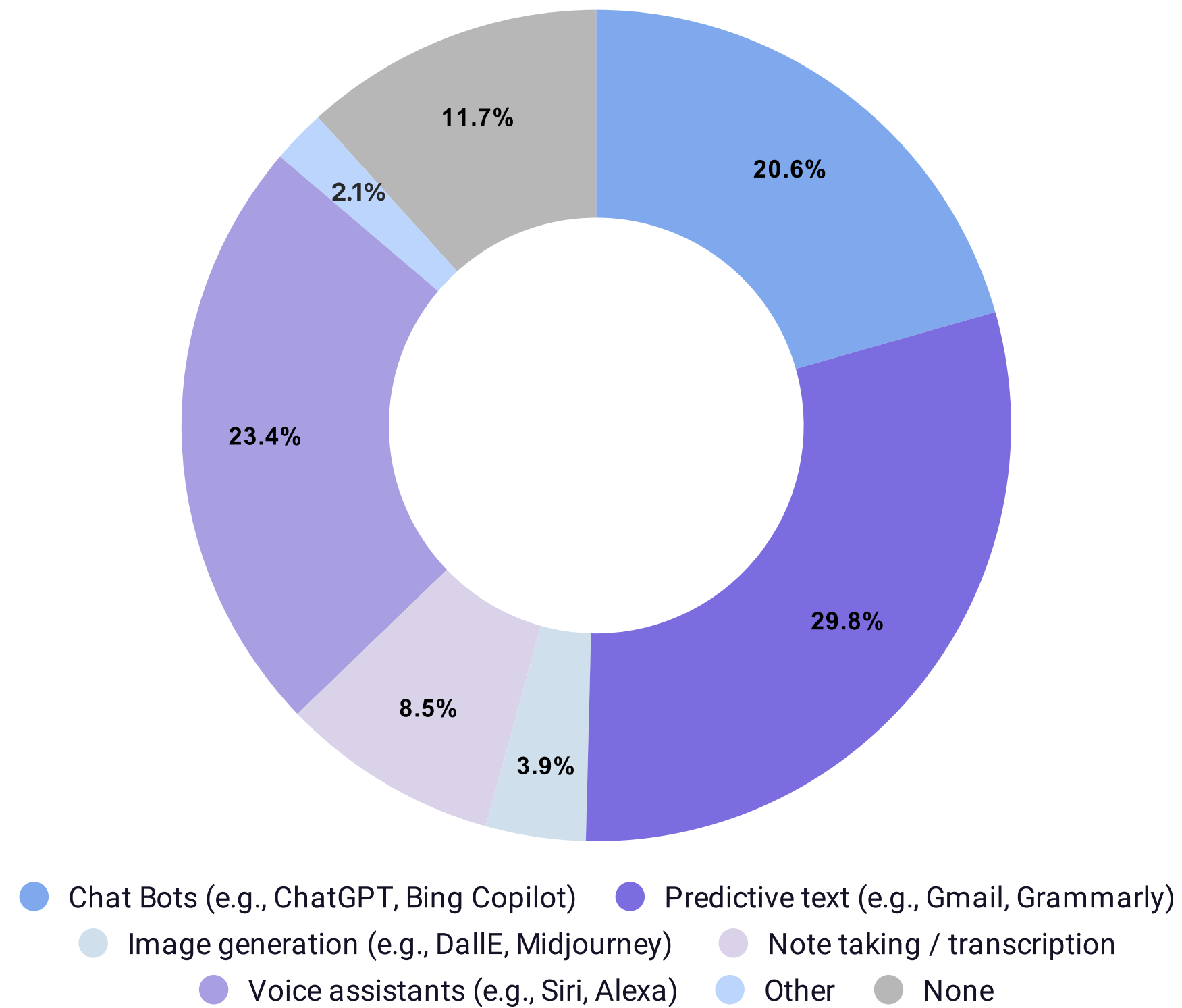
Our survey results reveal that title & escrow professionals are not sitting on their heels when it comes to engaging with AI technology. In fact, the majority of title & escrow professionals (90%) have already adopted gen AI solutions, regardless of whether their respective companies have formally integrated AI into their workflows. The majority (84%) feel neutral, optimistic, or very optimistic about the benefits of AI for the title & escrow industry.

The rapid, employee-led adoption of AI tools is promising for AI's potential to transform title operations in the next few years. It signals that AI is "sticky," meaning employees continually come back to it because it provides tangible value. When support for new technology comes from the bottom-up, leaders can expedite the integration of tailored solutions into the business without facing adoption hurdles.



## The Majority of Title & Escrow Professionals Are Already Using AI Tools

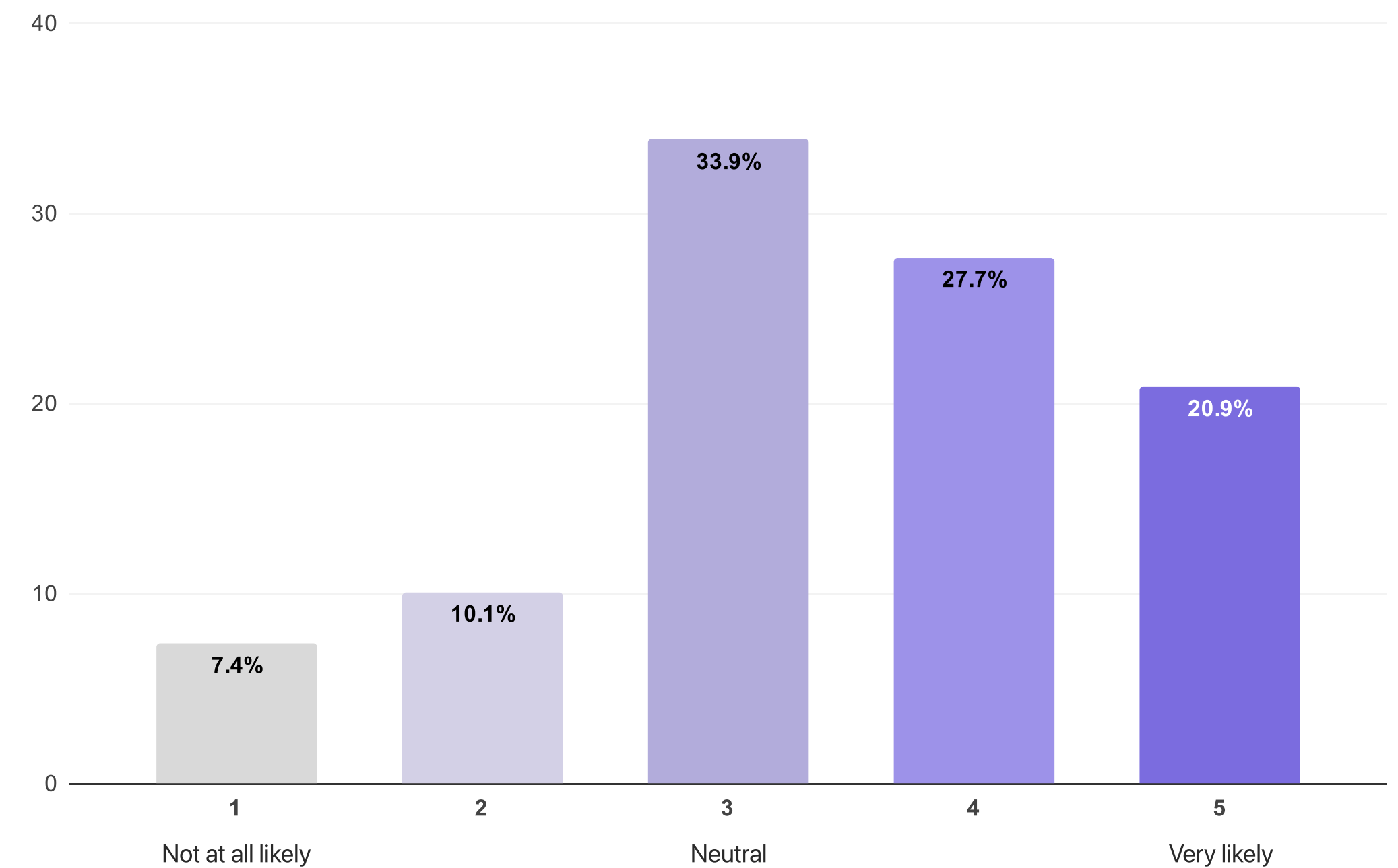
90% of Title & Escrow Professionals Use AI Tools Personally or Professionally



Percentage of Title & Escrow Professionals Who Report Using AI at Work or at Home

## Title & Escrow Professionals Expect an AI Future

84% Feel Neutral to Very Likely that AI Will Change Their Role in the Next 3 - 5 Years



Percentage of Title & Escrow Professionals Who Believe AI Will Transform Their Role in the Next 3-5 Years

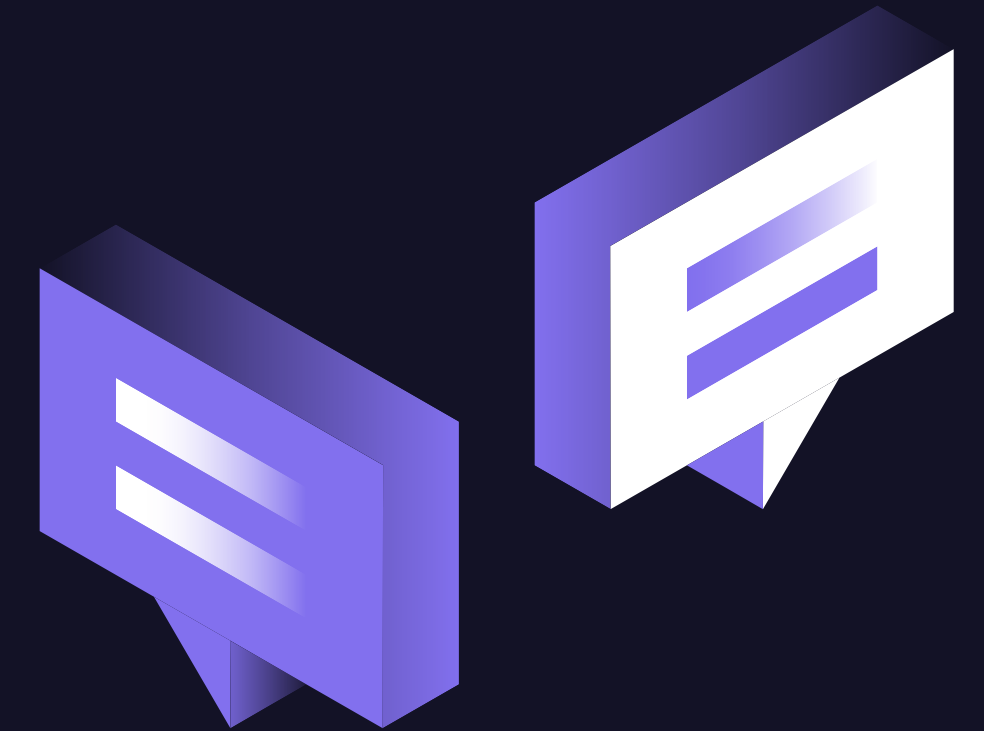
## Title & Escrow Professionals Are Optimistic About AI's Potential

Contrary to common assumptions, our survey found that title & escrow professionals don't view AI as a threat to their jobs. Instead, they view AI as an assistant that will help them remain competitive. For example, one respondent noted "AI technology is inevitable. Businesses will have to keep up or lose business." While another respondent said, "I believe AI will revolutionize how our industry deals with daily tasks. There are so many repetitive steps in our processes that can be automated."

The quantitative results of our survey mirror these sentiments. The highest-ranked benefits of AI were increased productivity, automating repetitive tasks, and increasing job satisfaction. Meanwhile, the lowest-ranked risk of AI was "losing my job to AI."

Respondents acknowledged that **while AI holds great potential to streamline workflows and improve their overall satisfaction at work, due diligence is required to ensure AI tools meet the security, data privacy, and ethical standards necessary for the highly-sensitive transactions title & escrow professionals handle every day.**

Respondents also acknowledged that the most pressing risks associated with AI will impact the entire industry—not just those companies that adopt AI. The highest-ranked risk associated with AI was "increased or more sophisticated fraud." This signals that business leaders must, at the very least, understand the basics of AI in order to fortify their businesses against new types of attacks brought on by AI advancements.



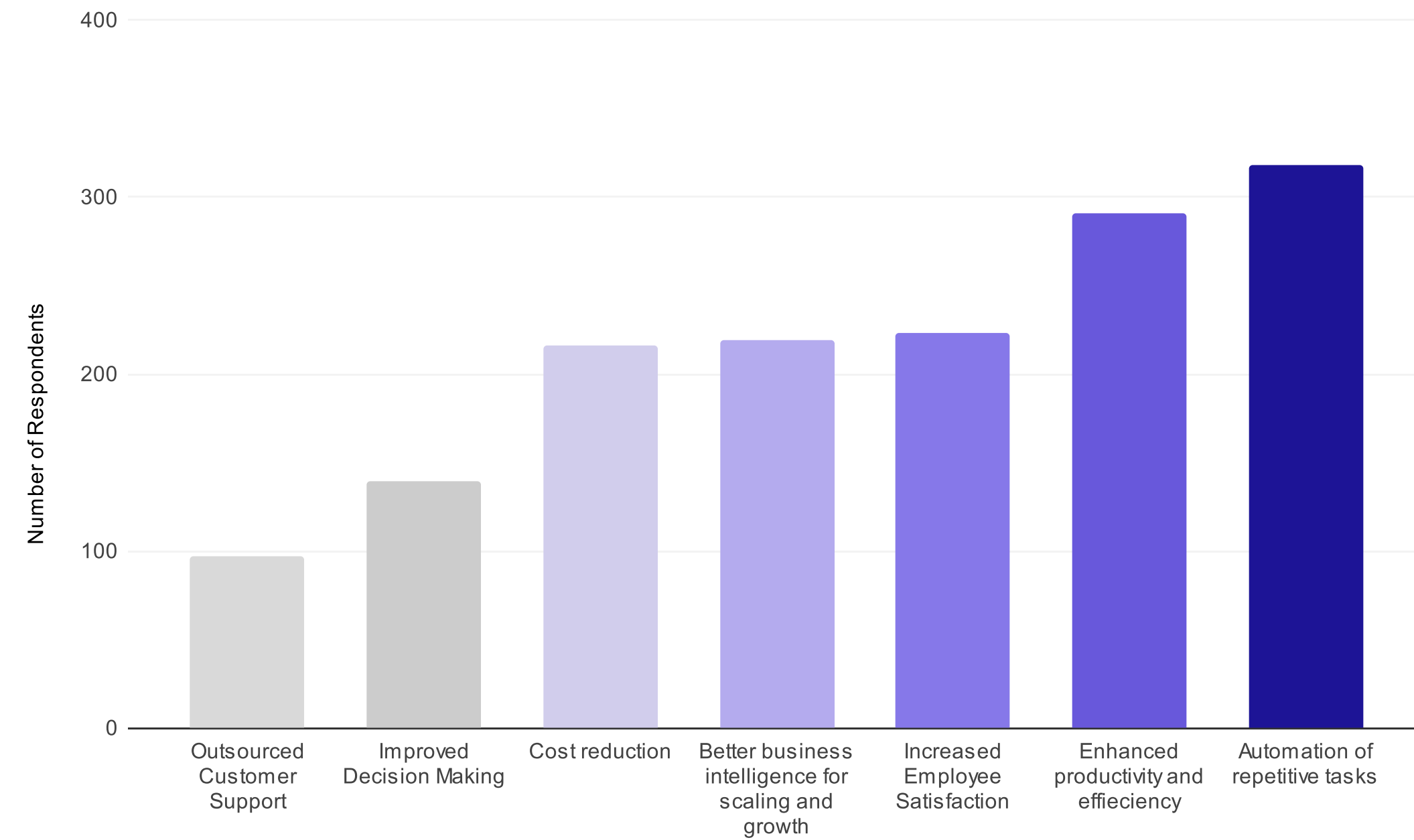
**"AI technology is inevitable. Businesses will have to keep up or lose business."**

*- Survey Respondent*



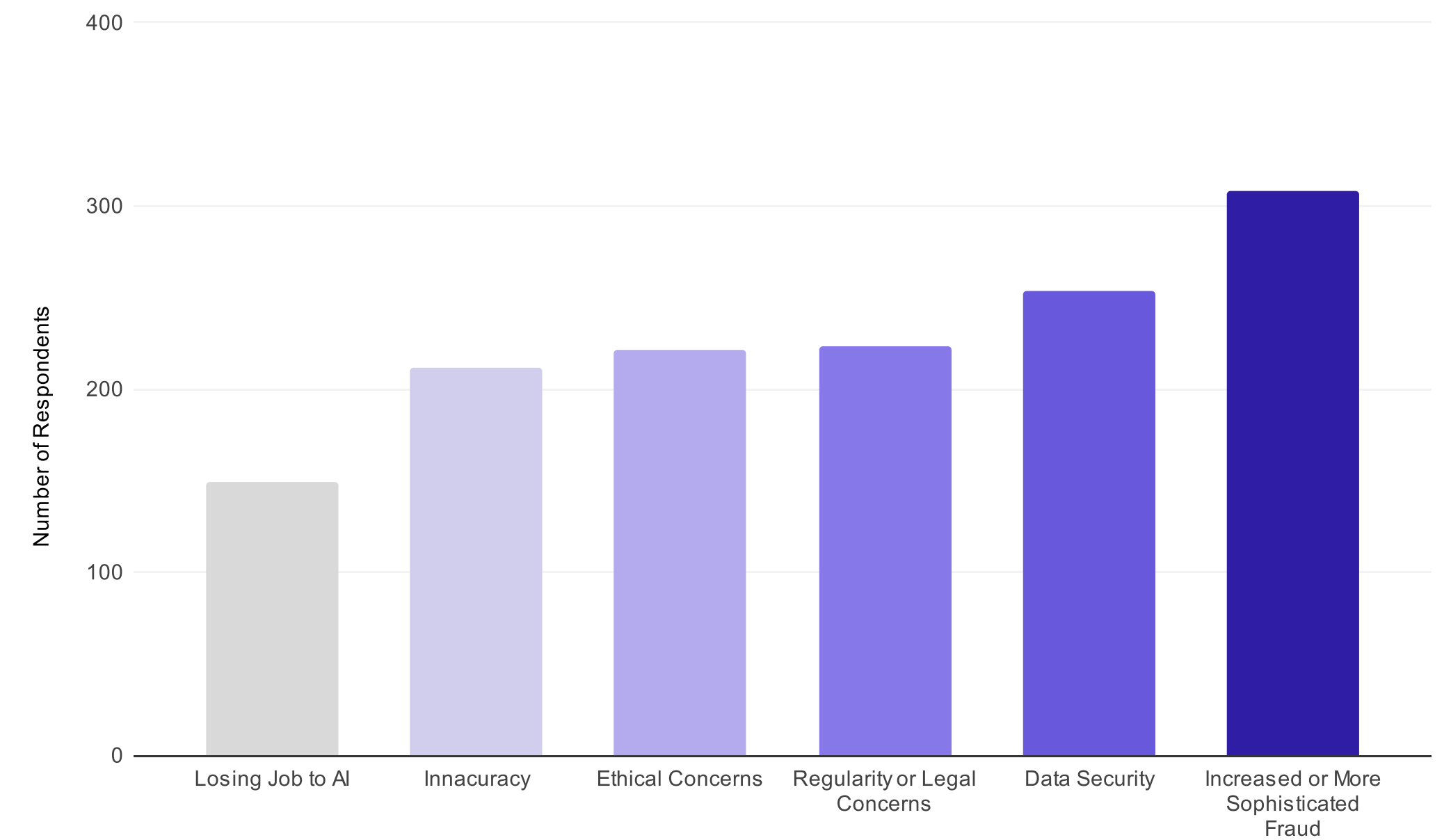


## AI Will Assist Title & Escrow Professionals, Not Replace Them



Top Ranked Benefits of AI Among Title & Escrow Professionals

## AI Comes With Risks That Must Be Addressed



Top Ranked Risks of AI Among Title & Escrow Professionals

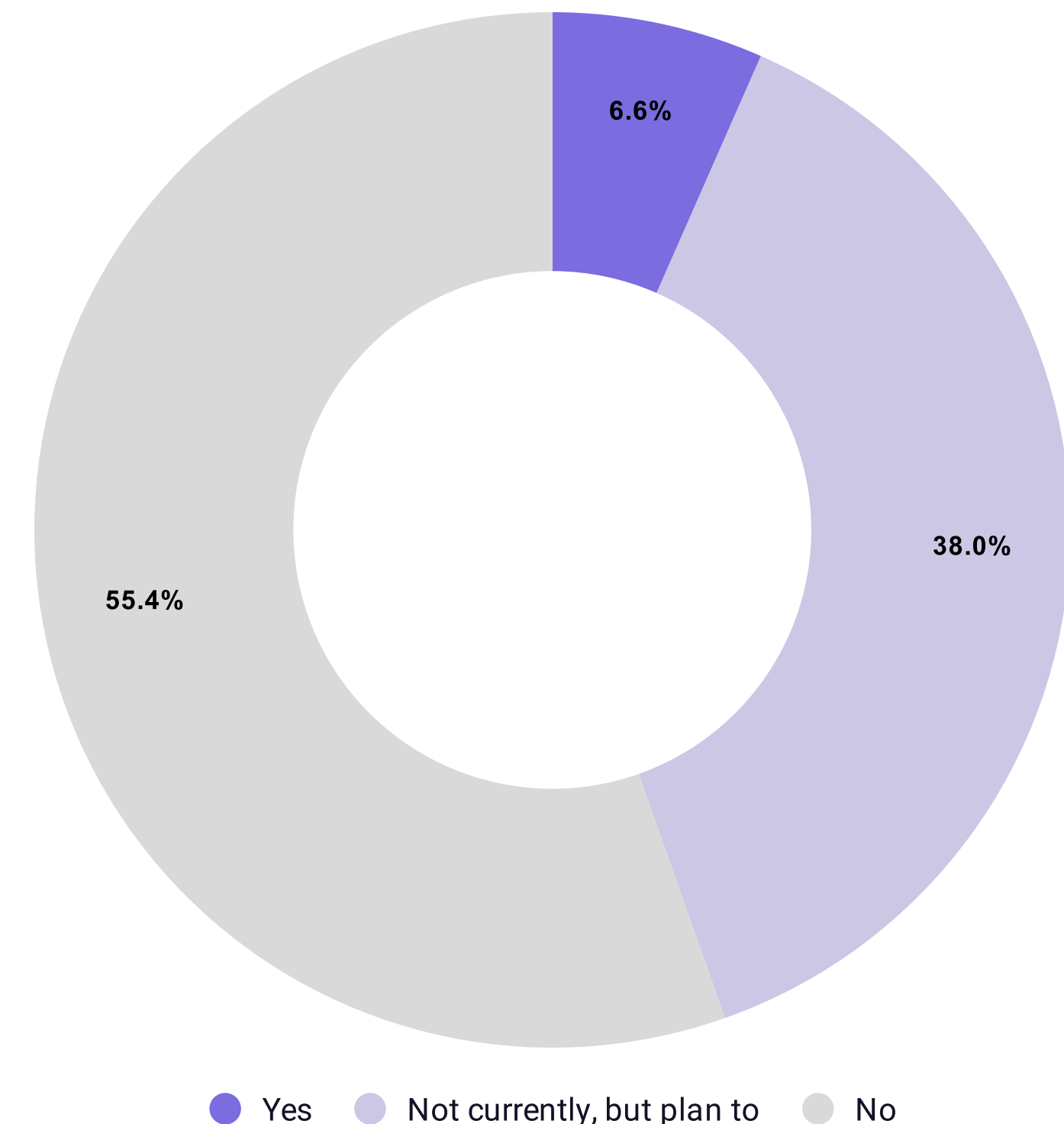
# Title & Escrow Companies Lack a Proactive AI Strategy

Our survey results show that despite early adoption among employees, most title & escrow business leaders are taking a “wait and see” approach with AI. **Despite the fact that 90% of title & escrow professionals are already using AI, only 6% of title & escrow companies have company-wide AI policies in place.**

Without an AI policy in place, title & escrow businesses open up their business to significant risks, included but not limited to:

- **Shadow AI:** employees using unsanctioned and potentially insecure tools without company knowledge can open companies up to security risk and data leakage.
- **Reputational risk:** depending on how the tool is trained, gen AI carries the risk of creating inaccurate or biased content.
- **Inefficiency:** when employees adopt their own tools (often those that are not integrated into the system of record) the business cannot reap the full, transformative potential of AI.

The Majority of Title & Escrow Companies **Don't Have AI Policies in Place**



● Yes ● Not currently, but plan to ● No

Percentage of Title & Escrow Businesses with AI Policies in Place

# Principles to Safely and Effectively Bring Gen AI into Your Organization

AI is not in the distant future; it's a current reality. However, our survey results indicate that most title & escrow businesses lack a framework to guide AI adoption. Given how quickly new AI technologies are developing and coming into the business (whether sanctioned or not), it's imperative that businesses create a set of principles to guide the use of AI.

Qualia established a set of core principles to guide the use of AI solutions at Qualia. These principles also serve as the foundation for how we identify, develop, and deploy new features in our product.

## Qualia's Principles to Guide AI Adoption and Development



### Develop AI competence

AI competence must be a core pillar of any title & escrow company's strategy. Developing AI competence is an ongoing journey because AI applications will evolve and become even more powerful as the technology advances. Qualia is committed to continually enhancing our AI capabilities and strengthening our AI competence to support the title & escrow industry with tailor-made solutions.

To start building AI competence, title & escrow company operators should learn the basics of AI and have a baseline understanding of common use cases and the technology's current limitations. Once this foundational knowledge is established, leaders should bring together stakeholders from across business lines to chart the most impactful use cases and introduce company guidelines that clearly detail when and how it is appropriate for employees to access and use AI. Moreover, as this technology continues to develop, companies should invest in ongoing AI and security education for their staff to promote proper usage.



## Take a security-first approach

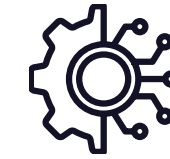
Title & escrow professionals handle sensitive transactions every day; therefore security and data privacy should never be compromised. Businesses must work cross-functionally to build company-wide AI policies that reduce security and data privacy risks. When observing third-party vendors, the following standards must be met:

- Stringent data privacy measures to guarantee that user prompts and customer data are not utilized to train foundational AI models. The AI provider must also be contractually obligated to limit their usage of data for specific and limited purposes, protect the data with appropriate measures, and retain the data for a short and defined amount of time.
- Strong administrative features, including access and permission settings that give users robust controls over access and use of their AI deployment.
- Ongoing and regular employee training that promotes a security-aware culture and ensures employees across the business are up-to-date on the latest security threats and security best practices.



## Make human-centered investments

AI does not replace humans; it assists them. Qualia believes that gen AI is most helpful for straightforward tasks that are time-consuming to complete, but easy to manually double-check. For example, AI might automatically extract data from a PDF contract into a file so that all the person needs to do is review the work performed. It's also imperative that AI is built and deployed in an accessible way so that it can be immediately enabled and seamlessly embedded into existing workflows and operational software without disruption (more on this below).



## Be intentional

With the introduction of any new and promising technology, there's a temptation to adopt for the sake of adoption; however, this nearsighted approach will always limit the transformative potential of the technology and can also open the business up to significant risk.

Instead, businesses must act deliberately to establish AI policies that take into account:

- The current limitations of the technology to define appropriate use cases. For example, due to gen AI's potential to generate inaccurate or biased content, title & escrow companies should avoid using the technology for use cases where detail, accuracy, and consequences matter most, such as making insurance decisions or delivering legal advice to clients.
- How different business lines plan to leverage the technology to ensure all selected tools work with the business's established infrastructure and don't create data silos, operational bottlenecks, or additional operating costs.
- Future use cases. As AI evolves, new use cases will emerge. It's imperative that title & escrow operators think ahead when designing their AI infrastructure to ensure new functionality can be implemented or added with limited disruption, so they don't fall behind the competition or distract their workforce.



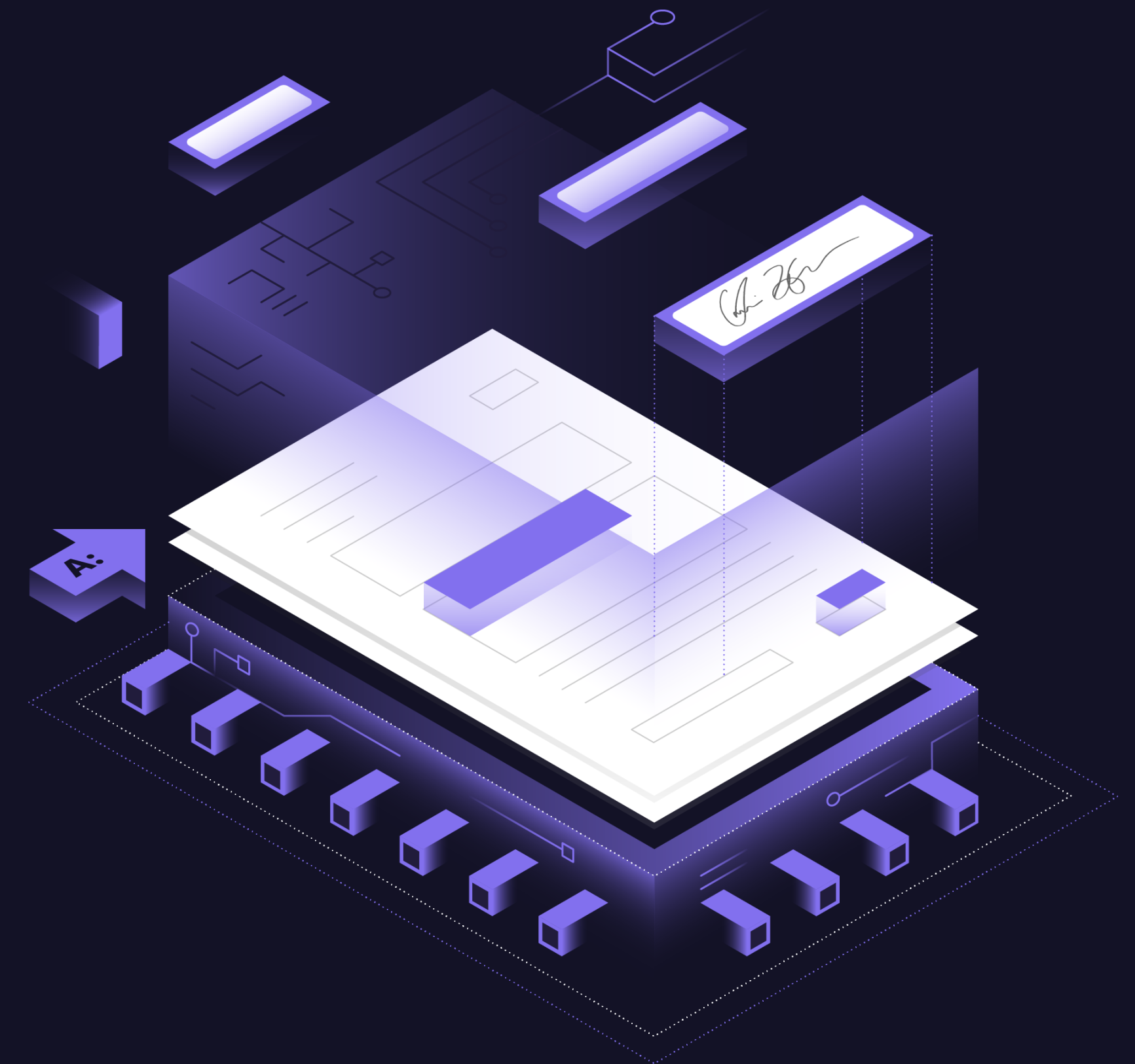
## Embed rather than integrate

AI implementations are most impactful when they are embedded directly into operational software, rather than added as standalone solutions. While many AI tools exist, building and maintaining integrations is expensive and creates disjointed workflows. Integrations also provide businesses with limited flexibility in terms of the data that can be sent and received and how the integration can be set up within the company's existing infrastructure.

When AI functionality is embedded natively into existing operational software, teams benefit from less disruption, greater ease of use, and quicker deployments of new AI functionalities. Embedded AI also has the advantage of order context— when AI is directly embedded into a system, it can more easily read and process data within the context of an order to generate better outputs.

IT teams also benefit from an embedded AI architecture. Instead of managing a disjointed web of AI applications with overlapping functionalities and separate contracts, IT professionals can focus their time on technology initiatives that move the business forward.

Ultimately, the benefit of AI will be realized when AI can “ride along” to enhance the entire workflow. A single integration or feature will not be revolutionary to the closing process, but frequent application of AI throughout the workflow will provide a cumulative advantage. Tools that are natively embedded into the core systems users already leverage will enable them to work more efficiently throughout the entirety of the workflow.





# Conclusion

A promising AI-enabled future awaits the title & escrow industry, and title & escrow professionals are ready to embrace the technology now. Businesses that act swiftly with a forward-thinking strategy will effectively capture the benefits of AI in their operations, positioning themselves well for future market cycles.

Qualia is a trusted AI partner for the title & escrow industry. Our purpose-built gen AI solutions are embedded directly into Qualia's title production system to ensure that businesses get immediate, transformative value from AI in their day-to-day workflows.

To learn more about Qualia's gen AI and AI solutions, [schedule a time with a Qualia product specialist.](#)

