

Q&A with Timothy C. Healy, CEO of PropLogix providing Full-Service Due Diligence Technology Solutions for Title Agents with Municipal Lien Searches, Estoppel Letters, Land Surveys, and Release Trackingx



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CEOCFO: *Mr. Healy, according to the PropLogix site, you are simplifying the entire real estate experience by innovating and disrupting the status quo. How?*

Mr. Healy: We're taking advantage of technology and creating a means for title companies to do business by helping with their due diligence. We help them look for things like unrecorded municipal debt (a very common need in Florida and other states) and we also

procure tax certificates and information from HOAs, commonly referred to as HOA Certificates, or Estoppel Letters. We also help them get land surveys and track releases on mortgages, or deed reconveyances. Our technology simplifies the management of this due diligence by use of software integrations. Most title companies use closing software and we have integrated with most of the major title software companies such as ResWare and RamQuest. These integrations allow users to almost instantaneously send all the information we need to do our job with the click of a button and when we're done, we can easily send the research back and they never have to leave their closing software. It makes them more efficient and less prone to data errors when they don't have to enter information twice. Beyond software integrations, we've built our own platform that most clients prefer to use because we've made it so simple to create new and monitor existing orders.

"We are already working on our new products and services that we can release to the industry. We continue to grow our development team and enhance our technology to help buyers, sellers, Realtors, title agents, and real estate attorneys through the services that we can provide to them."

- Timothy C. Healy

CEOCFO: *Why has it taken so long for the real estate industry to make use of technology?*

Mr. Healy: It is definitely an industry that is lagging a bit in terms of technology, hence why we are disrupting the status quo, bringing innovation and technology to the industry. Introducing change to an industry that has always done things a certain way can be hard. Leaders of title companies big and small are concerned with questions like, how is it going to impact my business and why should I do this when everything works fine? We are starting to see more acceptance now as more young people who really thirst for technology to make their lives easier are getting into this line of work.

CEOCFO: *How are you reaching out to your potential client base?*

Mr. Healy: We have a dedicated sales team and we also have a dedicated inside sales team that will reach out to potential clients to help educate them about our solutions. We also use a weekly blog to educate the industry and our current clients on the many facets of real estate due diligence. Other ways of marketing include utilizing social media and online forums to reach out to potential customers. Our goal is really to educate people in the industry and we find they appreciate that and turn into clients. We also have very strong relationship with key underwriters in our industry and have become preferred vendors by way of a vetting process.

CEOCFO: *How are you able to reach all the various entities that could affect a title?*

Mr. Healy: This business started in Florida so the first thing we did was learn all the different municipalities and what they were responsible for, every one of them is different. It's the same in each new state that we go into, every municipality is different with different rules, different taxes and ways of recording information, different ways of handling utilities, codes, permits, or whatever it may be. Once we've learned those intricacies, we're able to automate this research process. We apply this method with every new state we've gone into, which is 30 so far. We find that this information really is across the board. In Pennsylvania, when you want to get school tax information, you don't go to the local clerk and municipality for the taxes; the school tax is recorded separately. If you only request taxes, you'd never get that information. In another municipality we've researched, you can only request information from a woman that works out of her home two days a week, she has to photocopy the records and mail them to you. This particular case isn't typical, but it goes to show that there are a million-and-one ways that each entity handles this information and we have to be familiar with them all.

CEOCFO: *Would you tell me about the business model?*

Mr. Healy: Our company was founded by two real estate attorneys who needed research done at the municipal level to complete due diligence for their closings, this is what we call Municipal Lien Searches. There were a few companies that did it at the time and they weren't happy with the quality, so they figured they could do a better job in-house and quickly realized they could begin offering their superior searches to other title agents, and this company was born. It wasn't until 2014 that we expanded beyond municipal lien searches to include another product, association estoppels. We were already finding information pertinent to closings at the municipal level, association estoppels are about discovering all the debt and obligation a buyer has to a homeowner's association or condo association before closing. It tells a buyer what the dues are, when they're paid, if there are any unpaid assessments, any capital contributions, and if buyer approval is needed. With these two products in place, we began to expand these services throughout the state of Florida. In 2016 we thought, we've mastered these products, what else can we help agents with? That's when we added two new services: surveys and payoff tracking. We don't actually do surveys, but get the agent a flat-rate price or competitive bids, and then handle the management of ordering and coordinating the survey. Payoff Tracking is actually a service that happens after closing. Among several important things we track, most commonly the title agent will have us check that lien releases, mortgage satisfactions, or deed reconveyances are filed to ensure there is no issue that could pop-up down the line. It's a part of due diligence that often gets forgotten or neglected, but can end in expensive and time-consuming title claims. For example, when a client orders Payoff Tracking for a Florida deal it's our job to check with the local clerk of courts that the mortgage payoff was received and the satisfaction was filed. Florida statute says banks have 60 days after a closing to file a satisfaction of mortgage. If it was not recorded, then we go and work with whoever the bank was to make sure it gets recorded. These services were actually developed because of a problem a client was dealing with and we realized by talking to other clients, they wanted this type of service. In 2017, we have taken those four core products and started to expand nationally. We start first with our survey product and Payoff Tracking, now with Municipal Lien Searches (also referred to as Tax Certificates in some other states), Association Estoppels, and Payoff Tracking. Now we're looking to bring our solutions to all 50 states and possibly beyond.

CEOCFO: *PropLogix is quite high up on the Inc 5000 list this year, so clearly business is going well. How do you continue the trajectory?*

Mr. Healy: I think it goes back to how we got here and what our mission is. It is by simplifying the entire real estate experience by continuing to innovate and disrupt the status quo, so that means bringing more and more services to our clients and maybe directly to buyers, but to make the whole experience simpler for everyone. We are already working on our new products and services that we can release to the industry. We continue to grow our development team and enhance our technology to help buyers, sellers, Realtors, title agents, and real estate attorneys through the services that we can provide to them.

