

D.C. Attorney General Settles with Title Insurance Company for Alleged Kickback Scheme

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On October 24, the District of Columbia Office of the Attorney General (the “DCAG”) announced that it entered into a \$500,000 [settlement](#) with a title insurance company following an investigation, alleging that the company engaged in an illegal kickback scheme. Specifically, the DCAG determined that the title company offered real estate agents discounted ownership interests and profit-sharing in entities created specifically for the purpose of incentivizing those agents to make business referrals to the title company.

In its [press release](#), the DCAG stated that “[t]his anticompetitive, conflict of interest-plagued conduct restricted District homebuyers’ ability to shop for the best price and service when purchasing title insurance and escrow services and also harmed law-abiding competitors in the title insurance industry, all in violation of the District’s Consumer Protection Procedures Act.”

The title company denied any wrongdoing, but agreed to stop offering incentives to real estate agents in exchange for referrals. The company also agreed to divest real estate agents from their ownership interests in the entities it created. Moreover, per the terms of the settlement, the company is prohibited from forming or maintaining ownership interests in any entity that offers title insurance or settlement services in which real estate agents have an ownership interest. Additionally, the entities it created are prohibited from applying for licensure as long as real estate agents maintain an interest in those entities.

Putting it into Practice: The DCAG’s settlement with the company is not its first action against title companies offering kickbacks for referrals. Recently, in August 2024, the DCAG conducted an [industry sweep](#) which secured over \$3.2 million from four other title insurance companies for similar kickback schemes, showing that the DCAG intends to take an active role in addressing this issue. Title insurance companies operating in the District should review this settlement to ensure that their own business models and internal practices are in line with the DCAG’s view of fair competition in this space.

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