



## First American cyber incident expected to impact Q4 2023 financials

Delayed closing due to the Dec. 20, 2023, cyber incident are expected to lead to weaker fourth quarter financials at the title firm

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Big Four title firm **First American Financial** believes the cybersecurity incident it incurred on Dec. 20, 2023, will have material impact on its fourth quarter 2023 financial results, according to a document filed with the **Securities and Exchange Commission** last Friday.

In the filing, First American informed the public that it believes it has contained the incident and reiterated that it has resumed normal business operations, which it first announced on Dec. 29, 2023.

Due to the cybersecurity attack, certain transactions that were to close in Q4 2023 were delayed so revenue from those transactions won't show up until Q1 2024, while other transactions were moved to other companies resulting in a loss of revenue.

“As a result of the incident, receipt of notices of the issuance of certain title policies have been delayed and, as a result, related revenue that would have been recognized in the fourth quarter of 2023 will not be recognized until the first quarter of 2024,” the filing states.

First American also noted that it occurred a one-time expense due to the incident.

Despite this, the company said in the filing that it does not believe the incident will have any material impact on First American's overall financial conditions of its ongoing results of operations.

In addition to **First American Title Insurance** and **First American Title Guaranty**, the First American Financial umbrella encompasses nearly two dozen subsidiaries, including **DataTrace**, **ACI**, and **ServiceMac**.

First American has informed customers that the perpetrators have stolen consumer data, however details about the scope and nature of the data have yet to be released.

