

# ALTA NEWS

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**AMERICAN  
LAND TITLE  
ASSOCIATION**



## **For Immediate Release**

### **American Land Title Association Issues Statement on Initial Prototypes for New Mortgage Disclosure Form**

**Washington, D.C., May 20, 2011** — Anne Anastasi, president of the American Land Title Association, issued the following statement in response to the Consumer Financial Protection's (CFPB) initial prototypes of its combined mortgage disclosure form required under the Truth in Lending Act (TILA) and Real Estate Settlement and Procedures Act (RESPA).

"The Consumer Financial Protection Bureau has released two similar prototype forms, called a combined mortgage disclosure. The forms are intended to be provided to consumers early in the mortgage finance process so that consumers can better shop for mortgage loans and related real estate settlement services. A similar disclosure showing the final charges is expected to be released in the future.

ALTA believes these forms are an important step in the right direction. We strongly support consumers understanding the costs of a loan and related settlement services early in the homebuying and mortgage refinance process. Finding harmony between simplification and providing detailed information to help consumers make informed choices when obtaining a loan will remain the highest hurdle.

After an initial review of the CFPB's draft disclosure forms, ALTA generally prefers Prototype 1 because it seems more structured and moves from left to right, which aids in readability; however, there are concerns that on both prototypes, Owners Title Insurance is listed under "Non-Required Services." Title insurance provides essential protection to consumers and should not be considered a service that is not required, rather it should be labeled as "Additional Services" they should consider.

Among its other concerns, ALTA believes that in Section C, lenders title insurance and settlement agent fees should be separated on different lines to help consumers distinguish the individual charges as the process in some states are performed by separate providers.

ALTA is encouraged the CFPB has taken a collaborative approach by working with the industry to craft a mortgage disclosure that is beneficial to consumers and the industry. We hope that as we continue on this endeavor, the Bureau will continue to seek industry feedback to help ensure the best product is created. ALTA will continue to offer input on content and work closely with the CFPB as the draft of the form develops and will encourage the Bureau to clearly indicate on the forms what the consumers monthly payment will be, what the interest rate is and how much money the buyer needs to bring to the closing.”

**About ALTA**

The [American Land Title Association](#), founded in 1907, is a national trade association representing more than 3,800 title insurance companies, title agents, independent abstracters, title searchers, and attorneys. With offices throughout the United States, ALTA members conduct title searches, examinations, closings, and issue title insurance that protects real property owners and mortgage lenders against losses from defects in titles.

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