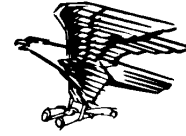


ALTA NEWS

**AMERICAN
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For Immediate Release

American Land Title Association Comments on Congressional Proposals to Eliminate GSEs

Washington, D.C., March 30, 2011 — While the [American Land Title Association](#) (ALTA) believes reform of Fannie Mae and Freddie Mac is needed, several legislative proposals by members of Congress to essentially eliminate the Government Sponsored Entities (GSEs) fail to recognize the GSE's important role in providing fair market competition and rational underwriting standards.

ALTA maintains that the GSE's role should be restored to their original mission, which was one of providing affordability and liquidity to the U.S. housing and mortgage markets, and once included strict and sound guidelines.

"All participants in the lending process from borrowers to lenders benefit from Fannie and Freddie's promotion of competition and efficiency through the promulgation of uniform underwriting standards that lenders and servicers are required to follow in order to sell loans to the two institutions," said Anne Anastasi, president of ALTA. "These marketplace efficiencies lower borrowing costs for consumers."

The GSE's seller servicing guidelines, coupled with the GSE's computer underwriting platforms, are used by lenders to make quick, informed credit decisions on loans. By eliminating the GSEs, each lender will have to develop their own standards for everything from appraisals, title and mortgage insurance requirements to uniform mortgage documents and mortgage backed securities documents.

"This will increase the cost of providing loans and require consumers to choose between disparate and more complex products, even as the Dodd-Frank Wall Street Reform and Consumer Protection Act directs regulators to make it easier and more understandable for consumers to shop for mortgages," Anastasi said.

The real losers in a market without Fannie and Freddie are consumers who will absorb dramatic increases in the costs of accessing mortgage credit. It's estimated that eliminating Fannie and Freddie will result in mortgage rates to increase a full percentage point and home values will decrease 10 percent.

"These changes will further hamstring our already crippled housing market," Anastasi said. "Many working families will sink further underwater on their mortgages as housing prices are driven further downward by the reduced purchasing power of homebuyers. Eliminating Fannie and Freddie will result in an even greater number of mortgage loans ending up in the portfolios of far fewer companies, consolidating risk in already too-big-to-fail institutions. It's a recipe for disaster that will keep taxpayers on the hook for future bailouts of our housing finance system."

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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