

ALTA Press Release

AMERICAN
LAND TITLE
ASSOCIATION

Contact: Wayne M. Stanley
Direct Office Line: 202-261-2932
Cell: 765-432-7094
Email: wstanley@alta.org



For Immediate Release

ALTA Requests Three Changes to CFPB's New "Your Home Loan" Consumer Toolkit

Washington, D.C., April 1, 2015 — The [American Land Title Association](#) (ALTA), the national trade association of the land title insurance industry, released the following statement today addressing the Consumer Financial Protection Bureau's (CFPB) new "Your Home Loan Toolkit."

"Overall, the new consumer toolkit is a good resource and provides valuable information for consumers in an understandable manner," said Michelle Korsmo, ALTA's chief executive officer. "There's a funny but necessary paragraph in the new "Your Home Loan Toolkit" that highlights the confusion consumers will experience when the real estate industry begins utilizing the CFPB's new Closing Disclosure forms on Aug. 1. ALTA suggests that the CFPB accept three important alterations to the "Your Home Loan Toolkit.""

"First, we've long been concerned with the forms, and now the booklet, calling the title insurance policy "optional." The Bureau should not discourage any homeowner from purchasing an owner's title insurance policy that financially protects one of the largest investments of their lives. For a one-time fee paid at the closing table, an owner's title insurance policy protects a homebuyer from having to pay legal fees and claims that were not discovered during the title search such as back taxes owed by previous owners, compensation to an unknown heir for their interest in the property or even if there was a forged signature on a deed. The CFPB should provide an accurate description of the peace of mind an owner's title insurance policy provides and allow the homebuyer to make their own decision about purchasing this protection for their home."

"Secondly, for many consumers, buying a home is the single largest investment they will make in their lifetime and homebuyers should fully understand the costs of their investment. In the new toolkit, the Bureau asks homebuyers to overlook the flaws on these forms and states that a homebuyer may receive a final list of fees at the closing table that differs from the fees that are included on their Loan Estimate and Closing Disclosure. In nearly half of the United States, consumers will pay for title insurance rates that are different than how the CFPB requires ALTA members to inaccurately disclose these fees on the new forms. ALTA and its members request that the Bureau to fix their confusing forms, and the accompanying language in the new toolkit, before the Aug. 1 implementation date."

"Finally, the Bureau would better serve consumers by adding information about the additional costs of owning a home such as utility fees which include power, water, gas, electricity, etc. As a homebuyer considers the financial impact of homeownership they should be presented with all of the possible costs they might encounter to maintain their home."

###

[About ALTA](#)

The [American Land Title Association](#), founded in 1907, is the national trade association representing more than 5,400 title insurance companies, title and settlement agents, independent abstracters, title searchers and real estate 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.

Connect with ALTA on Facebook [here](#). Follow ALTA on Twitter [here](#).