

ALTA Press Release

AMERICAN
LAND TITLE
ASSOCIATION

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For Immediate Release

U.S. Rep. French Hill: CFPB Must Provide More Detail Before Going Retail on Know Before You Owe

Washington, D.C., May 16, 2016 — Addressing more than 250 attendees Monday during the [American Land Title Association](#) (ALTA) 2016 Federal Conference & Lobby Day in Washington, D.C., Congressman French Hill (AR-02) stressed that the Consumer Financial Protection Bureau (CFPB) should provide additional formal guidance to help industry comply with the TILA-RESPA Integrated Disclosure (TRID), or the Know Before You Owe, rule.

Specifically, Congressman Hill urged CFPB to correct the inaccurate disclosure of title insurance fees when policies are issued simultaneously. Because of the regulation, consumers in over half of the United States receive confusing information about their title insurance costs on the new mortgage disclosures.

“Informal guidance is of no value,” Congressman Hill said. “The lack of formal direction from the CFPB has resulted in uncertainty on how to interpret the rules. We need transparency so we can ensure consumers receive the peace of mind they deserve when buying a home or refinancing a mortgage. The CFPB needs to make sure it provides the detail before going retail with Know Before You Owe.”

Last year, Congressman Hill, House Financial Services Committee leadership, and industry representatives cautioned CFPB that Know Before You Owe could have unintended negative consequences on homebuyers. Prior to the rule going into effect, Congressman Hill introduced H.R. 3192, the Homebuyers Assistance Act, which would have created an official hold-harmless period for companies making good-faith efforts to comply with the regulation.

In October, the House of Representatives passed the bill by an overwhelming bipartisan vote of 303-121. After seven months of choppy implementation, the CFPB earlier this month announced plans to reopen the rulemaking for Know Before You Owe later this summer.

“ALTA’s primary goal for the CFPB’s proposed new rulemaking to Know Before You Owe this July is ensuring consumers receive clear information about their title insurance costs on mortgage disclosures,” said Michelle Korsmo, ALTA’s chief executive officer. “The current mortgage closing disclosure calculation is inconsistent with the Bureau’s mission to inform consumers about the true costs of their real estate transaction. We are thankful for Rep. Hill’s commitment to push the Bureau to provide more clarity on TRID to make sure the rule is transparent, practical and accurate.”

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About ALTA

The [American Land Title Association](#), founded in 1907, is the national trade association representing 6,000 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.

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