

ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

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For Immediate Release

American Land Title Association President Outlines Principles for Successful Mortgage Disclosures during Congressional Hearing

Washington, D.C., June 20, 2012 — Christopher Abbinante, president of the [American Land Title Association](http://www.alta.org) (ALTA), testified today before the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity during a hearing titled “Mortgage Disclosures: How Do We Cut Red Tape for Consumers and Small Businesses?”

The Dodd-Frank Wall Street Reform and Consumer Protection Act directs the Consumer Financial Protection Bureau (CFPB) to simplify and combine mortgage disclosures required under the Truth in Lending Act (TILA) and Real Estate Settlement and Procedures Act (RESPA). The CFPB is expected to issue a proposed final rule in July 2012.

“ALTA supports simplified mortgage disclosures,” Abbinante said. “However, industry groups and the Bureau agree that there are a number of statutory conflicts between RESPA and TILA. It is not clear if these conflicts can be resolved by the Bureau or will require an act of Congress.”

Abbinante reminded the Subcommittee that, “ALTA members act as independent, third-party settlement agents in mortgage transactions. We prepare and provide the HUD-1 settlement statement, which provide all parties to the transaction with their final settlement costs.”

Abbinante’s testimony outlined six principles to help the CFPB develop disclosures that are fair for consumers and the industry and avoid unintended consequences. The principles are:

1. Prevent disruptive and costly delays to closing for consumers
2. Provide industry with clear guidance
3. Promote fair competition
4. Avoid unnecessarily high costs for small business
5. Test the disclosures on actual closings instead of isolated interviews with consumers
6. Encourage consumers to make informed decisions.

“These principles will help ensure the CFPB avoids unintended consequences for consumers, industry and the entire real estate market,” Abbinante testified. “Lenders should continue to have responsibility and liability for preparing the part of the disclosure related to the loan costs, while settlement agents should continue to have responsibility and liability for preparing the part of the disclosure related to the settlement costs.”

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About ALTA

The American Land Title Association, founded in 1907, is a national trade association representing more than 4,000 title insurance companies, title agents, independent abstracters, title searchers, and attorneys. 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.