

May 7, 2008

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street S.W., Room 10276
Washington, DC 20410-0001

RE: Docket No. FR-5180-P-01 / 73 Fed. Reg. 14030 (Mar. 14, 2008)

Dear Acting Secretary Bernardi:

I am the Title Operations Manager for a title insurance underwriter which provides direct title services in addition to underwriting title insurance agents. We have been operating in Colorado, Utah and Minnesota since 1960. My experience in the title insurance industry dates back to 1980.

I have some real concerns regarding the proposed HUD RESPA reform. I appreciate the time and consideration you will give to my letter.

Regarding the modification of the Good Faith Estimate, title and closing agents rarely receive a copy of the GFE. It is, and should continue to be, the responsibility of the lender to provide this form and to answer any questions about it.

*The proposed rule inaccurately assumes how certain settlement fees are charged. For example, the proposed rules erroneously states, "Government recording and transfer charges are well known to loan originators or can be calculated based on the purchase price or value of the property." However, in Colorado, and many other states, recording fees are based upon the number of pages of the mortgage or deed of trust and **not** on the value of the property.*

The proposed rule will discourage shopping and result in increased costs to the consumer from the lender charging for the GFE.

The rule addresses only borrower's settlement fees but completely ignores the settlement costs and fees of the seller. If the proposed rule is truly to protect consumers, it should protect all consumers and not just a narrow class of consumer.

In the proposed modification of the HUD-1, as a consumer considers that cost of a real estate transaction, whether it is a buy/sell transaction or a refinance, I believe that the itemization of all costs is necessary. The proposed approach fails to provide for that itemization. Only complete itemization will facilitate a true comparison. I would urge that any modified form of GFE as well as the HUD-1 include that itemization and that those costs come directly from the settlement service provider responsible for that service, not the lender.

The suggested use of tolerances is very confusing and only applies in certain circumstances which make shopping with this form nearly impossible. Even with the experienced knowledge of someone in the business, the deference given to lender-chosen settlement service providers in the form of a 10% tolerance favors that provider rather than encouraging further shopping.

The proposed rule discriminates in its application among insurance providers. For instance, unlike the treatment of title insurance, homeowner's insurance is not subject to any tolerance.

The proposed rule allows the lender to quote the price or control which title insurance company is used. It should treat title insurance similar to the way homeowner's insurance is treated and encourage consumers to shop for both.

Volume discounts merely benefit the referrer of business and not the ultimate consumer.

Volume discounts have been traditionally viewed under RESPA as kickbacks or referral fees that only increase the costs of settlement services to the consumer who pays for those services and reduces competition.

The rule allows discounts only when using the lender-referred settlement service providers. This is discriminatory and puts the consumer's interests in the hands of the lender. We should encourage shopping by consumers.

Volume discounts hurt small business and are not permitted in many states.

A requirement on the proposed HUD-1 anticipates is the disclosure of the split between a title insurance agent and his/ her underwriter. I fail to see any benefit to the consumer, as this is a matter of private contract. Other types of insurance such as homeowners insurance are not required to make that disclosure. There is no reasonable justification for such a discriminatory application.

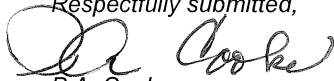
The new rule exposes the title company closer and the title company owner to legal action for unauthorized practice of law because of the content of the closing script and the explanations that may be required for the GFE and script.

The proposed rule will violate privacy considerations in Colorado. Colorado is a table funding state, which means that all of the parties are at the closing table at the same time. On purchase transactions, the closing script will be required to be read at the closing – in front of the seller – inappropriately disclosing the borrower's loan terms and details. This is a complete violation of privacy that would require a change in the very manner closings are conducted in Colorado. The proposed rule appears to give no consideration whatsoever for this problem it creates.

The role of the closer in the transaction has always been that of an objective, independent third party who takes instructions from the various parties to the transaction and assures that those instructions are met at or prior to the closing for the benefit of all parties to the transaction. It should not be the role of the closer in the transaction, who has duties to all of the parties and cannot, and should not, represent one party's interests over those of another party to the transaction. That is the role of the consumer's agent, representative, or attorney – not the closer.

The proposed rule makes no estimate for the increased cost to the consumer as a result of the closer having to increase its closing fees to account for the increased risk associated with the liability for preparing the script and policing the lender for compliance with its GFE. Many state regulatory agencies will likely require the collection by the title entity of some additional "premium" to cover the increased liability risks taken on by the closer as a result of the proposed rule.

Respectfully submitted,



*P.A. Cooke
Attorneys Title Guaranty Fund, Inc.
999 18th Street, Suite 1101
Denver, CO 80202*