Madam Chairwoman, Ranking Member Gutierrez and members of the Subcommittee:

I am Anne Anastasi, President of Genesis Abstract, in Hatboro, Pennsylvania. For the past 33 years I have worked as a land title professional, and I am the current President of the American Land Title Association.

ALTA members serve as independent, third-party facilitators who conduct real estate and mortgage closings. We interact with consumers every day at the closing table where we are responsible for two major functions: first, we ensure that the transaction is completed quickly, honestly and in accordance with all of the parties' instructions; and second, we serve as the last resource for consumers if they have questions about the fees they are charged and documents they sign during their closing.

These closings can often feel daunting because most consumers only experience a closing a few times in their lifetime. Because of our special view into consumers' experience, ALTA supports improvements to the mortgage process, and our members can be especially useful to policymakers as they consider how best to accomplish this task.

As we seek to improve the mortgage origination process, we need to fundamentally rethink a key part of the architecture of the current process: federal mortgage disclosure laws. These laws are designed to help consumers shop for a mortgage and settlement services by reducing confusion and providing the consumer with timely information about their transaction, however our experience with the consumers at the settlement table reveal a significant amount of confusion still exists.

As efforts are undertaken to revise and combine the mortgage disclosures required under RESPA and TILA, we offer the following three recommendations to improve the process:

First, improve the disclosures transparency by itemizing all costs, not just some. ALTA members routinely see the confusion caused by the current practice of itemizing some fees while combining other fees into categories or "roll ups."

In addition, the greater transparency provided by full itemization increases information to help consumers shop for settlement services among competing providers, promoting competition and reducing excessive fees.

Second, make disclosures flexible enough to be applicable in all parts of the country. While real estate closings and practices vary greatly from state to state, the 2010 RESPA regulation created a regime that forces transactions into a one-size-fits-all disclosure.

In many parts of the country, a number of fees that must be listed on the borrower's GFE are actually paid for by the seller. Despite this, the latest RESPA regulation includes strict rules that require that these fees be irrationally disclosed as the borrower's responsibility. While appropriate credits are given on other lines of the proposed combined disclosure this unnecessary confusion must be explained to consumers by their lender and closing agent.

One example of this paradox is owner's title insurance policy. In many parts of the country, owner's title insurance is paid for by the seller. However, the lender and closing agent must disclose the charge as a borrower's cost. Not only does this create confusion, but the consumer starts to question the integrity of the transaction when we have to say, "we are showing this fee on

your side of the sheet but you will get a credit back on another page".

Our last recommendation is that if the purpose of federal mortgage disclosures is to protect consumers, then every effort should be made to ensure that the disclsoures help consumers make educated choices. At a minimum, these disclosures should not prejudice consumers against protecting themselves. The current drafts of the initial disclosure form include the term "not required" when they describe settlement services that are not for the lender's benefit.

One example is Owner's Title Insurance, which, if it is purchased, indemnifies consumers against challenges to the title of their property. If a consumer chooses not to purchase their coverage, their financial interests are not protected eventhough the lender is protected by their loan title insurance policy.

Disclosure forms should avoid prejudicial phrases like "not required" that could imply that a particular service is of less value to consumers. We know as a result of the robosigning and foreclosure crisis that purchasing an Owners Title Insurance policy is a prudent decision that is in consumers' best interests. We encourage CFPB to find alternative terms when describing these types of services, such as "additional protections" or "recommended". How can we say we want to protect consumers when an unfortunate choice of words could lead to a misinformed and dangerous decision with unintended consequence.

ALTA is eager to serve as a resource to the Subcommittee and other stakeholders, and I am happy to respond to questions. Thank you.