



July 6, 2015

Ms. Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20522

Re: Docket No. CFPB-2015-0029/ RIN 3170-AA48

Dear Ms. Jackson:

The American Land Title Association<sup>1</sup> (ALTA) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (Bureau) proposal to delay implementation of the TILA-RESPA Integrated Disclosures (TRID) rule to October 3, 2015. ALTA commends the Bureau for recognizing the opportunity in correcting its administrative error to move the TRID implementation date to October, which will be less disruptive for the housing market. ALTA urges the Bureau to use this additional time to implement changes to TRID that would help consumers even further.

First, the Bureau should announce a specific hold-harmless period for TRID enforcement actions against companies who are working in good faith to comply with TRID's requirements. The Bureau's informal announcement that it will be "sensitive"<sup>2</sup> when considering enforcement actions does not provide service providers with the certainty they need as they work to comply with this complex regulation that will affect millions of homebuyers. Without certainty from the Bureau about how it will address TRID violations in the months following implementation, service providers are likely to close fewer transactions to mitigate their exposure to enforcement actions and to help ensure that they are following the complicated nuances of the TRID regulation.

We have learned from previous regulatory implementation, including the introduction of the new HUD-1 forms in 2010, that there will be a learning curve as industry professionals adjust to the

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<sup>1</sup> The American Land Title Association, founded in 1907, is a national trade association and voice of the real estate settlement services, abstract and title insurance industry. ALTA represents over 5,600 member companies. ALTA members operate in every county in the United States to search, review and insure land titles to protect home buyers and mortgage lenders who invest in real estate. ALTA members include title insurance companies, title agents, independent abstracters, title searchers and attorneys, ranging from small, one-county operations to large national title insurers.

<sup>2</sup> Thompson, Diane. "Know Before You Owe: You'll get 3 days to review your mortgage closing documents." Web Blog Post. The Consumer Financial Protection Bureau, 3 June 2015. Web. 26 June 2015.


new requirements. Although industry has had 21 months to prepare for the new TRID requirements, scenarios will arise that have not yet been contemplated. Industry professionals will need to determine how to resolve these unknown situations while complying with the 1,888-page TRID regulation. To prepare for these inevitable complications, many mortgage lenders and settlement service providers have initiated additional risk-management tactics that may slow the closing process for homebuyers. By announcing a specific hold-harmless period, the Bureau will provide certainty to the industry, which will help ensure consumers' real estate transactions will not be disrupted after the TRID effective date. In the absence of more certainty, ALTA will continue to urge Members of Congress to pass bipartisan legislation in the House and Senate to grant a formal hold harmless period.

Second, we once again encourage the Bureau to fix the inaccurate disclosure of title insurance premiums for consumers.<sup>3</sup> The majority of state laws and regulations in the United States dictate consumers must pay title insurance rates that are different than how the Bureau requires industry to disclose these fees to the consumer. Every homebuyer should be well informed about the accurate costs of homeownership—including what they pay for each service during the real estate closing process. If the Bureau does not fix this requirement, TRID is likely to fail in achieving its primary purpose of helping consumers understand the costs of their mortgage and real estate transaction.

Third, the Bureau should remove the “optional” label for title insurance costs on the new TRID disclosure forms. Unfortunately, the treatment of owner's title insurance on the new forms will cause homebuyers to be dissuaded from purchasing the same protection that lenders receive from a title insurance policy. Purchasing a home is typically the largest financial investment a consumer will make in his lifetime. Lenders require homebuyers to purchase a lender's title insurance policy to help ensure that the lender will be protected if a title problem arises; however, this title insurance policy provides no protection to the homebuyer. Without an owner's title insurance policy, the out-of-pocket legal costs for a homeowner to resolve a title claim—legitimate or not—could be in the tens of thousands of dollars. The Bureau's disregard of the protection afforded by an owner's title insurance policy is a disservice to the consumers they represent.

ALTA looks forward to continuing to work with the Bureau to ensure that consumers continue to have a positive real estate settlement experience following TRID's implementation. Should you have any questions about this comment letter, please contact Steve Gottheim, legislative and regulatory counsel, at [steve@alta.org](mailto:steve@alta.org) or 202-261-2943.

Sincerely,



Michelle L. Korsmo  
Chief Executive Officer

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<sup>3</sup> Please see ALTA's Comment Letter in response to CFPB-2014-0028/RIN 3170-AA48, submitted on Nov. 10, 2014.