



May 19, 2015

The Honorable Richard Shelby
Chairman
United States Senate Committee on
Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Shelby:

Thank you for your efforts to reach bipartisan agreement on the Financial Regulatory Improvement Act of 2015. We believe efforts to increase transparency and consumers' access to credit and reduce regulatory burden are vital for our members. The majority of our members are small businesses with the average title agency earning \$156,000 in gross annual revenue and employing three or fewer people. As ALTA's president Diane Evans indicated in testimony before the U.S. House of Representatives last month, "You need to help us out. We are the bedrock of this United States and we're depending on you to come up with a solution."

Of particular importance to our members is section 117 of your draft. As you know, the Consumer Financial Protection Bureau's (Bureau) TILA-RESPA Integrated Disclosures (TRID) regulation is complex. We appreciate your efforts to help improve one area where the CFPB got this rule wrong. I am talking about the disclosure of title insurance premiums on the new forms. This new regulation prohibits our industry from disclosing to homebuyers the actual cost of title insurance policies purchased by the consumer at closing. Consumers will be confused because the government-mandated form will disclose different prices than the actual costs a homebuyer sees while shopping for title insurance. The Bureau should resolve this issue by allowing us to disclose the actual title insurance premiums required in each state.

We appreciate the bill's application of the Federal Advisory Committee Act. And, although it was not included in the discussion draft, we encourage you to create a permanent Small Business Advisory Board and an advisory opinion process at the CFPB.

We appreciate the bill's improvements to designation of rural areas under federal consumer financial law. The bill takes reasonable steps to make credit more available for consumers in a responsible way. Importantly, the bill aligns the interests of consumers and their bank and non-bank mortgage lenders who hold their customer's loan on their balance sheet.

We also appreciate the bill's interest in ensuring quality examinations, particularly with respect to guidance on appropriate risk management procedures for their title insurance and settlement service providers. Thank you, also, for ensuring that financial regulators perform a comprehensive review of regulations.

Lastly, we are grateful for your reaffirmation of the principles of the McCarran Ferguson Act and our system of state regulation for insurance. As we learned during our financial crisis, state regulation of insurance works and should continue to be supported.

Thank you again for working across the aisle to provide reasonable and important financial regulatory relief for consumers and small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle L. Korsmo". The signature is fluid and cursive, with the first name "Michelle" being the most prominent part.

Michelle L. Korsmo
Chief Executive Officer