

February 10, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20050

The Honorable Kamala Harris
Vice President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20050



Dear President Biden and Vice President Harris:

On behalf of the American Land Title Association (ALTA), congratulations on the swift start to your Administration. The importance of your leadership during this moment in history cannot be overstated. We support your efforts to tackle the COVID crisis forcefully, restart the economy by getting small businesses back on their feet with important investments like the Paycheck Protection Program, and face down the unfortunate legacy of discrimination and injustice that still stains our nation. In particular, ALTA is committed to working collaboratively together as you tackle some of the significant challenges facing homebuyers, the housing market, and the broader economy, including the growing need for more affordable housing nationwide.

Who We Are

Founded in 1907, ALTA is the national trade association representing nearly 6,400 title insurance companies, title and settlement agents, independent abstracters, title searchers, and real estate attorneys. The title insurance industry employs 120,000 professionals across the country, located in every county nationwide. This includes thousands of extremely small, family-owned businesses, which employ three workers each, on average.

ALTA members conduct title searches, examinations, closings, and issue title insurance that helps protect the property rights of millions of Americans. ALTA members provide two primary services to residential homebuyers, commercial real estate owners, and financial institutions. The first service is the preparation and issuance of title insurance policies protecting both purchasers and mortgagees of real property. Insurance products, including title insurance, are regulated at the state level. Additionally, title professionals act as third-party settlement agents in real estate and mortgage transactions. This service is subject to federal regulation within the jurisdiction of the Consumer Financial Protection Bureau (CFPB). Title insurance and real estate settlement professionals provide the peace of mind and confidence that every property owner deserves.

Our Work During the Pandemic

The COVID-19 pandemic has impacted all of us – from devastating loss of life and harm to human health, to damage that has drastically undermined people’s economic circumstances. Like the rest of the economy, our industry was brought to a near halt by the shutdowns in the first quarter of 2020. However, with being deemed “essential” under the federal guidance, title and settlement companies got back to work – transforming their operations to safely serve consumers through practices like sterilized closing rooms, drive up or curbside signings, and digital closing options – while also helping American families reduce their mortgage costs through refinancing.

Throughout the pandemic, title professionals across the U.S. continued to step up to help their neighbors, customers, and local communities. From volunteering at local food banks and shelters, to investing their time and talent, these professionals also aimed to help financially. To bolster those efforts, we created the ALTA Good Deeds Foundation, which provides charitable grants to nonprofit organizations supported by ALTA members in their local communities. We are proud that ALTA has now raised nearly \$600,000 in five short months and are eager to build on this effort in 2021.

Digital Innovation in Our Industry

The COVID-19 pandemic accelerated the digitization of the real estate closing process. Our members reported that the use of remote online notarization (RON) increased 547 percent in 2020 when compared to 2019. This increase is driven by the demand for socially distanced closings due to COVID-19, coupled with the fact that 29 states have passed permanent laws authorizing the use of RON.

Notarizations are used extensively in real estate transactions. RON allows consumers to execute critical documents and notaries to verify the identity of signers, remotely using secure two-way audiovisual communication.

The push to provide digital closings on a broader scale will continue to grow. This is why ALTA continues to champion the bipartisan SECURE Notarization Act to provide safe nationwide rules of the road for this technology.

Importance of COVID Relief

ALTA strongly supports ongoing assistance for small businesses through the Paycheck Protection Program (PPP) in future COVID-19 packages. PPP funding for the title industry has been key in allowing us to continue to serve American consumers at this difficult time. Data released by the Treasury Department this past summer highlighted that more than 5,100 title and settlement companies received funds from the PPP, saving over 51,000 industry jobs, with 81 percent of loans received by the industry under \$150,000.

Need to Expand Housing Opportunity and Affordability

Expanding housing opportunity and affordability is one of the most important policy areas as we look to build our economy back better. A persistent lack of housing inventory will continue to drive up home prices, shutting out younger and lower income Americans from homeownership, even as mortgage rates remain at record lows. ALTA is eager to work with your Administration and the 117th Congress to find effective ways to address this problem, including through proposals such as a first-time homebuyer tax credit, as well as a strong housing finance system. Homeownership has many benefits, which are only possible because Americans have access to an affordable and efficient mortgage finance infrastructure and secondary market, as provided by government sponsored enterprises (GSE), Fannie Mae and Freddie Mac. We work very closely with the GSEs and believe they are an essential partner in strengthening housing opportunity into the future, alongside an effective and thoughtful regulator in the Federal Housing Finance Agency (FHFA).

Protecting Consumers From Wire Transfer Fraud

Wire transfer fraud or “mortgage closings scams” are the number one threat to homebuyers each year. According to the FBI, in 2019, nearly 12,000 Americans lost around \$221 million to real estate wire transfer fraud. These criminals target Americans by convincing them to send their down payment to the wrong account when buying a home. This crime is even more devastating because it hits consumers at a time when they should be the most excited during the homebuying process.

ALTA continues to lead the charge in educating both homebuyers and policymakers about the dangers of real estate fraud. To combat the risk of wire transfer fraud, ALTA members work with homebuyers from day one and educate them about the closing process. They inform consumers on what to look out for when communicating by email and what steps to take if they suspect they are being scammed. ALTA members constantly retrain employees on the latest schemes and how to implement advanced technologies, including firewalls, phishing detection, and anti-malware software, to protect homebuyers during the closing process. ALTA will continue to drive awareness of this type of fraud among its members and homebuyers and renew their commitment to protecting sensitive information. We will also work closely with Members of Congress and federal agencies, including the Federal Bureau of Investigation (FBI), to enhance data collection and reporting on the scope of the problem, as well as on additional policy solutions.

Federal Financial Services Policy and Cannabis Businesses

ALTA supports providing a clear legal path to help legitimate cannabis businesses transfer and sell real estate that could be used in the growing, storing, or selling of cannabis. At this point, 15 states, two territories, and Washington, D.C. have legalized marijuana for recreational use, while 36 states and two territories allow medical marijuana. ALTA has urged lawmakers to pass legislation such as the SAFE Banking Act and the CLAIM Act to provide an avenue to help banks, insurers, and other financial services providers serve businesses in the cannabis industry. Without legislation, our members are challenged with the legal uncertainties of their real estate transactions as they navigate the conflicts of state and federal law.

Important Role of Commercial Real Estate in the Economy

While residential real estate was strong in 2020, many sectors in the commercial real estate market have seen tremendous pressure during the pandemic. Offices have moved to a virtual workplace model, restaurants and retail have shuttered, and businesses have struggled to pay their bills, including rent. In this environment, it is important that any policy changes under consideration, such as tax code revisions, serve to bolster the ability of this sector to recover and regain its strength to maximize economic opportunity and job creation.

Current tax rules promote capital formation and help ensure that resources flow to productive, long-lasting investments that create jobs and improve communities. Going forward, we believe the tax code should continue to spur investment in commercial real estate through provisions that promote the development and rehabilitation of properties.

Support for Consumer Privacy

ALTA supports efforts to give consumers more control over their personal information. However, a patchwork of state privacy laws has created confusion for consumers and businesses seeking to understand these statutes and compliance obligations, leading to inconsistencies in consumer protection. ALTA endorses a balanced, thoughtful federal standard to eliminate both the confusion and disparity around the issue.

Importance of Effective, Balanced Regulation

Effective and balanced oversight is important for our industry. ALTA has long focused on improvements to the CFPB to enhance how the agency operates and regulates the real estate settlement process. We support the efforts by the CFPB to give the industry an opportunity to comment on policy statements, guidance, and bulletins, and seek advisory opinions to provide more specific guidance so businesses can meet Bureau expectations in their daily business practices. Additionally, ALTA believes a Small Business Advisory Board, similar to other advisory boards created for community banks and credit unions, would help foster a relationship with regulated entities with whom the Bureau does not engage as often.

Again, we look forward to working with your Administration on issues that affect mortgage finance and the broader real estate industry. ALTA welcomes the opportunity to develop bipartisan policy solutions that provide even more housing opportunities for all Americans, while ensuring the property rights of every consumer remains protected.

We are eager to discuss these matters in greater detail with your team. In the meantime, should you have any questions, please do not hesitate to contact Chris Morton, ALTA's Senior Vice President of Public Affairs at cmorton@alta.org, or 571-327-4476.

Sincerely,



Diane Tomb
Chief Executive Officer

Cc: The Honorable Cedric Richmond, Senior Advisor to the President and Director of the White House Office of Public Engagement

The Honorable Susan Rice, Assistant to the President for Domestic Policy and Director, Domestic Policy Council

Mr. Brian Deese, Assistant to the President for Economic Policy and Director, National Economic Council

Dr. Cecelia Rouse, Nominee to Chair the Council of Economic Advisers