December 13, 2018

The Honorable Kathleen Kraninger
Director
Bureau of Consumer Financial Protection
1700 G Street N.W.
Washington, D.C. 20552

Dear Director Kraninger:

We look forward to working with you as the newly confirmed Director of the Bureau of Consumer Financial Protection (Bureau) to ease burdensome regulations and advance common-sense reforms. It is important that our nation’s consumers and businesses operate in a fair and efficient regulatory environment.

As you are aware, the Dodd-Frank Act required the Bureau to issue a rulemaking to simplify and streamline the disclosure requirements of the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act of 1974 (RESPA). As such, the Bureau issued the TILA-RESPA Integrated Disclosure (TRID) rule, which went into effect on October 3, 2015.

As the real estate industry began complying with the final rule in 2015, it became clear that one of its requirements in particular is causing significant confusion among consumers trying to understand the true cost of their real estate transactions. Under the current regulation, the Bureau does not allow the disclosure of discounts often applied to lenders’ title insurance on the consumer disclosures required by TRID. As a result, in more than half of all states consumers are receiving inaccurate information as to the amount they are required to pay for title insurance, causing confusion among consumers, and increasing the regulatory burden on the real estate industry.

Not only is the information disclosed inaccurately, as the Bureau has acknowledged, it conflicts with many state consumer disclosure requirements.[[1]](#footnote-1) As a result, consumers face even greater challenges in being able to compare prices when shopping for title insurance. Further, in the more than thirty states where title insurance costs are frequently split between the homebuyer and seller, these inaccurate disclosures create more confusion.

As you continue to advance common-sense reforms, we urge you to review the TRID rule, and use appropriate regulatory authority to make modifications that would eliminate inconsistencies in the mortgage documents that cause confusion for consumers. We need to create a regulatory environment that fosters economic growth and eliminates unnecessary regulatory compliance costs while enabling homebuyers to make responsible financial decisions. Such a modification will alleviate homebuyers’ confusion, and ensure that they fully understand the financial commitment they are making when buying a home.

Thank you in advance for your consideration, and we look forward to working with you to foster a fair and efficient regulatory environment.

 Sincerely,

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John Hoeven

United States Senator

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Mike Crapo

United States Senator

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David Perdue

United States Senator

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Michael B. Enzi

United States Senator

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John Barrasso

United States Senator

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James E. Risch

United States Senator

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Joni Ernst

United States Senator

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Tim Scott

United States Senator

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M. Michael Rounds

United States Senator

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Thom Tillis

United States Senator

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Ted Cruz

United States Senator

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Johnny Isakson

United States Senator

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James Inhofe

United States Senator

1. In response to a consumer FAQ the Bureau states “The itemized list of fees required under state law may be displayed differently than the same fees on the Loan Estimate or on the Closing Disclosure.” See BCFP, consumerfinance.gov, *Why is the title insurance premium on the Loan Estimate and Closing Disclosure different from the premium listed on the paperwork I received from the title insurance company? Am I being charged more?*, (Washington, D.C.: March 3, 2017). [↑](#footnote-ref-1)