



March 4, 2026

The Honorable Andy Barr  
Chairman  
House Committee on Financial Services  
Subcommittee on Financial Institutions  
Washington, DC 20515

The Honorable Bill Foster  
Ranking Member  
House Committee on Financial Services  
Subcommittee on Financial Institutions  
Washington, DC 20515

Dear Chairman Barr, Ranking Member Foster, and Members of the Subcommittee:

On behalf of the American Land Title Association (ALTA), I appreciate the opportunity to submit this letter for the record for the hearing entitled *Fighting Fraud on the Front Lines: Challenges and Opportunities for Financial Institutions*. ALTA represents an industry comprised of more than 17,000 title companies operating in every county across the nation and employing more than 150,000 professionals. Title professionals are involved in nearly every real estate transaction, residential and commercial, where large dollar transfers and sensitive personal and financial information create attractive targets for criminals. Title professionals take immense pride in their work to promote confidence in the real estate market and safeguard consumers against fraud.

The work of title professionals is centered around protecting homebuyers. Title professionals work extensively to identify and resolve risks that may not be found in the publicly available record, such as undisclosed liens, unpaid taxes, and other title defects. These issues may not be apparent at the closing table, but when they surface, they can delay transactions, cause financial harm, or result in costly legal disputes for homeowners who lack effective safeguards. This curative work can also include detecting fake deeds and seller impersonation fraud before a transaction closes, ensuring that homebuyers' savings and lenders' collateral are protected. Title professionals are dedicated to combating fraud and protecting the largest investment that Americans often make in their lives.

Despite the extensive curative work of title professionals, fraud remains one of the most expensive and damaging threats to homeowners. Today, fraud accounts for approximately 21 percent of total claim dollars paid by title insurers, with average losses exceeding \$143,000 per claim. This risk exposure is even greater in refinance transactions, where average fraud-related

losses exceed \$207,000.<sup>1</sup> Wire fraud, primarily carried out through business email compromise schemes, remains a persistent threat in any real estate transaction, accounting for the second most common method by which funds are reported lost across all fraud schemes.<sup>2</sup> In these schemes, criminals attempt to divert closing funds by sending fraudulent wire instructions to buyers, lenders, or settlement agents. A 2024 title industry survey found that half of all companies reported experiencing wire fraud attempts.<sup>3</sup> Recent research also suggests that at least 25 percent of consumers are targeted by criminals during a given real estate transaction, resulting in nearly 5 percent becoming fraud victims. Compared to current or former homeowners, first-time buyers are three times more likely to fall victim to these fraud schemes.<sup>4</sup>

Title professionals regularly partner with law enforcement and financial institutions to detect and report fraudulent or illicit activity occurring at the crossroads of the housing market and financial system. The title industry has also invested in technology and educational campaigns to ensure that homebuyers do not fall prey to these crimes. In 2025, ALTA announced new policy endorsements allowing new and existing homeowners to add coverage that offers protection against forgery of a deed or mortgage, including the legal costs necessary to defend them if fraud occurs. These endorsements expand consumer protection beyond the moment of closing by addressing risks that emerge after the purchase. ALTA also updated its industry Best Practices to strengthen fraud prevention by enhancing staff training, tightening oversight of notaries and signing agents, and establishing clear protocols for responding to suspected fraud. Together, these ongoing measures underscore the industry's commitment to protecting consumers from devastating financial losses.

In the context of real estate transactions, reliable and comprehensive safeguards are essential to ensure that consumers are protected against fraud and other unknown risks. Title insurance is regulated at the state level by departments of insurance to ensure policies and rates are fair, non-discriminatory, and adequately protect consumers. Recently, there has been a trend in the market to promote alternatives to title insurance, such as attorney opinion letters (AOLs). AOLs are often marketed to homebuyers as “equally protective and less expensive” when compared to title insurance, however that is not the case. Unlike title insurance, these alternatives do not provide ongoing protection against undiscovered risks like fraud, nor do they include a duty to defend the policyholder in the case of litigation. Unfortunately, providers of these alternatives do not currently need to comply with the same state-based regulations as title insurance that ensure transparency of coverage and pricing. Due to this lack of regulation, differences in coverage may not always be clear to homebuyers, increasing the risk that they opt for these alternatives without fully understanding the protections they may forgo. Recently, some state officials have echoed this concern, including the Virginia Commissioner of Insurance, who wrote in a recent Administrative Letter that, “the gap in coverage may leave consumers without

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<sup>1</sup> Milliman, *Analysis of Claims and Claims-Related Losses in the Land Title Insurance Industry*, commissioned by the American Land Title Association, November 2025, <https://www.alta.org/file/2025-Analysis-of-Claims-and-Claims-Related-Losses-in-the-Land-Title-Insurance-Industry.pdf>; Milliman, *Analysis of Claims and Claims-Related Losses in the Land Title Insurance Industry*, May 2024, <https://www.alta.org/media/pdf/240517-analysis-of-claims-and-claims-related-losses-in-the-land-title-insurance-industry.pdf>

<sup>2</sup> Federal Bureau of Investigation, *Internet Crime Complaint Center (IC3) 2024 Annual Report*, May 2024, [https://www.ic3.gov/AnnualReport/Reports/2024\\_IC3Report.pdf](https://www.ic3.gov/AnnualReport/Reports/2024_IC3Report.pdf)

<sup>3</sup> American Land Title Association, *Seller Impersonation Fraud Study Report*, August 2023, <https://www.alta.org/file/Seller-Impersonation-Fraud-Study-Report.pdf>

<sup>4</sup> CertifID, *State of Wire Fraud 2025*, <https://www.certifid.com/state-of-wire-fraud>

protection that they believe they purchased.”<sup>5</sup> It is imperative that policymakers at the state and federal level act to ensure that consumers are not deceived into putting their largest investment, their home, at risk.

To address these concerns and ensure consistent consumer protections, ALTA urges swift consideration and enactment of H.R. 3206, the Protecting America’s Property Rights Act, introduced by Representatives Andrew Garbarino (R-NY) and Vicente Gonzalez (D-TX). This legislation would require that all products being marketed and utilized to insure title risk on federally backed mortgages are properly regulated at the state level. Enactment of H.R. 3206 would ensure that consumers receive the reliable, regulated protection they expect when purchasing a home.

Thank you for the opportunity to submit this letter for the record. ALTA and its members look forward to continuing to work with Congress to combat fraud, strengthen consumer protections, and promote confidence in the real estate market.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Morton".

Chris Morton  
Chief Executive Officer  
American Land Title Association

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<sup>5</sup> Virginia State Corporation Commission, Bureau of Insurance, Administrative Letter 2025-05: Gap in Coverage Attorney Opinion Letters, September 30, 2025, <https://www.alta.org/file/Virginia-Insurance-Commission-Letter-on-Alternatives-09092025>