February 10, 2026

The Honorable French Hill
Chairman
House Committee on Financial Services
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Committee on Financial Services
Washington, DC 20515

Dear Chairman Hill, Ranking Member Waters, and Members of the Committee:

On behalf of the American Land Title Association (ALTA)[1], I appreciate the opportunity to submit this letter for the record for the hearing entitled *Priced Out of the American Dream: Understanding the Policies Behind Rising Costs of Housing and Borrowing*. ALTA applauds the committee's efforts to address America's housing supply & affordability challenges. Title professionals in every county across America are dedicated to helping their neighbors achieve the dream of homeownership and ensuring that the home they purchase, and the financial investment it represents, is protected. As a critical piece of the housing ecosystem, the title industry continues to embrace technology and improve processes to reduce costs for homebuyers and lenders alike.

Unlike other costs faced by homeowners, title insurance is a one-time fee paid at closing and protects against title defects, undisclosed liens, and other ownership issues for the duration of homeownership, without recurring premiums. A market analysis by First American Financial Corporation, informed by Fannie Mae and other mortgage cost source data, shows that title insurance and settlement services account for approximately 0.7 percent of a borrower's total life-of-loan costs, significantly lower than other costs facing homebuyers.[2] Much of the work of title professionals is done before closing, focused on identifying and fixing issues that could

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[1] ALTA represents an industry comprised of more than 17,000 title insurance companies operating across the nation, with over 90% being small, family-owned businesses. Collectively, the title industry contributes over $30 billion annually to the U.S. economy and supports over 150,000 professionals—including title agents, underwriters, abstracters, and real estate attorneys—who play a unique role in promoting confidence in the real estate market by proactively identifying and resolving issues before closing, protecting consumers from fraud, and safeguarding the property rights of homeowners.

[2] Mark Fleming, First American Financial Corporation, December 2023, https://www.firstam.com/value-of-title/costs-and-fees-of-homeownership/index.html. "Life-of-loan costs" refers to the cumulative costs a borrower pays over the duration of a mortgage, from origination through payoff, refinance, or sale.

expose homebuyers to future financial loss – or the loss of their home altogether. Nearly 70 cents of every dollar paid in a title premium goes towards this upfront work. Title insurance then provides ongoing protection against issues that were not discovered before closing. Importantly, title insurance is comprehensively regulated at the state level, ensuring that all policies and rates are fair, non-discriminatory, and adequately protect consumers and their life's largest investment.

Title professionals regularly identify risks that are not found in the publicly available record for a given property, such as undisclosed liens, recording errors, boundary and survey disputes, heirs' property issues, unpaid taxes, and other title defects. These issues may not be apparent to a buyer 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. Real estate-related fraud represents a costly category of off-record risk, driven by sophisticated schemes such as deed fraud, identity theft, forgery, and seller impersonation scams. 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.[3] Recent research on wire fraud schemes 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.[4] The title industry continues to educate and innovate to prevent fraud to the greatest extent possible, but the ongoing protections of a title insurance policy are an essential backstop.

In response to the evolving risks facing homebuyers, the title insurance industry has taken concrete steps to strengthen consumer protection. In 2025, ALTA announced new policy endorsements designed to help shield homeowners from seller impersonation fraud by allowing new and existing homeowners to add coverage that protects against forgery of a deed or mortgage, including the legal costs necessary to correct the public record if fraud occurs. These endorsements expand protection beyond the moment of closing by addressing risks that arise during homeownership. Alongside these products, ALTA updated its Best Practices to enhance fraud prevention efforts, including strengthened staff training, increased oversight of notaries and signing agents, and clear protocols for responding to suspected fraud.

Title companies embraced artificial intelligence (AI), automation, and data analytics over a decade ago. This investment is helping to streamline title searches, improve processing times, and reduce costs. Most importantly, it helps local title professionals focus on the issues that matter most in a real estate transaction: assessing and mitigating the risk that a buyer will take on and protecting their largest asset and wealth generator. The title industry's use of AI is limited to a supportive role, rather than a replacement for human-driven processes like curative work and policy issuance. Despite inflation, the industry's embrace of technology contributed to a 5 percent reduction in the cost of title insurance coverage from 2018 to 2023, with even greater

[3] 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

[4] CertifID, State of Wire Fraud 2025, https://www.certifid.com/state-of-wire-fraud

savings on an inflation-adjusted basis.[5] The industry did this without sacrificing critical protections for Americans or placing more risk on homebuyers and the place they call home.

As the Committee continues to pursue avenues to improve housing affordability, it is essential to understand the serious financial consequences that can arise when homeownership is not properly secured and homeowners lack adequate protection. Careful consideration of these risks can help avoid downstream costs that make homeownership more expensive over time and limit risks ultimately borne by the broader housing market.

Thank you for the opportunity to submit this letter for the record. ALTA and its members stand ready to serve as a resource for the Committee and its staff on this important matter.

Sincerely,

Chris Morton
Chief Executive Officer
American Land Title Association

[5] Based on ALTA analysis of National Association of Insurance Commissioners (NAIC) annual financial statements filed with state insurance commissioners. Available at https://www.alta.org/business-operations/research-initiatives-and-resources/industry-financial-data/