

ALTA Press Release

AMERICAN
LAND TITLE
ASSOCIATION

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For Immediate Release

ALTA Says New Consumer Financial Protection Bureau Forms Mislead Consumers—Requests Restrained Enforcement

Washington, D.C., March 3, 2015 — The American Land Title Association (ALTA), the national trade association of the land title insurance industry, released the following statement in response to Consumer Financial Protection Bureau (CFPB) Director Richard Cordray’s testimony before the House of Representatives Financial Services Committee today:

“In 150 days, new disclosure forms for real estate transactions will completely change the homebuying process as it’s known today,” said Michelle Korsmo, ALTA’s chief executive officer. “As our member companies work to implement these new forms on Aug. 1, we strongly urge Director Cordray to announce a five-month restrained enforcement period so that new business processes can be adjusted to comply with these regulations. As with previous regulatory reform, only when the new forms are in practice will many issues and defects be discovered. A restrained enforcement period helps our members, and the broader real estate industry, make the changes needed to their business processes and collaborate with industry and regulators to ensure the consumer has a positive experience at the closing table.”

“Unfortunately, we’re already aware of one major problem with the new CFPB forms,” Korsmo stated. “The Bureau’s Closing Disclosure, which replaces the current HUD-1 Settlement Statement, inaccurately discloses the fees associated with title insurance premiums for consumers. State law and regulation in half of the United States dictates that consumers must pay title insurance rates that are different than how the CFPB requires industry to inaccurately disclose these fees to the consumer.”

“Every homebuyer should be well-informed about the accurate costs of homeownership—including what they pay for each service during the real estate closing process. For many consumers, buying a home is the single largest investment they will make in their lifetime. It’s critical that Director Cordray and the CFPB staff adjust the disclosure forms prior to Aug. 1 to ensure consumers receive accurate information about their mortgage costs. ALTA and our member companies stand ready to help the Bureau ensure consumers are neither confused nor misled at the closing table.”

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About ALTA

The [American Land Title Association](http://www.alta.org), founded in 1907, is the national trade association representing more than 5,400 title insurance companies, title and settlement agents, independent abstracters, title searchers and real estate attorneys. With offices throughout the United States, ALTA members conduct title searches, examinations, closings, and issue title insurance that protects real property owners and mortgage lenders against losses from defects in titles.

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