ALTA Press Release

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For Immediate Release

American Land Title Association President to Testify Before Congress on Proposals to Improve Transparency at the CFPB

Washington, D.C., May 21, 2014 —American Land Title Association (ALTA) President Rob Chapman submitted the following testimony today before the Financial Institutions and Consumer Credit subcommittee of the House Committee on Financial Services.

During the hearing titled "Legislative Proposals to Improve Transparency and Accountability at the Consumer Financial Protection Bureau (CFPB)" Chapman will present several bipartisan ideas to improve outcomes for consumers and businesses. Among his suggestions, Chapman will encourage Congress to pass a bill that would create a small business advisory panel at the CFPB.

Excerpts from Chapman's testimony are below. Access the full written testimony here.

> "First, Congress should pass H.R. 4383. This bipartisan legislation introduced by Rep. Robert Pittenger and Rep. Denny Heck would establish a small business advisory board at CFPB, similar to those already established for outreach to community banks and credit unions. Advisory boards provide clear, formal and open channels of communication between Bureau staff and industry.

> "The CFPB created an advisory board for community banks and credit unions because it does not have regular contact with these institutions since the Bureau only supervises depository institutions with more than $10 billion in assets. Creating a similar advisory organization for nonbanks will allow these smaller institutions to report, advise or consult with the Bureau on a regular basis.

> "Second, direct the CFPB to establish procedures for issuing advisory opinions to financial service providers that it regulates. The best way to protect consumers and produce good outcomes for them is to discourage bad acts through enforcement while at the same time also encourage good behaviors. Today, the Bureau takes its enforcement role seriously; we encourage them to take their ability to promote good practices seriously too. An advisory opinion provides certainty to those complying with federal consumer financial law in real life situations.

> "Finally, the CFPB should improve the transparency of the process used to create bulletins and other guidance documents by encouraging public feedback to these actions. Substantive or legislative rules issued by Federal agencies, like the CFPB, must undergo a public notice and comment rulemaking under the Administrative Procedures Act (APA). Comments are published in a public forum to promote transparency of rulemakings. These regulations issued by the CFPB benefit from public input and feedback and produce more effective regulations that meet the intended policy outcomes with fewer unintended consequences for small businesses.

"Whether a comment is provided to the CFPB on a rulemaking or a bulletin or other guidance document, this feedback should be made available to the public. Every day Members of Congress welcome public comment on the legislative proposals the House and Senate consider to enhance their formulation of a position on an issue. In many cases, soliciting transparent public comments on an issue promotes discussion that leads to better long term policy outcomes.

"By publishing public comments on their website when a Bulletin is issued, the CFPB will provide an avenue for small businesses and others to reduce unintended consequences and produce better policy outcomes for consumers and industry."

About ALTA

The [American Land Title Association](), founded in 1907, is a national trade association representing more than 5,000 title insurance companies, title agents, independent abstracters, title searchers, and real estate attorneys. 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.