

# ALTA Press Release

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**For Immediate Release**

## **92% of Title Professionals will be Prepared for New Closing Disclosures Aug. 1**

**Washington, D.C., May 6, 2015** — An overwhelming majority of title professionals will be prepared for the Aug. 1, 2015, implementation of the Consumer Financial Protection Bureau's (CFPB) TILA-RESPA Integrated Disclosures (TRID) rule, [according to a survey](#) conducted by the [American Land Title Association](#) (ALTA). The survey, conducted in April 2015, included title agents, underwriters, real estate attorneys and abstractors.

"Ninety-two percent of our survey respondents indicated their company will be prepared to implement the new forms and comply with the CFPB's regulation," said Michelle Korsmo, ALTA's chief executive officer. "The land title insurance industry has been a leader in preparing the real estate industry for the new disclosures and that is reflected in the preparedness of our members."

The CFPB's rule integrates forms required under the Truth-in-Lending Act (TILA) and Real Estate Settlement and Procedures Act (RESPA). For most consumer mortgages, a three-page Loan Estimate will replace the current Good Faith Estimate and early TIL disclosure, while a five-page Closing Disclosure will replace the HUD-1 and final TIL disclosure.

When asked about title professionals' biggest concerns while preparing for the new disclosures, collaboration with lenders and real estate agents, and potential closing delays top the list.

"For nearly two years, we have encouraged our members to initiate conversations with their Realtor and mortgage lender partners to ensure the implementation of the new forms is seamless for consumers beginning August 1," Korsmo added. "All stakeholders that participate in the transaction share the CFPB's goal that these new disclosures help consumers better understand their terms when they buy a home or refinance their mortgage. Title professionals and lenders have been modifying business processes, upgrading software and training staff to comply with the 1,888-page regulation. ALTA has collaborated with the Mortgage Bankers Association and National Association of Realtors to host six industry education forums around the country, with a focus on ensuring real estate transactions continue to be closed efficiently and compliantly.

### **Potential Closing Delays**

According to the survey, 87 percent believe TRID will delay real estate closings for consumers or result in closings taking longer to complete. Only 5 percent of respondents believe the disclosures won't affect closings, while 8 percent are unsure. The top reasons given as to why closing delays will occur include:

- Changes at the closing table
- Walk-through issues
- small lender/credit collaboration issues
- Lender/Realtor collaboration issues

## **Consumer Understanding**

According to the survey, more than 65 percent of title professionals believe the TILA-RESPA forms will not help the CFPB meet its objective of helping consumers understand or be better prepared to understand the costs of buying a home. The top reasons given as to why consumers might not understand the new Closing Disclosure include:

- Inaccurate disclosure of title insurance premiums
- New forms highlight the costs but do not explain costs to homebuyers
- New rules could cause potential closing delays
- Too much details for homebuyers to grasp
- Cost of compliance for business passed along to consumers

The full ALTA survey results can be found by [clicking here](#).

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## **About ALTA**

The [American Land Title Association](#), 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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