

# ALTA Press Release

---

**Contact:** Wayne M. Stanley  
**Direct Office Line:** 202-261-2932  
**Cell:** 765-432-7094  
**Email:** [wstanley@alta.org](mailto:wstanley@alta.org)

**AMERICAN  
LAND TITLE  
ASSOCIATION**



**For Immediate Release**

## **ALTA Consumer Survey Shows 40% Confused by Title Fee Calculation on Closing Disclosure**

**Washington, D.C., September 28, 2016** — Over 40 percent of American homebuyers feel taken advantage of or are confused by the calculation of title insurance fees on the Consumer Financial Protection Bureau's (CFPB) new mortgage disclosures, according to a [new study](#) by the [American Land Title Association](#) (ALTA).

In July, ALTA partnered with Survata, a national market research company, to collect data on consumer experiences related to their purchase of title insurance and the new CFPB mandated mortgage disclosures. A nationally recognized leader in online consumer research, Survata works with universities, advertising companies and Fortune 500 companies to gather consumer data to help organizations make informed decisions.

ALTA's survey, which polled 2,000 current and prospective homeowners (planning to buy within the next year), revealed that homeowners find the CFPB's new mortgage disclosures confusing or deceiving.

"We've heard countless stories from ALTA members about consumer confusion at the closing table and this survey confirms our concern from the consumer's point of view," said Michelle Korsmo, ALTA's chief executive officer. "The Bureau's goal was to make the process of getting a mortgage easier and to help consumers understand the key features, costs and risks of a loan. Unfortunately, results of ALTA's consumer survey reveal the CFPB's mortgage disclosures are not meeting this objective. Since the true cost of title insurance is not reflected in TRID, when a consumer learns that the disclosed price of title insurance is wrong and misleading, the consumer loses confidence in the process and feels taken advantage of."

### **10% is 10% Too Many**

The survey found that over 30 percent of homebuyers find the new Closing Disclosure confusing. More troubling, another 10 percent of homebuyers feel taken advantage of when reviewing the current calculation of an owner's title insurance policy on the Closing Disclosure.

"It is unacceptable for any homebuyer to feel mistreated as they consider the true costs of homeownership," said Korsmo. "This is equivalent to everyone living in the entire metro area of Milwaukee, Wisconsin, feeling deceived during their mortgage transaction. The CFPB should address this issue and amend the rules to accurately disclose the cost of protecting a consumer's property rights with title insurance."

**"A" for Effort – But Misses the Mark on Fixing Disclosures**

Along with measuring consumer reactions to the inaccurate disclosure of title insurance costs, ALTA now has a broader understanding about what consumers actually want from their mortgage disclosures.

According to ALTA's survey, the most important factor homeowners want on their Closing Disclosure is a detailed breakdown of all the costs for a service. Secondly, consumers want the ability to easily compare cost estimates to final fees on the disclosure. Third, homeowners want to compare the disclosures to the actual costs they will pay and confirm that the seller is paying the accurate amount.

"While the CFPB has accomplished some of the things most important to homebuyers, consumers would value their mortgage disclosures more if the CFPB showed the accurate costs of title insurance instead of the incremental costs," Korsmo stated. "The CFPB has an obligation to make this simple change to more accurately disclose the cost of title insurance. We strongly urge the Bureau to make this change in this rulemaking to ensure that the millions of Americans purchasing property this year better understand their financial investment in their home."

### **Consumer Education Continues**

Consumers make the decision to protect their property rights with title insurance prior to arriving at the closing table. Consumer education remains critical for the land title insurance industry as well as the CFPB as ALTA's survey also indicates that the most important factor for consumers in making the decision to purchase an owners title insurance policy is a full understanding of the benefit of the service to them.

"ALTA and its members are committed to educating consumers about how title insurance provides peace of mind by protecting their property rights," Korsmo continued. "An equal commitment from the Bureau is needed to ensure that confusion over the price of title insurance does not undercut these efforts. Consumers will benefit from having the actual cost of title insurance disclosed on the mortgage disclosures. This is not only supported by ALTA's research, but also by our members' experiences everyday at closing tables across the country."

###

### **About ALTA**

The [American Land Title Association](#), founded in 1907, is the national trade association representing 6,100 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 helps protect the property rights of millions of American homebuyers every year.