

ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

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For Immediate Release

American Land Title Association CEO Comments on Consumer Financial Protection Bureau's Proposed Rule and Mortgage Disclosure Forms

Washington, D.C., July 9, 2012 — Michelle Korsmo, chief executive officer of the [American Land Title Association](http://www.alta.org) (ALTA), issued the following statement in response to the Consumer Financial Protection Bureau's Proposed Rule to integrate mortgage disclosures required under the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA). The proposed forms will replace the current Truth in Lending, Good Faith Estimate and HUD-1 Settlement Statement disclosures.

"ALTA and its members support the Bureau's efforts to create mortgage disclosures that will help inform consumers when shopping for a mortgage and to better understand what they are paying for when they get to the closing table," Korsmo said. "While the Proposed Rule is a step in the right direction to improve the disclosures, more needs to be done to refine the proposal and to bring better transparency to the process. Consumers need to feel more confident when purchasing a home and businesses need to be able to compete on a level playing field. We will continue to work with the Bureau to find ways to improve this rule."

"We are pleased to see that the CFPB recognized that they needed to provide clear and definitive guidance and standardized disclosure forms for this rule to be successful. Proposing a model form that allows lenders to create their own disclosures would have resulted in more confusion for consumers and increased the costs as the industry would have had to create systems to accommodate different forms from each lender," Korsmo continued. "Regrettably, the Bureau continues to use a tolerance concept that has resulted in consumers receiving inflated estimates and prevents title and settlement agents from competing fairly with one another."

In its rule, the CFPB has proposed two alternatives for providing consumers with the new Closing Disclosure form. ALTA believes lenders should continue to have responsibility and liability for preparing the part of the disclosure related to the loan costs, while settlement agents should continue to have responsibility and liability for preparing the part of the disclosure related to the settlement costs.

"We should remember title insurance and settlement companies didn't cause the housing crisis and didn't take advantage of consumers and investors. Consumers deserve an independent, third-party at the settlement table and this rule should ensure this role remains in the real estate transaction," Korsmo said.

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About ALTA

The American Land Title Association, founded in 1907, is a national trade association representing more than 4,000 title insurance companies, title agents, independent abstracters, title searchers, and 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.