

ALTA NEWS

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**AMERICAN
LAND TITLE
ASSOCIATION**



For Immediate Release

American Land Title Association Supports Efforts to create a U.S. Covered Bond Market

Washington, D.C., June 22, 2011 — The [American Land Title Association](http://www.alta.org), the national trade association for the land title insurance industry, applauds the efforts of U.S. House Financial Services Committee in considering legislation that would create a covered bond market to provide liquidity for commercial real estate.

Co-sponsored by Representatives Garrett and Maloney, the U. S. Covered Bond Act of 2011 (H.R. 940) would include high-quality commercial mortgages and commercial mortgage-backed securities (CMBS) as eligible collateral in a newly created framework for covered bonds.

“We hope that Congress will pass legislation to facilitate the creation of a U.S. covered bond market in order to encourage CRE lending and investing,” said Kurt Pfothenauer, Chief Executive Officer of ALTA. “We encourage the House Committee on Financial Services to move H.R. 940 forward in order to promote investor confidence in covered bonds, which in turn would provide liquidity and support credit availability in the CRE market.”

Last year, the CMBS market accounted for \$11.6 billion in issuance. It’s expected to reach \$35 billion this year. These levels are insufficient to service CRE debt, and a covered bond market could provide additional liquidity to meet this need. A comparable covered bond market already exists in most European countries, which offer necessary regulatory treatment and appropriate capital requirements to both facilitate the market and provide access to credit.

“Although there is no single solution to revive credit markets for commercial real estate, it is critical that policymakers encourage measures to help revive our economy,” Pfothenauer said. “A covered bond market is a potential way for financial markets to increase the amount of capital available for commercial lending.”

About ALTA

The [American Land Title Association](http://www.alta.org), founded in 1907, is a national trade association representing more than 3,800 title insurance companies, title agents, independent abstracters, title searchers, and 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.