

ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

Contact: Michelle Korsmo
Office: 202-261-2939
E-mail: mkorsmo@alta.org



**** Immediate Release ****

American Land Title Association Says GSEs should be Returned to Original Mission

Washington, D.C., Feb. 11, 2011 — The [American Land Title Association](http://www.alta.org) (ALTA) warns the Obama Administration and Congress that any plans to significantly alter or eliminate Fannie Mae and Freddie Mac would have a severe impact on consumers as mortgage rates would increase and small businesses would be pushed out of the market.

“The GSEs’ role should be restored to their original mission of providing affordability and liquidity to the U.S. housing and mortgage markets,” said Anne Anastasi, president of ALTA. “While reform is needed, we must remember Fannie and Freddie are an effective counterbalance to the largest businesses pushing out smaller competitors and create standards that make it more efficient to provide credit to consumers. Privatization of Fannie and Freddie may seem like an alluring option, but the consequences of not having them are frightening.”

The presence of Fannie and Freddie promote competition in the market and encourage uniform standards that help lower the costs of providing credit to consumers. These lending standards have made it easier and cheaper for Americans to buy and sell their homes. Eliminating Fannie and Freddie would have severe repercussions on the economy and consumers.

“Cost to obtain loans would skyrocket and competition would dwindle,” Anastasi said. “For several decades, Fannie and Freddie have provided funds in order to make homeownership available and affordable. Instead of terminating their existence for falling into the subprime lending trap in an effort to make significant profits, their roles should be curbed to providing stability in the secondary market for residential mortgages.”

###

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.