

ALTA NEWS

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**AMERICAN
LAND TITLE
ASSOCIATION**



For Immediate Release

American Land Title Association Urges Senate Not to Crowd Out Small Lenders in GSE Reform

Washington, D.C., June 28, 2011 — Justin Ailes, Vice President of Government Affairs for the [American Land Title Association](#), the national trade association for the land title insurance industry, issued the following comments after a hearing today before the Senate Banking, Housing and Urban Affairs Committee titled "Housing Finance Reform: Access to the Secondary Market for Small Financial Institutions."

"As Congress considers options to reform the housing finance system, members of Congress should remember that eliminating Fannie Mae and Freddie Mac will shift market share to the largest lenders. As a result, an even greater number of mortgage loans will end up in the portfolios of far fewer companies, consolidating risk in already 'too-big-to-fail' institutions. Market concentration among these entities will keep taxpayers on the hook for future bailouts of our housing finance system," Ailes said.

"If lending is concentrated with large financial institutions, the local providers of settlement services will be squeezed out of the market, further hampering local economies and the real estate market. Each of these small businesses provides crucial services to small, community-based lenders during the mortgage transaction," Ailes added.

"The GSEs serve as an effective counterbalance to the largest lending institutions. This allows small, community-based lenders, who originate 44% of all mortgage loans, to compete with larger rivals. In addition, it ensures that lenders, large and small, have access to the same underwriting software and secondary market capital. While reform of Fannie and Freddie is needed, the American Land Title Association urges Congress and the Administration to preserve benefits currently provided by the GSEs in our future housing finance system." Ailes concluded.

About ALTA

The [American Land Title Association](#), 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.