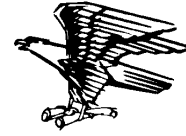


ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

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**** Immediate Release ****

American Land Title Association Supports FHFA Proposal to Ban Private Transfer Fees

Washington, D.C., Oct. 18, 2010 — The American Land Title Association (ALTA) strongly supports proposed guidance from the Federal Housing Finance Agency (FHFA) to prevent government-sponsored enterprises Fannie Mae, Freddie Mac and the Federal Home Loan Bank from investing in mortgages encumbered by private transfer fee covenants.

In a [letter](#) sent Oct. 15 to FHFA, ALTA once again explained its opposition to these covenants, which is a new controversial financial scheme facing opposition across the country.

Developers, in consultation with Wall Street advisers, are attempting to add language to home purchase contracts requiring that a percentage of the sales price be paid to the original corporate owner of a property every time the property is sold, typically for 99 years. The right to collect these private transfer fees would then be securitized and sold to enrich investors at the cost of stealing equity from consumers, forcing homeowners to pay a large fee to sell their homes and adding a complicated legal roadblock to the home sale process.

"As an association representing companies that provide homeownership assurance, we believe private transfer fees hinder the safe and secure transfer of property," said Kurt Pfotenhauer, chief executive officer of ALTA. "These covenants are like a broken ATM machine, giving investors access to homeowners' hard-earned money."

At the state level, 18 states already have bans or restrictions in place against the use of this dangerous fee, which steals home equity, lowers home resale values and adds another layer of difficulty to selling a home.

"These fees provide no service or benefit to homeowners, and raise the costs of homeownership," Pfotenhauer said. "They are simply designed to generate additional revenue for investors at the expense of consumers."

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.