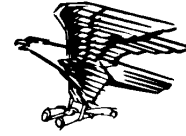


ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

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**** Immediate Release ****

American Land Title Association Supports FHFA Proposed Rule to Limit Private Transfer Fees

Washington, D.C., Feb. 1, 2011 — The [American Land Title Association](http://www.alta.org) (ALTA) strongly supports a proposed rule issued today by the Federal Housing Finance Agency that would limit government-sponsored enterprises Fannie Mae, Freddie Mac and the Federal Home Loan Bank from investing in mortgages encumbered by private transfer fee covenants (PTFs).

"The FHFA took an important step by submitting a rule that limits the spread of this predatory scheme, which adversely impacts the stability of the housing and mortgage market," said Anne Anastasi, president of ALTA. "As an association representing companies that provide homeownership assurance, we applaud the FHFA for recognizing the threat private transfer fees pose to the safe and secure transfer of property."

PTFs are 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.

FHFA's proposed rule, which would apply to PTFs created on or after publication of the proposal, excludes fees paid to homeowner associations, condominiums, cooperatives, and certain tax-exempt organizations that use private transfer fee proceeds to benefit the property.

"These third-party fees are a detriment to homeowners and raise the costs of homeownership," Anastasi said. "The FHFA's proposed rule correctly outlaws private transfer fees that have no direct benefit to the property and infringe on property rights. We are hopeful that when the final rulemaking is complete, the FHFA will eliminate this unnecessary risk to consumers."

At the state level, 19 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. Legislation is pending in at least six other states to ban these fees.

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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.