

ALTA NEWS

**AMERICAN
LAND TITLE
ASSOCIATION**

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For Immediate Release

American Land Title Association Urges FHFA to Ban Use of Dangerous Financial Scheme

Newly Formed, Bipartisan Coalition Hosts Conference Call Asking Federal Government to Take Stand Against Wall Street Home Resale Fees

Washington, D.C., July 29, 2010 — The [American Land Title Association](#) (ALTA) [sent a letter](#) to the Federal Housing Finance Agency asking the agency to take a stand against the use of Wall Street Home Resale Fees, also known as private transfer fees.

“We urge the FHFA to offer guidance on the growing use of private transfer fee covenants and their effect on Fannie Mae, Freddie Mac and Federal Home Loan Bank mortgage purchases, but especially consumers,” said Kurt Pfothenauer, chief executive officer of ALTA. “The Federal Housing Administration (FHA) recognizes the growing concern surrounding private transfer fees, and its general counsel has confirmed these fees clearly violate HUD’s regulations prohibiting legal restrictions on conveyance and requiring lenders to convey clear marketable title. We urge the FHFA offer similar guidance for conventional mortgages.”

This new, controversial financial scheme is 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 Wall Street Home Resale 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

At the state level, 17 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,” Pfothenauer said. “They are simply designed to generate additional revenue for investors at the expense of consumers.”

ALTA has joined a diverse group of housing advocates and experts to form the Coalition to Stop Home Resale Fees. The Coalition held a telephonic press conference July 29 to urge the federal government to ban the financial scheme. Participating on the call were Pfothenauer; Jon Soltz, co-founder and chair of Vote Vets; Lucine Salvant, managing director for public affairs of National Association of Realtors; and Andrew Langer, president of Institute for Liberty. For more information, go to www.stophomeresalefees.org.

“The Coalition to Stop Wall Street Home Resale Fees brings together a wide array of organizations,” Pfothenauer said. “We have organized to fight the dangerous financial scheme of Wall Street Home Resale Fees and to protect homeowners across the country.”

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About ALTA

The [American Land Title Association](http://www.alta.org), founded in 1907, is a national trade association representing 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. ALTA member companies employ well over 100,000 individuals and operate in every county in the U.S., and several countries around the world.