

ALTA NEWS

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**AMERICAN
LAND TITLE
ASSOCIATION**



***** For Immediate Release *****

American Land Title Association President Testifies during Congressional Hearing that More Transparency is Needed in Mortgage Disclosures

Washington, D.C., July 13, 2011 — [American Land Title Association](http://www.alta.org) (ALTA) President Anne Anastasi testified today during a hearing before the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity titled, "Mortgage Origination: The Impact of Recent Changes on Homeowners and Businesses."

"Mortgage disclosure laws are primarily designed to help consumers shop for the mortgage and settlement services. While the goal of providing them with timely information about their transaction is laudable, the execution reveals some shortcomings that actually cause confusion and may be counterproductive for consumers," Anastasi said. "As we seek to improve the mortgage origination process, we need to fundamentally rethink federal mortgage disclosure laws, which are a key part of the architecture of the current process."

To improve federal mortgage disclosures and ensure consumers receive the information needed to shop for their mortgage and settlement services, Anastasi said disclosures should include accurate itemized estimates of costs allowing consumers to receive a complete view of their transaction and make informed decisions. Currently, costs are aggregated, which confuses consumers who are unable to reconcile the numbers on the page.

"A better solution is to return the itemization and disbursement sheet from the previous Good Faith Estimate and HUD-1 Settlement Statement," Anastasi said. "Just like when you go out to dinner, your check doesn't just give you a total price. Rather, each item is listed giving you a breakdown of what you pay for. These forms would allow consumers to see where their money is going and to better inquire about fees they find questionable."

Anastasi also said that mortgage disclosures should encourage consumers to make informed choices about services that are in their financial interest.

“Rather than prejudicing consumers against considering these services by using loaded terms like ‘not required,’ mortgage disclosures should encourage homebuyers to make informed decisions about services which are in their best interest and protection,” she said. “One of these services is Owner’s Title Insurance, which, if it is purchased, indemnifies consumers against challenges to the title of their property. If we have learned anything from the foreclosure crisis, it is that consumers should be encouraged to investigate products like Owners Title Insurance that help protect the consumers’ interest.”

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 abstractors, 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.

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