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The Bureau of Consumer Financial Protection
1700 G Street N.W.
Washington, DC 20552

Re: Docket No. CFPB-2018-0011

We are writing on behalf of the Texas Land Title Association (TLTA) to comment on the proposed Request for Information concerning adopted regulations. TLTA represents nearly 15,000 title professionals throughout Texas. TLTA members protect the property rights of Texans and bring certainty, efficiency and security by researching titles, safely conducting closings and issuing title insurance to protect real property owners and mortgage lenders against losses from defects in titles.

TRID Rule Changes Needed

As the Bureau reviews potential changes to adopted regulations, we would request that you amend the TILA-RESPA Integrated Disclosure (TRID) rules to correct an inaccurate and confusing disclosure. In November 2013, pursuant to sections 1098 and 1100A of the Dodd-Frank law, the Bureau issued the Integrated Mortgage Disclosures under RESPA and TILA. TRID combined the disclosures that consumers receive in connection with applying for and closing on a mortgage loan into two new forms, the Loan Estimate and Closing Disclosure.

Unfortunately, under the Bureau's TRID regulation, consumers are required to receive inaccurate information on the Bureau's mandated disclosures about the true cost of title insurance. In its current form, the regulation does not permit title agents to disclose available discounts for lender's title insurance. This lack of transparency creates inconsistencies in mortgage documents and causes confusion for consumers.

Ironically, although TRID was supposed to reduce paperwork and make disclosure more clear, Texas had to add yet another disclosure to the closing process. The Texas Department of Insurance issued an order in August 2015 and stated the following:

In addition, the Texas Disclosure is necessary to show the actual price for title insurance in a simultaneous-issue transaction in Texas. In approximately half the states, including Texas, title companies offer a discount on the loan policy when both a loan policy and an owner's policy are purchased in a single transaction. However, the instructions for the Closing Disclosure require the agent to list the loan policy at the full, undiscounted premium and to show the simultaneous-issue discount as if it applied to the owner's policy instead. In Texas and other states, this requirement will cause the owner's and loan policy premiums on the Closing Disclosure to differ from the actual amounts

charged for each policy. This scenario becomes even more confusing for consumers in Texas, as well as in 30 other states, where the seller pays, or is likely to pay, for the owner's policy. Because the Closing Disclosure requires the agent to apply the simultaneous-issue discount to the owner's policy rather than the loan policy, the form will inaccurately state the seller's contribution to the title insurance costs. Further, by showing the higher-priced full loan policy amount rather than the discounted loan policy amount, the borrower's cash-to-close number in the Closing Disclosure is rendered inaccurate and overstated.

The purpose of pro-consumer simultaneous issue laws is to provide consumers with incentive to purchase, at a discounted rate, an owner's title policy to protect their equity in the property against any potential title defects. The current rule undermines this purpose.

We are not alone in having these concerns. The Bureau should also be aware that there is growing support in Congress to enact change to this regulation. On February 27, 2018, the U.S. House of Representatives passed by voice vote, H.R. 5078, the TRID Improvement Act. The legislation would also resolve this issue by allowing the accurate disclosure of title insurance premiums and amend RESPA so the loan estimate and closing disclosure show the actual costs of the lender's and owner's title policies.

Require the Actual Cost of Title Insurance to be Disclosed Under TRID

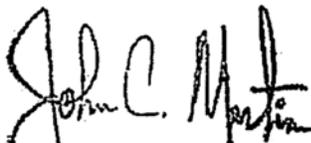
Notwithstanding the potential of congressional action, amending the rule to require the disclosure of the actual cost of title insurance is the best way to achieve accurate disclosures and consumer protection.

The Bureau can modify the Official Interpretations for §1026.37(f)(2), §1026.37(g)(4) and §1026.38(g)(4). These comments should allow the industry to disclose title insurance the same way as every other cost (i.e., the actual cost the consumer will pay for the service based on the best information reasonably available).

As the American Land Title Association (ALTA) has also commented, making this simple change would be relatively easy for the industry to implement. It would not require new software coding or development.

Thank you for the opportunity to comment and for your consideration. We are happy to be a resource and answer any questions you may have.

Sincerely,



John C. Martin, CAEP, CTIP
President



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