

August 11, 2020

MEMORANDUM

To: Consumer Financial Protection Bureau (CFPB)
From: Texas Land Title Association
Subject: Simultaneous Issue and Membership Survey Responses

On July 9, 2020, you will recall, we held a conference call with your staff on the subject of simultaneous issue of an owners' policy and lenders policy in the same real estate transaction and how it is disclosed to consumers.

As you were preparing your review of TRID ahead of a possible rulemaking, you inquired as to the burden the disclosures were having on title agents and consumers in terms of time and understanding of the issue.

TLTA surveyed its members twice on this subject on July 24 and July 31, 2020. We received approximately 125 responses, which is a healthy response for our surveys. *We have included the raw results of these surveys as well as comments on the issue.*

We asked three questions.

- In what percentage of closings do consumers have questions and/or are confused by the way title insurance rates are disclosed when there is a simultaneous issue credit involved? (provide your estimate as a percentage of all closings)
- In what percentage of closings do consumers have questions and/or are confused by the way title insurance rates are disclosed when there is a simultaneous issue credit involved? (provide your estimate as a percentage of all closings)
- How much additional time is required per file for you and your staff to prepare, handle and explain both a Closing Disclosure and a Texas Disclosure? (estimate the additional time required in minutes)

The conclusions are that:

- Well above 50%, even as high as 80 to 90% of closings have consumers posing questions or have confusion about title rates in a simultaneous issue credit.
- Closings typically take 10 to 15 minutes longer because of the need to review and answer consumer questions about the disclosure of title insurance rates both on Closing

Disclosure and the Texas Department of Insurance Disclosure. There is also additional staff time to prepare, handle and explain this issue which tracks the above answer.

- As measured by a typical closing length of possibly an hour or longer, these figures suggest that this one issue with title rates is consuming possibly 25% of the transaction in time.

The results confirm what we have known from our own discussions with our title agents across the State in closing consumer transactions.

Thank you for your participation in the call last month and we look forward to working with you as TRID is reviewed.