

President-Elect's Report on the 2008 ALTA Federal Conference

Thank you, Wisconsin Land Title Association for sending me as your representative to the ALTA Federal Conference held in Washington, DC March 9-12, 2008. It was certainly an enjoyable and informative trip.

Wisconsin is not alone in its current struggle with the regulation or lack of regulation by its Commissioner's Office. Several states are taking a look at their regulatory schemes as a result of the National Association of Insurance Commissioners (NAIC) throwing down the gauntlet to the individual states to review and react to the GAO Report of the title industry of last year. Maryland, Missouri, Indiana and Colorado all recently enacted rules and enforcement provisions for their commissioners. There were mixed reactions by attendees of those states to the new regulations. It is clear the statement "be careful what you wish for" applies to regulation.

We were given great information on planning an Advocacy Day or Government Day. WLTA held its first Government Day at last year's Spring Conference in Madison. Although we didn't have the turnout of state legislators we had hoped for last Spring, it is no reason not to try another. It takes a grassroots effort of contacting our legislators, advising them of issues that affect our industry, and inviting them to our Government Day. Legislators respond better to individual constituents than to associations.

Uniform Closing Instructions Initiative continues its negotiations between lender groups and closer groups. Although progress has been made, there is a long way to go. One of the most troublesome sections is Fraud Prevention and Disclosure of Suspicious Activities. The lenders want to shift the burden of recognizing fraud and disclosing it to the lender onto the Closing Agent, the last person to get involved in a transaction. I need not point out all the flaws with that idea here.

The proposed RESPA Reform Rule was the hot topic of the Conference. The rule had not been made public as of the time of the conference. However, the ALTA did have information of what the rule contained. The rule to simplify the borrowing process and the economic analysis is over 590 pages. The proposed rule has now been made public. A copy of the rule (96 pages) is available at www.WLTA.org as is a Summary of the Proposed Changes (17 pages).

Some of the changes to RESPA include an expanded Good Faith Estimate (GFE) that includes an estimate of total settlement charges that include fees that cannot change and fees that can change by up to 10%. There is no guidance of what a Closer is to do if the fees vary by more than 10%. It requires the Closer to prepare and read aloud a script to the borrowers explaining the differences between the GFE and the Settlement Statement as well as explain the difference between the actual loan documents and the loan terms as they appeared on the GFE. The rule requires the Closer to show the premium split between the underwriter and the agent.

It is estimated the proposed RESPA Reform Rule would increase a title company's cost of preparing a transaction by \$54 per transaction or \$700,000,000 per year. The comment period ends May 13, 2008. I encourage all members to send their comments electronically to HUD at <http://www.regulations.gov/fdmspublic/component/main?main=DocumentDetail&o=09000064803f7546>.

The overall ideas I brought home from the ALTA Federal Conference are that Wisconsin is not alone in its issues and that the way to bring about any change is through a grass roots effort. We cannot individually sit back and think someone else will speak up for our industry. We each must contact our state and federal legislators to advise them of our concerns.

Respectfully submitted,
Sara Lindgren
President-Elect
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