



## **ALTA DISINFORMATION IS FALSE, MISLEADING AND DANGEROUS TO LENDERS AND CONSUMERS**

### ***An Opinion Concerning ALTA's Disingenuous Conduct***

By Theodore Sprink, December 1, 2023

As many real estate experts are aware, the title industry has utilized its standing as a monopoly, and its incestuous relationship with Washington D.C. lobbyist ALTA, to launch an 18-month tasteless assault on innovation, competition, lower closing costs and consumer choice, by claiming that any alternative to title insurance is unsafe to lenders, sellers, buyers, borrowers, and investors. ALTA's position is wrong.

The title industry is a monopoly of four corporate conglomerates, generating \$28 Billion in revenue and honoring 2.7% in customer claims. ALTA has made false statements to Lenders, Realtors, Consumers and Congress, that alternatives to title insurance are uninsured. This disinformation is advanced by ALTA to frighten Lenders and Consumers, and to protect the title insurance monopoly. A library of disinformation, misrepresentations and fabrications, denigrating alternatives to title insurance, authorized by FHFA, Freddie Mac and Fannie Mae (GSEs), can be viewed at ALTA's "TAN" link.

In an unbelievably ironic twist, leading monopolist FNF reported to the SEC its Cyber Protection failure, potentially affect lenders, Realtors, sellers, buyers, borrowers, and investors...and stockholders...with a breach that may expose to cyber thieves customer loan applications, credit history, bank accounts, routing numbers, social security numbers and financial statements. Many industry observers anticipate a series of multi-billion-dollar class-action lawsuits against FNF for negligence and incompetence.

In a separate title insurance Cyber Security failure, First American Title, the nation's second largest member of the title insurance monopoly, must pay the New York Department of Financial Services a seven-digit settlement relating to its own cyber security breaches, which exposed Consumers private credit and financial data.

*Together, FNF and First American control nearly 65% of the real estate title insurance market. Incredibly, while ALTA has time and resources to attack GSE-authorized innovation, competition, lower prices, and consumer choice, they are silent on title insurance cyber breach issues, which endanger Lenders, Borrowers, Consumers, Investors and Shareholders. ALTA is HYPROCRITICAL and DISINGENUOUS in its spreading disinformation, false statements and fabricated criticisms related to Consumer Choice in selecting closing services, with the obvious intent to protect the title insurance monopoly.*

The title insurance industry has engaged in an extensive strategy to influence Senators and members of the House of Representatives to pressure multiple Federal Agencies to prohibit Freddie Mac and Fannie Mae from accepting safe, reliable, low-cost alternatives to title insurance.

The title insurance monopoly opposes FNMA's "Equitable Housing Finance Program", which is vigorously advocated by firms offering alternatives to title insurance. The title insurance industry's efforts to restrict alternatives, innovation, competition, and consumer choice is done so at the expense of minority and first-time home buyers, whose representatives recognize that the cost of title insurance and actual risk is uncorrelated and represent a barrier to the American dream of home ownership.

GSE-authorized alternatives to title insurance are safe, reliable, and low-cost. *iTitleTransfer, LLC* is a Scottsdale, Arizona-based PropTech innovator providing a Fully Insured Loan Closing Platform which reduces consumer closing costs by up to 65% and reduces lender internal costs up to 50%. Lenders and Realtors can now advocate consumer choice of settlement services, in a manner fully consistent with Fannie Mae's Equitable Housing Finance Program.

Despite disinformation and falsehoods obtusely distributed ALTA, the truth is that *iTitleTransfer's* Fully Insured Loan Closing Platform provides the following transactional insurance coverages:

- *Lender* *Covered*
- *Borrower* *Covered*
- *Successor-of-Interest* *Covered*
- *Seller Warranty* *Covered*
- *Loan Amount* *Covered*
- *Life of Loan* *Covered*
- *One-Time Flat Fee* *Covered*
- *National Service* *Covered*
- *Fraud* *Covered*
- *Forgery* *Covered*
- *Lien Priority* *Covered*
- *Gap* *Covered*
- *Duty to Defend* *Covered*
- *Escrow/CPL* *Covered*
- *Cyber* *Covered*
- *Excess/Umbrella* *Covered*

*iTitleTransfer's* Fully Insured Loan Closing Platform includes 1. Search and Examination, 2. Proprietary Risk Scoring, 3. Curative Services, 4. Insured Attorney Opinion Letter (issued from a firm in the same state as the property), 5. Document Preparation, 6. Escrow, 7. Date Down, 8. eNotary, 9. eSign, 10. eRecording, 11. Loan Closing, and 12. Deed Monitoring.

*It is time Lenders and Realtors to embrace innovation, competition, consumer choice and lower closing costs. At the same time, ALTA should apologize to its members, lenders, competitors, consumers, and Congress for its bizarre strategy of disinformation and disingenuous falsehoods and fabrications.*

