



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

Opinion Editorial 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 uninsured, and therefore is unsafe to lenders, sellers, buyers, borrowers, and investors.

In an unbelievably ironic twist, Fidelity National Financial, (FNF) which maintains 45% real estate market share through seven national title insurance brands, reported to the SEC its Cyber Protection failure, adversely affecting lenders, Realtors, sellers, buyers, borrowers, and investors...and stockholders...with a breach exposing to cyber thieves customer escrow accounts, 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 lawsuit, citing unsafe and unsound business practices, 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. *Additional title insurance unsafe and unsound business practices.*

Together, FNF and First American control nearly 65% of the real estate title insurance market. Exposing the public to unsafe and unsound business practices. 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.

The title industry is a monopoly of 4 corporate conglomerates, generating \$28 Billion in revenue and paying 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.*

ALTA is HYPROCRITICAL and DISENGENUOUS in spreading disinformation, false statements and fabricated criticisms to Congress, asserting alternatives to title insurance are uninsured, and deny Consumer Choice in selecting closing.

ALTA and 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:

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

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, lower closing costs and consumer choice. 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.

