

# Fannie Mae Recognized by Lenders and Realtors for Broadening Mortgage Loan Closing Alternatives



Opinion Essay by Theodore Sprink

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In April 2022 Fannie Mae joined Freddie Mac in accepting Attorney Opinion Letters and AOL-based Fully Insured Loan Closing Platforms as alternatives to title insurance, for loans purchased by GSEs from mortgage lenders.

Collectively, the GSEs represent 75% of the secondary market for mortgage loans, and, according to NAR, purchased or guaranteed half of the \$11 Trillion mortgage loan market in 2021, involving approximately 2,000 mortgage originators.

In July 2023 Fannie Mae announced the importance of alternatives to title insurance, emphasizing its “Equitable Housing Finance Program”, seeking to reduce loan costs for minority and first-time home buyers.



AOLs and AOL-based Loan Closing Platforms are approximately one-third the cost of traditional title insurance and escrow, particularly in consideration of the substantial junk fees of the status quo.

In December 2023 Fannie Mae broadened its acceptance of alternatives to title insurance, permitting lenders to utilize AOLs and AOL-based Fully Insured Loan Closing Platforms for transactions secured by a unit in a condo project, and for loans secured by a property subject to restrictive agreements or restrictive covenants.

Lenders, Loan Brokers, Borrowers, and Realtors can recognize innovation, competition, lower pricing, and consumer alternatives, by informing their retail clients. Our industry is simple: **Consumers desire choice and lower prices.**

Below are the GSE links confirming the content of this Opinion Essay, and providing Fannie Mae facts that should be considered by Lenders, Brokers and Realtors wishing to increase transaction volume, revenue, and market share.

1. **Attorney Opinion Letter:** <https://singlefamily.fanniemae.com/media/document/pdf/attorney-opinion-letter-primer>
2. **Attorney Opinion Letter Lender Frequently Asked Questions:** <https://singlefamily.fanniemae.com/media/document/pdf/attorney-opinion-letter-lender-faq>
3. **Selling Guide Announcement (SEL-2023-11):** <https://singlefamily.fanniemae.com/media/37666/display>

Feel free to contact the author to discuss these links in greater detail, and the importance of Lenders, Loan Brokers and Realtors fully informing their retail clients of the availability of safe, reliable low-cost settlement alternatives, saving thousands of dollars in home purchase and re-fi transaction closing costs.



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