

NEWS RELEASE

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Biden Administration Embarrasses Title Insurance as Costly and Unnecessary

State of the Union Address Waives Title Insurance for Re-Finance Transactions

Announced today: Scottsdale, Arizona based real estate PropTech firm *iTitleTransfer, LLC* observed President Biden's State of the Union Address, and listened with great interest to the President's proposal to waive title insurance as a requirement for certain real estate transactions.

The President of the United States referred to costly title insurance as often unnecessary, referring to title insurance as representing a barrier to the American dream of home ownership.

The Biden administration on Thursday announced a program to save homeowners thousands of dollars in mortgage refinance closing costs. The initiative aims to reduce one of the biggest costs associated with closing a mortgage: title insurance. Under a pilot program, FHFA, Fannie Mae, Freddie Mac, Treasury and the CFPB seek to waive a requirement for title insurance on mortgage refinancing and examine monopolistic practices of the title insurance industry.

President Biden is calling on federal agencies to take all available actions to lower costs for consumers at the closing table and help more Americans access homeownership." Biden's efforts include policies and pilots approved by the Federal Housing Finance Agency (FHFA) to waive the requirement for lender's title insurance on certain refinances.

According to Theodore Sprink, founder of PropTech firm *iTitleTransfer, LLC*, "FHFA hasn't yet approved any particular technology vendors or specific lenders for the pilot; although *iTitleTransfer, LLC's low-cost, E2E, Fully Insured Loan Closing Platform is an ideally suited candidate*" and is well positioned to participated in this important new "title insurance-waiver program".

Sprink further stated that "lenders' title insurance, typically costs the borrower around 0.5% of their loan amount, and that *iTitleTransfer* performs the same fully insured process, protecting lenders, owners, borrowers and successors -of-interest for full loan amount and life of loan, against fraud and forgery, while insuring lender lien priority and duty-to-defend, as well as escrow CPL performance, *for one-third the cost*".

The White House signaled the administration was taking additional steps to address title insurance costs. In the coming months, the Treasury Department will convene a roundtable gathering to discuss the industry and analyze potential overhauls, the White House said.

The Consumer Financial Protection Bureau will also pursue potential new rules to scrutinize "anticompetitive closing costs imposed by lenders on home buyers and homeowners," the White House said.

Sprink "complimented the White House, FHFA, Fannie Mae, Freddie Mac, Treasury and CFPB for looking into costly, unnecessary and monopolistic practices of the title insurance industry that deny consumer choice of alternative re-fi opportunities thereby serving as a barrier-to-sale, particularly for minority and first-time home buyers and consumers seeking to refinance to lower payments".

For information concerning *iTitleTransfer's* national, low-cost Fully Insured Loan Closing Platform, and underlying insurance coverages please contact Ted Sprink at tsprink@ititletransfer.com.



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