



December 5, 2013

U.S. House of Representatives  
House Financial Services Committee  
Washington, DC 20515

**Re: Independent Settlement Service Providers Oppose H.R. 3211 and H.R. 1077**

Dear Representative:

I am a member of the National Association of Independent Land Title Agents (NAILTA – [www.nailta.org](http://www.nailta.org)). NAILTA members represent thousands of independent settlement service providers across the United States. NAILTA was formed in November, 2008 by concerned independent title insurance agents who are determined to foster transparency, promote education and understanding and preserve the value of the land title process. The purpose of my letter is to contact you concerning our opposition to H.R. 1077, the Consumer Mortgage Choice Act, and our opposition to H.R. 3211, the Mortgage Choice Act, currently before the House Financial Services Committee.

Our opposition to H.R. 1077 and H.R. 3211 is centered upon proposed changes to the affiliate charge limitation. Under the Dodd-Frank Act revisions to the Truth-in-Lending Act (TILA), lender affiliate service charges are defined as “points and fees” and are limited to no more than 3% of the fees charged on a residential mortgage loan or qualified mortgage (QM). By contrast, the fees charged by independent service providers do not fall under the “points and fees” definition.

The reason for the important distinction is because Congress correctly identified that affiliate providers, such as bank-owned title insurance agencies, have inexorable conflicts of interest in representing consumers on both sides of the real estate closing table -- as lender and as title insurer. In addition, Congress understood that affiliate providers eliminate a necessary check-and-balance in the real estate settlement process. Rather than perpetuate these problems under Dodd-Frank, Congress correctly recognized the dichotomy between conflicted affiliates and non-conflicted independent providers and made law that would help consumers have meaningful access to unbiased providers and choice – hallmarks of the Dodd-Frank reforms.

H.R. 1077 and H.R. 3211 is bad law under the guise of consumer protection. As a settlement service professional and proud member of NAILTA, I urge you to oppose this bill so that consumers will have real choices at the closing table and so that competition within the title insurance industry will not be constrained by the monopolistic habits of lenders.

Yours truly,

NAILTA Member