



March 27, 2015

Mr. Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Mr. Cordray,

I am writing to respectfully request a modification to the new Closing Disclosure and Loan Estimate Forms which become effective August 1, 2015. The new form *should not contain the word "optional"* next to Owner's Title Insurance. In my opinion, *the most important consumer protection available to a home buyer in a real estate transaction is Owner's Title Insurance.* Keeping the word "optional" next to owner's title insurance will very likely discourage a purchaser from obtaining this important coverage. I am disappointed that your organization has not made this modification despite repeated requests from our industry.

The Consumer Financial Protection Bureau (cfpb) was established to protect consumers. In fact, your mission statement is: "Our mission is to make markets for consumer financial products and services work for Americans." *Without owner's title insurance, the home owner is left vulnerable to possible claims or liens* on their property which is used to secure the financial product. *If the marketability or value of their home is diminished due to a title claim, they are still responsible for the obligation on the mortgage.* Labeling owner's title insurance as optional is not only misleading and confusing to the consumer, but irresponsible on the part of your agency.

At a recent title industry association meeting, I asked a representative from the cfpb to clarify the reason for including "optional" on the form. He explained that the word "optional" was inserted because owner's title insurance is *optional* for obtaining a mortgage. While that statement is correct, it is confusing to the consumer because *other items paid by the purchaser and included on the new disclosure forms are also optional for obtaining a mortgage, but not designated as such.*

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According to our research, approximately ***one-third of all title reports contain title problems.*** Without an owner's policy, settlement is often delayed until the title issue can be resolved. We have had many transactions where the seller had a major title claim and would not have been able to sell the property without having their owner's title insurance. Fortunately, because they had this important coverage, the title insurance underwriter stepped in, paid the claims, provided a letter of indemnity, or proceeded with litigation, in order to clear the title claim.

An increasing number of title companies will not conduct a closing if the owner's title insurance is not purchased. As a small business owner, we cannot expose our firm to possible litigation due to title claims that may arise, through no fault of our own, and that are unavoidable. That is unfortunate, but is the reality in which we operate.

I appreciate your agency's diligence and hard work to protect consumers, and am confident your efforts will make a positive difference in lending practices. I sincerely hope that you will remove the word "optional" from the closing disclosure form. I would be pleased to further discuss with you the importance of the owner's title insurance to consumers. Thank you for your consideration.

Sincerely,



Cecelia A. Adams
Owner
RSI Title, LLC

cc: American Land Title Association
National Association of Independent Land Title Agents
First American Title Insurance Company
Fidelity National Title Insurance Company