Date: March 2, 2015

To: State Governors
State Insurance Commissioners
State Attorneys General

From: Karen E. Koogler, CEO
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Re: Federal Infringement into State Title Insurance Laws creates potential for significant Consumer financial harm [Premium overcharges] and Rate violation allegations against Title Insurers and Licensed Title Agents

Introduction

The purpose of this letter is to address actions taken by the Consumer Financial Protection Bureau [CFPB] under the November 2013 Integrated TILA-RESPA Final Rule [hereinafter "Final Rule"] which takes effect August 1, 2015. Language within the Final Rule creates the potential for significant consumer financial harm via title insurance premium overcharges. The Bureau's actions in the Final Rule effectively obfuscate insurer-filed/published or state-promulgated title insurance premium by requiring that creditors [mortgage lenders] manipulate title premium rates on federally-mandated disclosures [Loan Estimate and Closing Disclosure] resulting in consumers potentially paying more for specific types of title insurance coverage [e.g., simultaneous-issue loan policy premium] than state-regulated filed/published/promulgated rates. In turn, such overcharges may give rise to Consumer complaints involving alleged premium rate violations and/or UDAP violations against title insurers and licensed title insurance agents. *It is imperative that State Insurance Commissioners be aware that title insurers and licensed title agents are accurately quoting title insurance premium to creditors who, in turn – by adhering to CFPB directives set forth in the Final Rule – are required to manipulate such rates when disclosing same to Consumers [buyers/borrowers].*

When the Nation's Governors clarified their position, in March 2014, that *federal laws and regulations must not preempt or undermine the strong state-based insurance regulatory system* that for more than 140 years has protected consumers and safeguarded the capital adequacy and solvency of insurers – *title insurance* was not in the forefront of their minds. Since the first title insurance company was founded in Philadelphia in 1876, title insurance has remained in the shadows of most Insurance Commissioners' thoughts and actions. This is due, in large part, to the anomalous nature of title insurance when compared to property-casualty insurance products – coupled with a reverse-marketing approach by title insurers and licensed title agents who generally market title insurance to industry middlemen [real estate brokers and agents, mortgage brokers, mortgage lenders, and homebuilders] rather than to the consumers [sellers and buyers] who actually pay for the product.

This letter serves to highlight recent CFPB actions regarding treatment of title insurance under the Integrated TILA-RESPA Final Rule which takes effect August 1, 2015. Although the title insurance industry, as well as supporting real estate and mortgage lending industries, have given the CFPB ample data – from workshop commentary leading up to the 2012 Proposed Rule, formal commentary following publication of the 2012 Proposed Rule, and ongoing commentary since publication of the Final Rule – the Bureau has deemed that such *"points related to state law prohibitions and regulation of insurance are inapposite in a situation where the party providing the Loan Estimate, the creditor, is not subject to the legal requirement of State insurance laws."*

The Bureau has effectively created a *regulatory loophole* around state law, by requiring that *mortgage lenders* [as opposed to title insurers and licensed title agents] *manipulate title insurance premium* for purposes of issuing federally-mandated disclosures [Loan Estimate and Closing Disclosure] to consumers. A year prior to publication of the Final Rule, the Bureau effectively sidelined the central role title (settlement) agents play in real property purchase/sale/finance transactions, by issuing CFPB Bulletin 2012-03, which effectively places title (settlement) agents in service to mortgage lenders.

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The Bureau's actions threaten existing consumer protection provided by title (settlement) agents who stand in the center of purchase/sale/finance transactions affording coequal duty to all transaction participants – buyer and seller via the real estate contract; borrower and lender via mortgage loan documents and closing instructions; and title insurer and named insureds via title insurance commitment and final policies.

The combination one-two punch of the Integrated TILA-RESPA Final Rule and CFPB Bulletin 2012-03 creates the potential that consumers [buyers/borrowers] will experience *significant financial harm* in future purchase/sale/finance transactions, and virtually guarantees that settlement of the purchase/sale side of such transactions will be unnecessarily and unduly complicated. Such negative impact could have been avoided had the Bureau consulted with state insurance commissioners and/or paid heed to informed industry commentary. That the CFPB has, for the past 2½ years, consistently ignored industry commentary and compelling data as to why it should alter its approach regarding the title insurance product as well as treatment of title (settlement) agents under the Final Rule, creates sufficient cause for the Nation's Governors, Insurance Commissioners, and Attorneys General to pay heed to this situation and, to the extent possible, take appropriate action to remedy the current situation and deter further federal inroads into the state-regulated title insurance business.

Background

TITLES V AND X OF THE 2010 DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

Title V of the Dodd-Frank Act established the Federal Insurance Office [FIO] to advise the Secretary of the Treasury on major domestic and prudential international insurance policy issues and consult with the states and state insurance regulators regarding insurance matters of national and international importance. *The Office will monitor all aspects of the insurance industry*, including the availability of affordable insurance to traditionally underserved, low to moderate income, and minority persons and communities. *The Office's authorities extend to all lines of insurance* except health insurance, long-term care insurance (except that which is included with life or annuity insurance components) and federal crop insurance. The Act does *not* provide the Office with general supervisory/regulatory authority over the business of insurance. *Insurance is generally regulated at the State level*. The Office will consult with States regarding insurance matters of national and international importance.

Title X of the Dodd-Frank Act established the Consumer Financial protection Bureau [CFPB] as an independent agency within the Board of Governors of the Federal Reserve System. The CFPB regulates the offering and provision of consumer financial products and services under federal consumer financial laws. The Bureau is responsible for ensuring that federal consumer financial laws are enforced consistently so consumers may access markets for financial products, and so that these markets are fair, transparent, and competitive.[1] Title X also addresses the role of state law and state intervention in the operation of federally-chartered depository institutions. The statute is not meant to preempt state consumer financial protection laws, as long as the state laws do not conflict with federal laws or regulations.[2] *State consumer protection laws that offer greater protection than federal law are not considered to be conflicting with federal laws*.[3] Further, state Attorney Generals and state regulators can bring civil actions to enforce provisions of Title X.[4]

NGA CONCERNS REGARDING FEDERAL PREEMPTION OF STATE-BASED INSURANCE REGULATION

On December 16, 2011, the Nation's Governors submitted comments to help inform the U.S. Department of the Treasury's preparation of its study required under the Dodd-Frank Act on how to modernize and improve the system of insurance regulation in the United States. The letter[5] clarified the importance of states maintaining their long-standing authority as the functional regulators of the business of insurance and emphasized that *federal laws and regulations must not preempt or undermine the strong state-based regulatory system that shields consumers* and safeguards the capital adequacy and solvency of insurers.

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The letter addressed *state consumer protection,* noting that, having developed deep regulatory expertise over the business of insurance, states are often the "first responders" to emerging financial services threats. *Existing state consumer protection, antitrust, and unfair trade practice laws provide necessary tools to help protect consumers and stop anti-competitive conduct with the business of insurance*. State regulators and Attorneys General also play complementary and mutually supportive roles in monitoring and investigating insurers, agents, and brokers to prevent and punish activities prohibited by those state laws. Market conduct exams are part of the monitoring system. *State insurance officials supervise the market conduct of industry participants by reviewing their business operations through market analysis, periodic examinations, and investigations of specific consumer complaints*. Monitoring involves reacting to conditions and changed circumstances. It also involves taking an active role and adjusting state methods and policies that anticipate new challenges that threaten consumers and market stability.

Subsequently, on March 28, 2014, the Nation's Governors once again reiterated their position in a letter[6] to the Secretary of the Treasury, following release of the Treasury's Federal Insurance Office [FIO] report on how to modernize and improve the U.S. insurance regulation system. In that letter, the Governors expressed their concern regarding the FIO report's suggestion of a greater federal role that could invite a dual regulatory system – clarifying their position that federal laws and regulations must not preempt or undermine the strong state-based insurance regulatory system that for more than 140 years has protected consumers and safeguarded the capital adequacy and solvency of insurers. The letter cited that, for generations, states have protected consumers of insurance products – products that are essential to protecting not just the U.S. economy, but also the most-cherished personal effects of individual consumers. Insurance is part of the social fabric and financial safety net that enables citizens, small businesses, and global corporations to move forward each day with confidence. In closing, the Governors stated that – while recognizing the possibility for federal intervention should states fail to act collectively on issues of legitimate concern – preemption of state regulatory authority must be the exception rather than the rule. *Governors stand ready to protect state-based insurance regulation*. The diversity of consumers, financial services products and institutions, investors, and local market conditions are currently addressed by state regulators with a proven track record.

While this letter focuses primarily on the treatment of the title insurance product and treatment of title (settlement) agents under the November 2013 Integrated TILA-RESPA Final Rule[7] – together with CFPB Bulletin 2012-03[8] – the NGA concerns relating to possible federal preemption of state-based insurance regulation is compelling. It is, in fact, the impetus for submitting this letter to the Nation's Governors, Insurance Commissioners, and Attorneys General. While, for the most part, *"as goes property/casualty insurance so goes title insurance"* has been the state-of-the-industry in the past, when one connects the dots set forth in this letter, it is possible we may be witnessing a slow erosion of state-based insurance regulation whereby *"as goes title insurance, so goes property/casualty insurance."*

Current Concerns

TITLE INSURANCE TREATMENT UNDER THE INTEGRATED TILA-RESPA FINAL RULE

Despite numerous attempts by title insurers, licensed title agents, and other industry participants – beginning with submitted commentary to the Bureau's 2012 Integrated TILA-RESPA Proposed Rule and ongoing commentary flowing from a heightened level of apprehension as the mandatory August 1, 2015 effective date of the November 2013 Integrated TILA-RESPA Final Rule fast approaches – to urge the CFPB to reconsider its decision requiring creditor [mortgage lender] rate manipulation of title insurance premium on federally-mandated Loan Estimates and Closing Disclosures, the Bureau has remained steadfast that such rate manipulation, which significantly deviates from state-regulated [filed/published/promulgated] title premium rates, is in the best interests of consumers.

Industry participants vehemently disagree. While some level of industry self-interest exists – e.g., a desire by title insurers and licensed title agents to protect themselves from unwarranted consumer complaints regarding alleged premium rate violations and/or UDAP violations – there is even greater interest in protecting consumers by ensuring that the actual premium rates quoted by title insurers and licensed title agents are *not* manipulated on Loan Estimates and Closing Disclosures. There is also the impetus of ensuring that small and midsize title agencies remain in business, thus affording consumers a wide selection of providers from which to shop for title insurance and related title services. *For purposes of clarification, the Loan Estimate referred to herein integrates the current Initial (Early) Truth In Lending (TIL) Disclosure and Good Faith Estimate (GFE), while the Closing Disclosure integrates the current Final TIL and HUD-1 Settlement Statement on most mortgage loans beginning August 1, 2015 [Final Rule Effective Date].*

Required Manipulation of Title Insurance Premium on the Initial Loan Estimate

As a preface for those unfamiliar with title insurance – and at the risk of over-simplification for the sake of brevity – "Title" to real property is conveyed by seller/grantor to buyer/grantee as part of a purchase/sale transaction. Where such purchase is financed, the creditor/lender secures financing via a mortgage, deed of trust, or other security instrument. Title insurance is available to protect the interest of the buyer [Owner's Policy] and, separately, the interest of the lender [Loan Policy]. When the two policies – Owner's coverage and Loan coverage – are issued concurrently on a purchase/sale/finance transaction, the premium for the *"Simultaneous-Issue"* Loan Policy (SI-LP) is, in most states, *significantly less* than the premium that would be charged if the Loan Policy (LP) was issued alone [without issuance of the Owner's Policy (OP)].

When the two policies are issued *simultaneously* on a purchase/sale/finance transaction, the OP is the *primary* policy [premium based on percentage of purchase/sale price] and the LP is the *secondary* policy [reduced premium based on simultaneous-issuance with the OP]. In short, a consumer [as *borrower*] cannot *mortgage* that which the consumer [as *buyer*] does not *own*. On a purchase/sale/finance transaction, the *deed* conveying Title [ownership] from seller to buyer is recorded prior to the *mortgage* securing lender financing of said purchase. Although 2006 ALTA form policies facilitate policy issuance on the day of closing, the *effective date* of the OP is generally held to be the date/time of *deed* recordation, while the *effective date* of the LP is generally held to be the date/time of *mortgage* recordation – thereby supporting the fact that in a purchase/sale/finance transaction the OP is the *primary* policy and the SI-LP is the *secondary* policy where such policies are simultaneously-issued.

Sample Purchase/Sale/Finance Transaction

For purposes of discussion, we will assume a Sample Purchase/Sale/Finance Transaction, whereby the Seller pays the Owner's Policy (OP) title insurance premium and the Consumer [Buyer/Borrower] pays the Simultaneous-Issue Loan Policy (SI-LP) title insurance premium. *Although "who pays what" is fully negotiable between Sellers and Buyers, in most purchase/sale/finance transactions the Sample provided herein is the most common scenario.*

Also, for purposes of discussion, we will assume the following Sample Premium Rates: $1,000 OP premium and $100 SI-LP premium; as well as $800 LP premium for comparative analysis in cases where the Consumer [Buyer/Borrower] does *not* obtain Owner's coverage. *While title insurance premium rates vary jurisdictionally, the Sample Transaction used herein reflects the most common scenario, whereby the SI-LP premium is less than – and in most states significantly less than – full LP premium where no OP is issued.*

As shown hereinbelow, the Final Rule requires that creditors *manipulate* title insurance premium on the Loan Estimate and Closing Disclosure causing disclosed amounts to deviate significantly from state-regulated [filed/published/promulgated] rates:[9]

POINT

The CFPB, throughout the Final Rule, incorrectly focuses on the owner's policy [OP] as the lower-priced of the two policies [OP and SI-LP]. In actuality, it is the simultaneous-issue loan policy [SI-LP] premium that is reduced. The cost of insurance and indemnification against loss or damage incurred by the insured is already covered in the risk premium charged for the owner's policy [OP]. This is an important point that should be referenced when reading the information presented hereinbelow.

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The Final Rule sets forth the following *rate manipulation requirements* for the Loan Estimate *and* Closing Disclosure:

Simultaneous title insurance premium rate in purchase transactions. The premium for an *owner's title insurance policy* for which a special rate may be available based on the simultaneous issuance of a lender's and an owner's policy is calculated and disclosed pursuant to §1026.37(g)(4) as follows:

i. The title insurance premium for a *lender's title policy* is based on the *full premium rate*, consistent with §1026.37(f)(2) or (f)(3).

POINT [In the Sample Transaction, the LP is disclosed as $800 instead of the actual $100 SI-LP rate]
[Consumer (Buyer/Borrower) is overcharged $700]

ii. The *owner's title insurance premium* is calculated by taking the *full owner's title insurance premium, adding the simultaneous issuance premium for the lender's coverage, and then deducting the full premium for lender's coverage*.

POINT [In the Sample Transaction, the OP is disclosed as $300 instead of the actual $1000 OP rate]
[Seller is undercharged $700]

Comment for 1026.37(f)(2)-4 Lender's Title Insurance Policy: §1026.37(f)(2) and (3) requires disclosure of the amount the consumer will pay for the lender's title insurance policy. However, an owner's title insurance policy that covers the consumer and is not required to be purchased by the creditor is only disclosed pursuant to §1026.37(g). Accordingly, the creditor must quote the amount of the lender's title insurance coverage pursuant to §1026.37(f)(2) or (3) as applicable based on the type of lender's title insurance policy required by its underwriting standards for that loan.

The amount disclosed for the lender's title insurance policy pursuant to §1026.37(f)(2) or (3) is the amount of the premium without any adjustment that might be made for the simultaneous purchase of an owner's title insurance policy. This amount may be disclosed as *"Title—Premium for Lender's Coverage,"* or in any similar manner that clearly indicates the amount of the premium disclosed pursuant to §1026.37(f)(2) is for the lender's title insurance coverage. See comment 37(g)(4)-1 for a discussion of the disclosure of the premium for an owner's title insurance policy that covers the consumer. [END REPRINT]

Required Manipulation of Title Insurance Premium on the Final Closing Disclosure

§1026.38(3) [*Good Faith Requirement*] states that the Closing Disclosure required by §1026.38 is *"required to reflect the actual terms of the legal obligation between the parties, and the actual costs associated with the settlement of the transaction."* [10]

However, at the same time, §1026.38(f)(2) references guidance in other [earlier] comments – e.g., *"For examples of services, costs, and their descriptions disclosed under §1026.38(f)(2), see comments [37(f)-3, and -4]"* [11] – which references back to the rate manipulation method for loan title insurance premium set forth for the initial Loan Estimate noted hereinabove.

As for owner's title premium disclosed on the final Closing Disclosure, §1026.38(g)(4)-2 states that *"In a jurisdiction where simultaneous issuance title insurance rates are permitted, any owner's title insurance premium disclosed under §1026.38(g)(4) is calculated by using the full owner's title insurance premium, adding any simultaneous issuance premium for issuance of lender's coverage, and then deducting the full premium for lender's coverage disclosed under §1026.38(f)(2) or (f)(3)."* [12]

POTENTIAL REPERCUSSIONS OF MANIPULATING TITLE PREMIUM RATES ON MANDATED DISCLOSURES

It is sufficiently disconcerting that the Final Rule requires that creditors/lenders *manipulate* title insurance premium on the initial Loan Estimate, thereby creating unnecessary confusion as to actual rates and charges at point of loan inception. That the Bureau further requires that such manipulated rates *also* be disclosed on the final Closing Disclosure which is otherwise *required to reflect the actual terms of the legal obligation between the parties, and the actual costs associated with the settlement of the transaction* is alarming. Equally alarming is that certain loan types require *certification* as to the accuracy of the information presented on such forms – e.g., FHA-required certification currently required on HUD-1 settlement statements (see below) that is expected to carry forward to same or similar required certification on the Closing Disclosure – statements that are governed under the federal False Claims Act.

CERTIFICATION OF SETTLEMENT AGENT IN AN FHA-INSURED HECM LOAN TRANSACTION

To the best of my knowledge, the HUD-1 Settlement Statement [*future Closing Disclosure*] which I have prepared is a true and accurate account of the funds which were (i) received, or (ii) paid outside of closing, and the funds received have been or will be disbursed by the undersigned as part of the settlement of this transaction. I further certify that I (we) have obtained the above certifications which were executed by the borrower(s) and seller(s) as indicated.

____

Settlement Agent

WARNING: *Federal law provides that anyone who knowingly or willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry may be criminally prosecuted and may incur civil administrative liability.*

Referencing the Sample Transaction, where the Consumer has a purchase/sale contract showing Seller-paid OP and Buyer-paid LP – where *actual* [state-regulated] premium is $1,000 [OP] and $100 [SI-LP] – a Loan Estimate and Closing Disclosure showing *manipulated* $300 OP premium and $800 LP premium may cause significant Consumer confusion. Understanding that such confusion is possible or probable, the CFPB provides a Final Rule "remedy" for the *"Confused Consumer"* contingency:

> *"There is no indication on the Loan Estimate that the owner's title insurance premium disclosed is an incremental cost to the consumer, and not the full rate. However, the creditor can communicate to those CONSUMERS who are CONFUSED that the total amount of the title insurance premiums shown on the Loan Estimate are the same as the total amount of the title insurance premiums calculated under State law or common practice that are disclosed or advertised by title underwriters and title agents."*

Borrowing from the CFPB's position that industry commentary regarding the importance of accurately quoting title premium in compliance with state-regulated [filed/published/promulgated] rates is *"inapposite"* to the situation involving creditor-manipulated rates because creditors [mortgage lenders] are *"not subject to the legal requirement of State insurance laws"* – the fact that the "*total amount of the title insurance premiums shown on the Loan Estimate are the same as the total amount of the title insurance premiums calculated under State law or common practice that are disclosed or advertised by title underwriters and title agents"* is *"inapposite"* to the discussion of title premium where, on *most* Purchase/Sale/Finance transactions, OP premium is paid by the *Seller* and SI-LP is paid by the *Consumer* [*Buyer/Borrower*]. In *most* states, title premium rates are [filed/published/promulgated] in various *rate classifications* including, but not limited to basic OP and LP policy rates; enhanced OP and LP policy rates; reissue rates; and simultaneous-issue LP rates. Where such rate classifications exist, rates should be quoted and charged as [filed/published/promulgated] *unless* state law permits deviation via rate negotiation or rebating of premium.

Further, if we are to accept CFPB's premise that title insurance premium rate manipulation is acceptable because such rates are manipulated by *creditors* [*mortgage lenders*] who are *"not subject to the legal requirement of State insurance laws"* – the *new* issue that should be addressed at the *State level* is why *unlicensed persons* – in this case, mortgage lenders – are *disclosing* title insurance premium to Consumers [on Loan Estimates and Closing Disclosures] in amounts other than that *accurately quoted* to lenders by title insurers and title agents; and, further, are *explaining* to *"Confused Consumers"* the difference in *manipulated* title premium [shown on said disclosures] and the *actual* rates [filed/published/promulgated] under State law. In most states, only title insurers, licensed and appointed title agents, and attorney-agents are permitted to quote and collect premium, and discuss premium rates and coverages. Even in states where there is no specific prohibition against unlicensed persons engaging in such practices, creditors may still run afoul of unauthorized practice of law [UPL] regulations.

It appears that the CFPB, in focusing almost solely on the mortgage/lender/borrower side of the transaction – to the near exclusion of the purchase/sale/buyer/seller side of the larger *encompassing* transaction – is missing the point regarding the importance of adhering to state-regulated [filed/published/promulgated] rates when quoting and charging title premium. While it is understandable that the Bureau would focus its attention on that which it is charged with regulating/supervising/enforcing – e.g., the creditor [mortgage lender] and credit transaction [mortgage] for the overarching purpose of consumer [borrower] protection – such protection falls short, when the Bureau utilizes the Truth In Lending Act [TILA] to justify its rate manipulation methodology.

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Another potential repercussion arises from the fact that, under the Final Rule, *creditors* have the choice of preparing and delivering *both* the Loan Estimate *and* the Closing Disclosure directly to the consumer. To date, both Wells Fargo and Bank of America have notified title (settlement) agents – those who *currently* prepare the HUD-1 Settlement Statement and, in so doing, *accurately* reflect [*charge and collect*] title premium in compliance with state-regulated [filed/published/promulgated] rates even where lenders and loan originators incorrectly disclose premium on the Good Faith Estimate – that, beginning August 1, 2015, the *creditor* [not the title (settlement) agent] will prepare and deliver the Closing Disclosure, which is required to be delivered to the consumer three business days in advance of consummation. That the Final Rule carries over the Bureau's *rate manipulation methodology* to the Closing Disclosure virtually guarantees consumers [buyer/borrowers] will be *significantly over-charged* where the loan policy is simultaneously issued [SI-LP] with the owner's policy [OP].

POINT

Title insurers and licensed title agents are understandably concerned that creditors following the Final Rule will cause consumers [buyer/borrowers] to be *over-charged* title premium at transaction consummation. Referencing the Sample Transaction, the consumer is charged $800 [full LP premium] rather than $100 [SI-LP premium]. *This is certainly sufficient to give rise to consumer complaints alleging rating violations and/or UDAP violations being brought against title insurers and/or licensed title agents who had absolutely nothing to do with the manipulated rates and [point in fact] have tried everything they could to dissuade the CFPB from requiring such rate manipulation*.

It is imperative that State Insurance Commissioners recognize that title insurers and licensed title agents are quoting the *correct premium* based on the specific type of transaction – OP premium only for cash transactions; LP premium only for refinance transactions; and OP plus SI-LP premium for purchase/sale/finance transactions. *Please refer to the 2014 Title Premium Rate Chart shown on Page 9 for state-by-state comparison of title insurance rates.*

It is unfair for *consumers* to be over-charged title insurance premium based on an errant provision in the Integrated TILA-RESPA Final Rule which, to date, the CFPB seems disinclined to correct. It is also unfair for the Bureau to expose creditors to potential UPL charges for engaging in practices for which they do not hold proper licensure/appointment. And, finally, it is patently unfair that those most likely to incur regulatory repercussions from Bureau required rate manipulation are title insurers and licensed title agents that have exhausted all efforts to convince the Bureau to rectify its error.

POTENTIAL FOR ADDITIONAL CONSUMER FINANCIAL HARM ARISING FROM RATE MANIPULATION

While State Insurance Commissioners focus on the potential for significant *consumer financial harm* arising from the Bureau's required rate manipulation of *title insurance premium* under the Final Rule, the same errant provision may potentially give rise to *additional consumer financial harm* flowing from related *"tolerance"* provisions set forth in the Rule. In short, the Final Rule provides "zero tolerance" for certain charges including, but not limited to loan origination fee, discount points, and transfer taxes. This means that such [individual] charges may not generally increase from that disclosed on the Loan Estimate. In contrast, there are other charges that [cumulatively] fall into a "10% tolerance" category, meaning that such [aggregate] charges, when added together, may not generally increase by more than 10% from that estimated [Loan Estimate] to that actually charged [Closing Disclosure]. *Whether or not a charge falls into the 10% tolerance category largely depends upon: (a) whether the creditor requires the service; (b) if so required, whether the creditor permits the consumer was to "shop" for the service; and (c) if so permitted, whether the consumer chooses a provider from the creditor's written list of providers for such service.*

Generally, title insurance is a service for which consumers may shop. While some may choose a title company *not* on the creditor's written list of providers – which means fees disclosed on the Loan Estimate may increase without any tolerance provision applying – *most* consumers choose a provider from the creditor's [often limited] list of providers. *When a consumer chooses a provider from the creditor's written list, the resultant charges generally fall into the 10% [cumulative/aggregate] category.* However, when it comes to *title insurance*, the Bureau, under the Final Rule – on purchase/sale/finance transactions where the two policies [OP and SI-LP] are issued – categorizes the two policies as if they are independent of each other.

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First, because the creditor does *not* require that the consumer obtain owner's title insurance [OP] the Bureau requires that it be shown as *"Optional"* on both the Loan Estimate and Closing Disclosure. Additionally, since it is *not required*, the *premium* for the OP does *not* fall into the 10% [cumulative] tolerance category. However, the creditor *does* require lender's title insurance [LP] and, where the consumer chooses a title insurance company from the creditor's [often limited] written list of providers, the *premium* for the LP – or, referencing the Sample Transaction, the SI-LP – *does* fall into the 10% tolerance category. *When this information is applied to the Sample Transaction, the potential for additional consumer financial harm* becomes apparent:

SAMPLE TRANSACTION – TITLE PREMIUM – TOLERANCE CATEGORY

Title Insurance Policy Type	Premium Paid By	Actual Premium	Manipulated Premium	Tolerance Category
Owners Policy [OP]	Seller	$1,000	$300	None
Simultaneous-Issue Loan Policy [SI-LP]	Consumer [Buyer/Borrower]	$ 100	$800	10% Cumulative

Why this is Important: First, as noted earlier, under current RESPA regulations, *actual charges* for title insurance premium must be shown on the HUD-1 settlement statement. Although many creditors often *incorrectly* disclose such fees on the Good Faith Estimate [GFE] – primarily due to a misunderstanding regarding tolerance categories – the title (settlement) agent responsible for preparing, delivering, and certifying the accuracy of the HUD-1 settlement statement, ensures that *actual charges* are shown on the HUD-1 with the *correct party* [seller or buyer/borrower] paying for same in accordance with the terms of the purchase/sale contract. Second, under current RESPA regulations, where the creditor requires [LP] coverage and the consumer chooses a title company from the creditor's [often limited] written list of providers, thereby placing it in the 10% [cumulative] tolerance categories, the premium for *both* policies are placed in such category.

This is *not* the case under the Integrated TILA-RESPA Final Rule. First, creditors are required to *manipulate* the title premium as shown in the Sample Transaction. Second, where the creditor requires [LP] coverage and the consumer chooses a title company from the creditor's [often limited] written list of providers, *only the premium for the SI-LP* falls into the 10% [cumulative] tolerance category. Any [*individual*] charge *within* the 10% [cumulative] tolerance category may increase by *more* than 10% – and charges for services not previously appearing on the Loan Estimate may be added and charged to the consumer at closing – provided the *cumulative* [*aggregate*] charges within the category do not increase above 10%.

Rarely, if ever, would it be the case that title insurance premium is the *only* charge appearing in the 10% [cumulative] tolerance category. For purposes of discussion, let's assume a $200 title search fee and a $300 closing fee are also part of the 10% category. Under current RESPA regulations, if the LP falls into the 10% [cumulative] tolerance category so, too, does the OP – and *actual charges* must appear on the HUD-1. Therefore, based on the Sample Transaction, the HUD-1 would show a total of $1600 in the 10% category [$1000 OP + $100 SI-LP + $200 title search + $300 closing fee]. Even if the creditor slightly under-estimated such fees on the GFE [e.g., totaling $1500 instead of $1600], there would be no tolerance violation, as the $1500 cumulative total shown on the GFE may *increase* by 10% [$150] or $1650 cumulative total on the HUD-1.

> *As an added note, under current RESPA regulations, on purchase/sale/finance transactions, GFE line item instructions require that both OP and SI-LP be shown on the GFE – even where the purchase/sale contract shows the seller paying the OP premium. HUD-1 line item instructions require that anything shown on the GFE be charged to the buyer/borrower [to facilitate GFE to HUD-1 comparison of estimated and actual charges] – with a line item credit from seller to buyer where the purchase/sale contract requires the seller to pay the OP premium. This, itself, is confusing – however, it does shed some light on why the CFPB's Final Rule is even more confusing, as the Bureau made the [incorrect] assumption that the current RESPA regulation [last modified in November 2008] was fundamentally sound. It was not.*

In contrast, under the Integrated TILA-RESPA Final Rule, applied to the Sample Transaction, only the SI-LP would fall into the 10% category and the premium for the SI-LP is required to be *manipulated* on both the Loan Estimate and Closing Disclosure. Assuming the same parameters and incorporating rate manipulation, the Loan Estimate would show a total of $1300 [$800 manipulated SI-LP + $200 title search + $300 closing fee]. Where such fees fall into the 10% [cumulative] tolerance category, the fact that the SI-LP should only be $100 rather than the manipulated $800 – there remains a *buffer* [cushion] of $700 at point of Loan Estimate. [Continued Page 10]

2014 At-A-Glance Title Premium Rates

STATE	OP PREM	SI-LP PREM	LP ONLY
AL	550	50	374
AK	822	75	768
AZ	962	100	630
AR	533	30	371
CA	838	100	436
CO	1146	125	1118
CT	680	0	582
DC	1026	150	729
DE	649	25	411
FL	975	25	885
GA	635	100	414
HI	815	250	760
ID	930	75	791
IL			
IN	480	50*	210
IA			
KS			
KY	665	100	485
LA	905	100	644
ME	540	50	283
MD	700	50	450
MA	657	175	405
MI	1010	472	590
MN	612	100	528
MS	720	100	486
MO			
MT	783	50	747
NE	515	75	479
NV	945	507	640
NH	540	50	296
NJ	865	25	789
NM	1226	55	1024
NY	955	264	880
NC	333	65	304
ND	582	50	400
OH	997	100	639
OK			
OR	650	100	605
PA	1300	0	1053
RI	525	25	399
SC	498	100	460
SD	730	80	517
TN	1154	35	1073
TX	1319	126	1244
UT	1207	346	462
VT	610	50	411
VA	702	150	328
WA	814	185	317
WV	662	50	438
WI	790	250	475
WY	781	189	604

Based on $180,000 Purchase / $162,000 Finance
Online rate quotes were not available for all States.

State-by-State Title Insurance Premium Rates

*The chart reflects October 2014 rates obtained from 3 national title insurers' online rate calculators – based on $180,000 purchase price and $162,000 loan value – showing the simultaneous-issue loan policy rates as significantly less than the "stand-alone" loan policy rates and owner's policy rates. ****

Premium Rate Notes

Online rate quotes were not available for all States. Those were left blank.

All rates are basic OP and LP coverage without reissue rates or endorsement fees.

"OP" and "SI-LP" rates were run as a Purchase/Finance transaction with $180,000 purchase price and $162,000 concurrent [simultaneous] mortgage loan.

"LP Only" rates are for a "stand-alone" basic Loan Policy without reissue rates or endorsements, issued without concurrent Owner's Policy.

Simultaneous-Issue Rate Notes

33 States show simultaneous-issue Loan Policy rates at $100 or less.

09 States show simultaneous-issue Loan Policy rates at $125 to $250.

Additional Notes

*IN – Corrected SI-LP rate based on July 25, 2014 Settlement Agreement with IDOI.

07 States [CT; GA; NH; NC; RI; SC; VT] offer "GFE/HUD-1 Recalculation" option.

Of the 45 states with online rates – ALL show SI-LP rates LOWER than LP Only rates; most showing significant reduction.

► This deviates from Final Rule [Page 858] where the CFPB states that *"approximately 26 States, either by promulgated rates or by rates created and used by title underwriters, calculate the cost of lender's title insurance policy differently when a simultaneous owner's title insurance policy is issued."*

The Final Rule requires that the LP premium be disclosed at full rate on the Loan Estimate – even if the transaction is a concurrent [simultaneous] transaction and even if the contract says the Seller pays for the OP. Then, use the following calculation methodology for the OP premium disclosed on the Loan Estimate:

1. Add the OP full rate premium plus the SI-LP premium.
2. Deduct the LP full rate premium from the Total.
3. Enter the result as the OP premium on the Loan Estimate.

**** Where online rate calculators required a "County" the chart used the County in which the State Capital is located. Where all three insurers' rates matched [such as in promulgated rate states] the chart reflects the matching rates. Where two insurers' rates matched, with the third being variant, the chart reflects the two matched rates. Where all three insurers' rates differed, the chart reflects midpoint/median rates.*

[Page 260, Integrative TILA-RESPA Final Rule Study Manual (www.KooglerGroup.com)]

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POINT

It is inconceivable that State Insurance Commissioners will permit creditors to manipulate state-regulated [filed/published/promulgated] title premium so that consumers are significantly over-charged premium at closing; therefore, the balance of this example assumes actual charges must be charged to the consumer at time of transaction consummation – rather than the manipulated premium required under the Final Rule.

Assuming that State Insurance Commissioners [supported by the Nation's Governors and State Attorneys General] take action to prevent consumers from being financially harmed under the Integrated TILA-RESPA Final Rule – the consumer [buyer/borrower] should incur *actual charges* of only $600 [$100 actual SI-LP + $200 title search + $300 closing fee] rather than the $1300 shown on the Loan Estimate. On par that seems like a good thing – e.g., that the consumer is *not* over-charged premium at closing.

However, that still leaves a *buffer* [cushion] of $700 in the 10% [cumulative] tolerance category. As the Final Rule is written, other [individual] charges within the 10% category could increase *beyond* 10% – or new charges not originally disclosed on the Loan Estimate could be *added* to such category, provided the [cumulative] total of all charges does not exceed 10% from the amount shown on the Loan Estimate. Although the Final Rule also provides that most creditor-direct and creditor-affiliate charges fall into the earlier-discussed *zero tolerance* category – where generally, no [individual] charge may increase beyond what is disclosed on the Loan Estimate – the Final Rule does *not* place such restrictions on non-affiliate charges, including charges by what the CFPB referred to as *"creditor preferred-partner providers"* in workshops leading up to publication of the Final Rule.

Therefore, it is possible, if not probable, that some of the more unscrupulous creditors and their preferred-partner providers might increase estimated charges and/or pile on undisclosed other charges in an effort to increase profitability at the expense of consumers. RESPA violations involving incentives and inducements given and received for the referral of settlement service business remain rampant within the settlement services industry – especially where larger providers are concerned. The errant provision within the Final Rule that requires creditor rate manipulation of title insurance premium virtually guarantees there will be an ample *buffer* [cushion] in which creditors and creditor preferred partner providers can attempt to *hide* such kickbacks.

CFPB Takes Action Against Wells Fargo and JPMorgan Chase for Illegal Mortgage Kickbacks

On January 22, 2015, the CFPB and the Maryland Attorney General took action against Wells Fargo and JPMorgan Chase for an *illegal marketing-services-kickback scheme* they participated in with Genuine Title, a now-defunct title company. Genuine Title gave the banks' loan officers cash, marketing materials, and consumer information in exchange for business referrals. The proposed consent orders, filed in federal court, would require $24 million in civil penalties from Wells Fargo, $600,000 in civil penalties from JPMorgan Chase, and $11.1 million in redress to consumers whose loans were involved in this scheme.

"Today we took action against two of the nation's largest banks, Wells Fargo and JPMorgan Chase, for illegal mortgage kickbacks," said CFPB Director Richard Cordray. *"These banks allowed their loan officers to focus on their own illegal financial gain rather than on treating consumers fairly. Our action today to address these practices should serve as a warning for all those in the mortgage market."*

"Homeowners were steered toward this title company, not because they were the best or most affordable, but because they were providing kickbacks to loan officers who referred consumers to them," said Maryland Attorney General Brian Frosh. *"This type of quid pro quo arrangement is illegal, and it's unfair to other businesses that play by the rules."*

While the CFPB should be commended for the role it played in the above recent enforcement action, it is disconcerting that the Bureau – *responsible for protecting consumers from financial harm* – should itself promulgate a Final Rule that requires creditors to manipulate title insurance premium in such a way that virtually guarantees consumers will be "confused" at best and "over-charged" at worst. Further, by including [as applicable] the manipulated LP premium in the 10% [cumulative] tolerance category, the Bureau creates a *buffer* [cushion] that unscrupulous creditors and their preferred-partner providers will undoubtedly use *"for their own financial gain, rather than treating consumers fairly."*

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CFPB JUSTIFICATION FOR MANIPULATING TITLE INSURANCE PREMIUM ON FEDERAL DISCLOSURES

In support of its decision to require creditors to disclose title premium on the Loan Estimate in a manner other than rates are filed/promulgated/published pursuant to State law, the Bureau cites the McCarran-Ferguson Act, 15 U.S.C. §1012(b):

> (b) Federal regulation
> No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, *unless* such Act specifically relates to the business of insurance: Provided, That after June 30, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended [15 U.S.C. 41 et seq.], shall be applicable to the business of insurance to the extent that such business is *not* regulated by State Law.

The Final Rule [Page 859] – referencing DFA sections 1098 and 1100A – goes on to state: *"The Bureau believes that a standard method of disclosing lender's and owner's title insurance premium amounts on the Loan Estimate under Regulation Z that shows consumers the incremental cost of purchasing an owner's title insurance policy in addition to a lender's title insurance policy will aid consumer understanding of the transaction, which is one of the purposes of the integrated disclosures set for by the Dodd-Frank Act in TILA and RESPA."*

> Text Note: At the same time the Bureau cites that its rate manipulation methodology *"will aid consumer understanding of the transaction"* it also admits it may *confuse consumers* but notes that *"creditors can communicate to those consumers who are CONFUSED that the total amount of the title insurance premiums shown on the Loan Estimate are the same as the total amount of the title insurance premiums calculated under State law or common practice that are disclosed or advertised by title underwriters and title agents."*

This section of the Final Rule continues: *"For approximately 25 States, this calculation methodology would result in disclosure of owner's title insurance and lender's title insurance premiums that would not be in accordance with the actual pricing; that is, the owner's title insurance and lender's title insurance premiums listed on the integrated disclosures always would be different than the actual rates charged."*

> Text Note: This pertains to rates *disclosed* on federally-mandated disclosures [GFE under RESPA or Loan Estimate and Closing Disclosure under TILA-RESPA] *not matching* insurer-agent *quoted* state-regulated [filed/promulgated/published] rates. Based on the state-by-state title premium rate chart shown hereinabove – *all* states reflect SI-LP rates *lower* than OP rates in a simultaneous-issue transaction and, also, *lower* than "stand-alone" loan policy [LP] premium [e.g., where the consumer chooses *not* to obtain OP coverage on a purchase/sale/finance transaction]. There remains the issue of potential liability for title insurers and licensed title agents that *quote actual rates* [in accordance with state law] to creditors, where creditors in turn *disclose rates* to consumers that are inconsistent with such *quoted actual rates*. This may potentially give rise to consumer complaints regarding rate discrepancies caused by the Bureau's rate manipulation methodology under the Final Rule. However, such complaints will likely be made against title insurers and/or licensed title agents. Creditors are also likely to "pass the buck" regarding such complaints in an attempt to hold title insurers and title agents responsible for something over which they have no control. *Once again, it is imperative that State Insurance Commissioners be aware that title insurers and licensed title agents are accurately quoting title insurance premium to creditors who, in turn – by adhering to CFPB directives set forth in the Final Rule – are required to manipulate such rates when disclosing same to consumers.*

> Text Note: Although the Final Rule requires *actual charges* be shown on the Closing Disclosure [where such actual charges are reasonably known to the creditor at the time the CD is prepared] it appears to carve out an exception where *title insurance premium* is concerned. As noted earlier, as to the Closing Disclosure, §1026.38(g)(4)-2 states that *"In a jurisdiction where simultaneous issuance title insurance rates are permitted, any owner's title insurance premium disclosed under §1026.38(g)(4) is calculated by using the full owner's title insurance premium, adding any simultaneous issuance premium for issuance of lender's coverage, and then deducting the full premium for lender's coverage disclosed under §1026.38(f)(2) or (f)(3)."* At minimum – in an attempt to rectify the damage done by the errant provision contained in the Final Rule, title (settlement) agents may need to create a separate *Closing Disbursement Statement* – apart from the Final Rule – that *accurately reflects actual charges for all fees including OP and SI-LP premium* [other than cases in which *average charges* are permitted and used, which is *not* the case regarding title insurance premium]. This still does not address the potential liability issues for title (settlement) agents who may be required to certify the accuracy of the information appearing on the Closing Disclosure under the federal False Claims Act [e.g., for FHA loans].

The Final Rule continues: *"However, the calculation would result in providing every consumer in the United States with an accurate reflection of the incremental additional cost associated with obtaining an owner's title insurance policy at consummation. With this disclosure, consumers can determine if the additional cost for insurance to protect themselves from losses that result from a title defect and to provide a legal defense from challenges to their legal ownership of the property they are acquiring would be appropriate."*

> Text Note: Based on the Sample Transaction – where the Loan Estimate shows $800 LP premium plus $300 OP premium based on calculations made in accordance with Final Rule methodology – the Bureau's statement that the calculation provides "*every consumer in the United States with an accurate reflection of the incremental additional cost associated with obtaining an owner's title insurance policy at consummation"* seems questionable at best. To the extent such manipulated rates carry over to the Closing Disclosure and result in *significant consumer financial damage* is alarming – and, as this letter attempts to point out, entirely avoidable if the Bureau paid heed to industry concerns and commentary.

As noted hereinabove, the Bureau provides a remedy for confused consumers: – "*There is no indication on the Loan Estimate that the owner's title insurance premium disclosed is an incremental cost to the consumer, and not the full rate. However, the creditor can communicate to those consumers who are CONFUSED that the total amount of the title insurance premiums shown on the Loan Estimate are the same as the total amount of the title insurance premiums calculated under State law or common practice that are disclosed or advertised by title underwriters and title agents."*

> Text Note: A longstanding problem experienced by title (settlement) agents involves unscrupulous real estate agents, loan originators and/or mortgage lenders advising consumers that owner's title insurance is not important. This is often done to deflect attention from high real estate commissions or excessive loan fees by focusing on helping consumers "reduce" closing costs, by refusing owner's title coverage. Even where this is *not* the case, most creditors do not possess the knowledge to accurately communicate the information noted by the Bureau. Even where they *do* possess the knowledge, *it is not the creditor's job to "sell title insurance."* This begs the issue that if creditors choose to have title coverage and premium rate discussions with consumers, they should be required to be properly licensed and appointed as title agents. Also, as addressed hereinabove, in *most* purchase/sale/finance transactions, *sellers* pay OP premium and consumers [buyer/borrowers] pay SI-LP premium. Where this is the case, the Bureau's argument that when *actual* and *manipulated* OP and LP premiums are totaled, they come to the same aggregate amount [$1000 + $100 = $1,100 vs. $300 + $800 = $1,100] is inapposite – especially when the *consumer* is likely to be significantly *over-charged* premium for the SI-LP. The fact that the *seller* is *under-charged* by the same amount does not offset the financial damage incurred by the consumer.

"The Bureau finds that the clear disclosure of the required cost for the lender's title insurance alone, and the additional incremental cost to be paid by the consumer for the optional owner's title insurance premium outweighs the benefit of a technical disclosure of the owner's and lender's title insurance premiums; such a technical disclosure can result in confusion about what the consumer actually may pay if the consumer does not obtain an owner's title insurance policy, as well as removing any need to provide two Loan Estimates, as one commenter suggested."

> Text Note: There is nothing *clear* about manipulating actual [state-regulated] title insurance premium in a manner which results in the *consumer* [buyer/borrower] paying *more* than they are obligated to pay – e.g., $800 LP premium rather than $100 SI-LP premium.

The Bureau intends to address issues surrounding title insurance, including the differing technical manners in which title insurance premiums are calculated, as part of updates to the special information booklet prescribed by RESPA that the Bureau intends to revise prior to the effective date of this final rule. See the section-by-section analysis of §1026.19(g) for more information about the special information booklet. The Bureau also may provide additional guidance to consumers about the nature of title insurance, its potential benefits and costs, and the manner in which premiums are calculated in other ways as part of its ongoing efforts to empower consumers to make financial choices that are in their best short- and long-term interests."

> Text Note: Due to the rate manipulation methodology employed by the Bureau in its Final Rule – coupled with the fact that it requires *Owner's* title insurance to be shown as *optional* on both the Loan Estimate and Closing Disclosure – consumers may potentially become *more confused* and choose to *"opt out"* of Owner's title insurance coverage – arguably one of the most important coverages from a consumer-protection perspective.

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Summary

In closing, the CFPB appears to have largely based the treatment of title insurance under the Integrated TILA-RESPA Final Rule on facts applicable to *refinance* transactions – e.g., where only a loan policy [LP] is issued or, in cases where the consumer does not already have an owner's policy [OP], where the consumer [borrower] pays for *both* policies. On refinance transactions where only the LP will be issued, the Loan Estimate and Closing Disclosure should reflect full loan policy [LP] premium – as is required under the Final Rule. In refinance [borrower-only] transactions where the borrower does not already have owner's coverage and chooses to purchase the OP concurrently with the LP – making the LP a SI-LP – it does not harm the consumer [who is paying *both* the OP and SI-LP premiums] if the Bureau's rate manipulation methodology is utilized by creditors, as the *total* amount of combined [manipulated] premium shown on the Loan Estimate and Closing Disclosure [$800 LP + $300 OP] is the same as the *actual* charges for such coverages [$1000 OP + $100 SI-LP].

However, it is important to recognize that a growing number of transactions are purchase/sale/finance transactions where, in most cases, the seller pays the OP premium and the consumer [buyer/borrower] pays the SI-LP premium. Here, the rate manipulation methodology employed by the Bureau simply does not work. According to the Mortgage Bankers Association, refinance transactions continued to decline in February 2015, accounting for approximately 62% of all mortgage loan applications at month-end. As the number of refinance transactions decline, the volume of purchase/sale/finance transactions is expected to increase, due to affordable home prices coupled with low interest rates. As such, it is imperative that the Final Rule properly address the importance of accurately disclosing *actual rates* for title insurance premium – at minimum, on the Closing Disclosure – rather than relying on manipulated rates that, at best, would only be informative to consumers engaging in refinance transactions – while potentially causing significant financial harm to consumers engaged in purchase/sale/finance transactions.

The purpose of distributing this letter to such a wide regulatory audience is to bring the issue to the attention of those – *in addition to consumers and industry professionals* – with the most at stake: (1) State Governors concerned with potential federal inroads being made into the state-regulated insurance industry; (2) State Insurance Commissioners responsible for ensuring that title insurers and licensed title agents accurately quote and charge state-regulated [filed/published/promulgated] rates so as to ensure consumers are not over-charged; and (3) State Attorneys General responsible for ensuring state laws regulating title insurance are followed so as to protect consumers from those who may engage in UPL or UDAP violations.

A copy of the author's professional biography is attached. Please direct any questions regarding this letter to Karen Koogler via email: *KarenKoogler@KooglerGroup.com.*

Footnotes

1. 12 U.S.C. §5511 [DFA §1021]
2. 12 U.S.C. §5551 [DFA §1041]
3. See id
4. 12 U.S.C. §5552 [DFA §1042]
5. NGA 12-16-11 Letter: *Comments to Treasury Department on Insurance Regulation in the United States* [http://www.nga.org/cms/home/federal-relations/nga-letters/economic-development--commerce-c/col2-content/main-content-list/december-16-2011-letter----comme.html]
6. NGA 03-28-14 Letter: *Federal Insurance Office (FIO)* [http://www.nga.org/cms/home/federal-relations/nga-letters/economic-development--commerce-c/col2-content/main-content-list/federal-insurance-office-fio.html]
7. Integrated Mortgage Disclosures under RESPA (Reg. X) and TILA (Reg. Z) [http://files.consumerfinance.gov/f/201311_cfpb_final-rule_integrated-mortgage-disclosures.pdf]
8. CFPB Bulletin 2012-03 regarding Service Providers [http://files.consumerfinance.gov/f/201204_cfpb_bulletin_service-providers.pdf]
9. Excerpts from the *Title Insurance Treatment under the Final Rule* chapter of the Integrative TILA-RESPA Final Rule available at www.KooglerGroup.com.
10. Page 1828 Integrated TILA-RESPA Final Rule referencing §1026.38(3)
11. Page 1839 Integrated TILA-RESPA Final Rule referencing §1026.38(f)(2) and (f)(3) [Loan Title Insurance Premium]
12. Page 1842 Integrated TILA-RESPA Final Rule referencing §1026.38 (g)(4)-2 [Owner's Title Insurance Premium]

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