The Problem - When both a loan and owner’s title insurance policies will be purchased in a transaction (called “simultaneous issuance”) the TRID requires the lender or settlement agent to inaccurately disclose the title premiums on the Closing Disclosure.

Why is this a problem? – In roughly half the states, a consumer is entitled to discount on loan title insurance policy when an owner’s policy will be simultaneously issued.

How does the Rule handle:

• Regardless of lower, actual simultaneous issue rate for Lender’s Policy (LTP), pricing to be shown at full rate (even on CD)
• If an Owner’s Policy (OTP) is also purchased, rate shown for OTP is in accordance with CFPB formula – again, not the actual rate charged

Why does this matter? – Consumers will not know actual costs of their title insurance premiums

• More difficult for consumers to comparison shop
• Usefulness of state-developed comparison tools will be impacted
<table>
<thead>
<tr>
<th>The Rule</th>
<th>vs.</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTP Disclosure = (OTP Premium) + (LTP Simultaneous Premium) - (Full LTP Premium)</td>
<td></td>
<td>OTP Actually Charged = OTP Premium</td>
</tr>
<tr>
<td>LTP on Closing Disclosure = Full LTP Premium (with no discounts for Simultaneous Issue)</td>
<td></td>
<td>LTP Actually Charged = LTP Simultaneous Premium</td>
</tr>
</tbody>
</table>

Here is how the rule works when applied to a transaction in Ohio where the sales price is $200,000 and there is a $190,000 loan:

OTP on Closing Disclosure = $457.50 (OTP Premium) $1,087.50 (LTP Simultaneous Premium) + $100.00 (Full LTP Premium) - $730.00

OTP Actually Charged = $1,087.50

LTP on Closing Disclosure = $730.00

LTP Actually Charged = $100.00

**Terminology Key:**
- **OTP:** Owner’s Title Insurance Policy
- **LTP:** Lender’s Title Insurance Policy

**LTP Simultaneous Premium:** a discounted lender’s title insurance premium that is issued in accordance to promulgated state rates or insurance company filed rates when both a lender’s and owner's title insurance policies are simultaneously issued.