**Concerns with Title Fee Disclosures**

*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
### The Rule

**OTP Disclosure =**

(OTP Premium)  
(LTP Simultaneous Premium) +  
(Full LTP Premium) −

**LTP on Closing Disclosure =**

Full LTP Premium  
(with no discounts for Simultaneous Issue)

### Reality

**OTP Actually Charged = OTP Premium**

**LTP Actually Charged =**

LTP Simultaneous Premium

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**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.

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

**OTP on Closing Disclosure = $381.80**

(OTP Premium) $920.00  
(LTP Simultaneous Premium) + $179.40  
(Full LTP Premium) − $717.60

**LTP on Closing Disclosure = $717.60**

**OTP Actually Charged = $920.00**

**LTP Actually Charged = $179.40**