

STATEMENT OF PURPOSE

RS31939 / HCR007

The federal government has signaled plans that would undermine the current state-based title insurance structure that has served consumers well for decades. These proposals are federal overreach and would erode federalism and be a blow to small businesses in the states. Examples are the Federal Housing Finance Agency's announcement of a "Title Acceptance Pilot" which would permit title insurance obtainment requirements to be waived in certain transactions. Updates to Government-Sponsored Enterprises (Fannie Mae and Freddie Mac) Selling Guides to allow the use of attorney opinion letters in lieu of title insurance for certain loans. This resolution affirms support for the existing state-based system of title insurance regulation where Congress has continually affirmed the primacy of state-based insurance regulation, including in the McCarran-Ferguson Act in 1945 and most recently in the Dodd-Frank Act of 2010.

FISCAL NOTE

This legislation causes no additional expenditure of funds at the state or local level of government, nor does it cause an increase or decrease in revenue for state or local government therefore the legislation has no fiscal impact.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).