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U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

January 24, 2006

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STAFF DIRECTOR

The Honorable David M. Walker
Comptroller General
United States Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Walker:

As housing prices have soared in various parts of the country, the cost of title insurance has become an increasing burden on many consumers. Questions about the need and price of title insurance are of particular concern to those consumers who are required to buy a new policy every time they refinance their mortgage loans, a common practice in this time of historically low interest rates.

The Financial Services Committee is concerned about recent investigations by state regulators revealing that title companies have made payments for referrals to developers, mortgage lenders, and real estate agents in violation of the Real Estate Settlement Procedures Act (RESPRO). Other investigations have revealed abuses of reinsurance agreements that have forced title companies to pay millions of dollars in settlements, and have uncovered anti-competitive practices within the title industry.

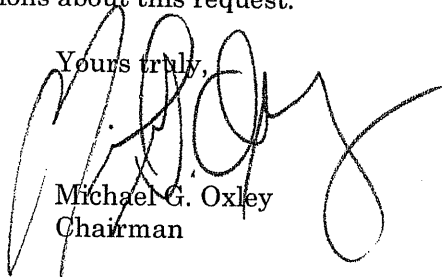
Accordingly, the Committee requests that the Government Accountability Office (GAO) examine and address the following questions:

- Analyze the title insurance market to determine what factors impact the price of the product, including the associated claims, title search, overhead, and marketing costs;
- Determine the number of title insurers, their market share, how the product is marketed and sold, the extent to which title insurance is a nationwide business, and to what extent consumers benefit from a competitive title insurance marketplace;
- Examine the relationship between title insurers, realtors, lenders, and home builders for anti-competitive practices and investigate potential barriers to entry in the market.

The Honorable David M. Walker
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Please contact Glenn Westrick, Counsel of the House Committee on Financial Services, if you have any questions about this request.

Yours truly,



Michael G. Oxley
Chairman

MGO/gew

cc: Barney Frank, Ranking Member