

# National Mortgage News

## Premiums in NY By 10%

UNTIL NOW, THERE HAS BEEN NO PRICE competition among title insurance providers in New York State. But EnTitle Insurance Co. has received approval from state regulators to reduce its rates by 10% below what the other underwriters charge.

EnTitle is undertaking this initiative in conjunction with Thoroughbred Title Services LLC, an affiliate of real estate broker Houlihan Lawrence Real Estate. However, the rate reduction is available to all New York customers, added Timothy Dwyer, the chairman of EnTitle.

Houlihan Lawrence COO Christopher Meyers said the arrangement with EnTitle is part of a larger effort to bring transparency to the title side of the real estate transaction.

**The arrangement with the broker looks to bring more competition to the title side of the home purchase transaction.**

In most deals, it is the attorney who chooses the title company, with little or no discussion with the consumer purchasing the property. This is because rates are regulated and uniform. However, there are other unregulated fees in the title transaction where the borrower faces upcharges, Meyers continued. In looking at the HUD-1 on the transactions Houlihan Lawrence is part of, it noticed a pattern where it felt the borrower was paying "exorbitant fees" without knowing what was behind it.

Because of the price reduction on title insurance and because Thoroughbred offers savings of between 5% and 16% of these ancillary fees, he said most buyers will see savings of between 15% and 26%, he said.

Dwyer said EnTitle's mission is very similar to what Houlihan Lawrence is doing. It also seeks to bring savings to consumers and transparency to the process. For example, besides the agent channel, EnTitle also has a direct-to-consumer channel to sell its products.

This is the first time that EnTitle has initiated an agent rate reduction in the country, Dwyer added. "We are confident that this is just the beginning of a shift in the title insurance market challenging the status quo of the rate-setting process."

Meyers said this is the beginning of a process to bring reform to this area. The arrangement is about providing choice and giving consumers value.

While Houlihan Lawrence operates only in Westchester, Dutchess and Putnam counties, just north of New York, Thoroughbred provides its agent services statewide. ♦