

# 2025 DAY AT THE CAPITOL



## Current Issues Talking Points

Below are five subjects that could come up, or you may want to bring up, when you meet with legislators and their staff. Be prepared for those discussions by familiarizing yourself with our industry's message in the talking points below.

### Commissioner of Insurance Made a Disastrous Decision Last Week

- We are experiencing the worst housing market in at least 40 years.
- Title agents are small businesses located in communities all across Texas. They are struggling to keep their doors open.
- Commissioner Brown made a devastating decision last week, **issuing an order to lower title rates by 10%**.
- Your district will be impacted. Jobs will be eliminated in large numbers, and we fear that potentially **half of title agents will operate at a loss or face insolvency** due to a rate decrease of this magnitude.
- **This decision by the Commissioner disregarded current market conditions** and the industry's 2023 statistical data in TDI's possession. The latest publicly available data is through 2022.
- TDI's failure to timely request and process industry data has contributed to this disastrous decision.
- **We need a legislative solution to ensure TDI can fulfill its statutory duties.** TDI must be required to collect and compile the statistical rate-making data, which includes each agent's financial information, and make it publicly available in a timely manner for proper rate setting.

### Current Market

Our industry is inherently cyclical. **Despite the strong market in 2020 and 2021, we are now experiencing a severe downturn, which presents extreme challenges for small businesses.** We must adapt our resources from addressing an unprecedented spike in demand to navigating a slower, more uncertain market.

The most concerning aspect of the current housing market is the **lock-in effect**. More than half of all outstanding mortgages have an interest rate below 4%, and roughly three-quarters have a rate of 5% or lower. Additionally, **90% of mortgages are below 6%**. Even if the Federal Reserve lowers rates, experts do not anticipate mortgage rates returning to the 5–6% range in the near future. In fact, **mortgage rates have continued to rise even after previous Fed rate cuts.**

At this point, it remains unclear where new housing supply will come from. Experts do not anticipate any significant market recovery until at least 2027.

### Deed Theft

This is a growing concern for both the title industry and law enforcement. TLTA is actively working with the Dallas District Attorney's Office, AARP, and the County & District Clerks Association on legislation to combat deed fraud through various approaches, including:

- A *self-help bill* that would allow homeowners to remove fraudulent deeds from their chain of title.
- Reforming the notary statute to provide stronger protections against notary-assisted fraud.
- A criminal statute more narrowly tailored to address deed forgery and seller identity theft, making it easier to prosecute.

It's important to note that we are witnessing two types of fraud. The first is *forged deed fraud*, which has made headlines. However, an even greater and growing threat to the public is *seller impersonation fraud*. In these cases, fraudsters do not forge a deed; instead, they use falsified identification to convince all necessary parties that they are the rightful property owner.

## Foreign Property Ownership

*This is an extremely politically sensitive issue*

Our interests in these bills focuses on the specific details and practical implementation. We want to help the legislature craft effective policy while ensuring the protection of innocent Texans.

These innocent Texans include lienholders, future property owners, and the many real estate entities and professionals who drive the Texas real estate economy, such as bankers, realtors, multifamily developers, and home builders.

## Privacy & Access to Court and Property Records

Access to court and property records is essential to our work, but well-meaning, proposed legislation frequently threatens to restrict it. While we strongly support protecting personal privacy, maintaining public access to certain property records is critical for the real estate economy to function properly. We appreciate your willingness to consider TLTA's concerns on this important issue.