

Press Releases

February 28, 2005

OTS 05-05 - OTS Issues Cease and Desist Order and Civil Money Penalty Against Chicago Title Insurance Company

Office of Thrift Supervision

FOR RELEASE at 10:00 A.M. EST

For further information

Monday, February 28, 2005

Contact: Kevin Petrasic

OTS 05-05

202/906-6677

OTS ISSUES CEASE AND DESIST ORDER AND CIVIL MONEY PENALTY AGAINST CHICAGO TITLE INSURANCE COMPANY

WASHINGTON, D.C. - The Office of Thrift Supervision (OTS) announced today that Chicago Title Insurance Company (Chicago Title) has consented to a cease and desist order and a \$5 million civil money penalty in connection with the settlement of charges regarding its mortgage settlement practices. The orders were issued as part of a joint investigation with the Office of Comptroller of the Currency (OCC) and the Department of Housing and Urban Development (HUD).

OTS, OCC and HUD found that Chicago Title had engaged in a pattern of violating Section 4 of the Real Estate Settlement Procedures Act (RESPA) by providing inaccurate HUD-1 settlement statements to lenders and their borrowers. The agencies determined that the HUD-1 settlement statements failed to accurately reflect the actual settlement costs in connection with the underlying home mortgage loans.

OTS and the OCC issued cease and desist orders, and HUD entered into a similar agreement, requiring Chicago Title to adopt and implement new internal policies governing the manner in which it conducts real estate settlements nationwide, training of its employees and officers, performance of internal audits, and oversight by its board of directors. The requirements are designed to address deficiencies in Chicago Title's procedures, to ensure the accuracy of its HUD-1 settlement statements, and to achieve compliance with applicable laws and regulations.

Chicago Title was assessed a concurrent \$5 million civil money penalty by OTS, the OCC and HUD. In addition, the Texas Department of Insurance announced today that it assessed a \$1.2 million civil money penalty against Chicago Title based on similar charges.

Chicago Title indicated that it is taking the steps necessary to address the deficiencies in its mortgage settlement process, and it is cooperating with OTS, OCC and HUD in this matter.

Copies of the cease and desist order and consent to civil money penalty are available on the OTS website at www.ots.treas.gov.

Attachment 1 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-05a.pdf>

Attachment 2 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-05b.pdf>

Attachment 3 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-05c.pdf>

###

The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available on the OTS web page at www.ots.treas.gov