



PRESS RELEASE

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Ernst : GFE Led to Accurate Fee Disclosures, Price Increases Exaggerated

The majority of respondents report an increase of '5% or less over past 12 months.'

VISTA, Calif.—October 26, 2010—Ernst Publishing Company has released a survey that shows that the cost of mortgage fees has not increased due to the GFE; the prices that are disclosed are simply more accurate than in the past.

That's one of the insights to be gleaned from the "Ernst Good Faith Estimate" survey, that reflects the views of 226 respondents from lending institutions who were polled from Oct. 11-Oct.16.

"The perception that the fees for county recordings, appraisals, credit reports and so forth have increased dramatically as a result of the good faith estimate is simply not correct," said Jan Dalton Clark, Vice President of Marketing and Sales for Ernst. "The GFEs provide accurate prices and those prices have remained flat or experienced increases in the low single digits."

Ernst has been the leading authority on land recording requirements for almost two decades, processing more than 120,000,000 transactions annually.

According to the survey, 57.5% of respondents reported county recording fees had increased 5% or less over the past 12 months. In fact, more than 50% of respondents noted that vendor controlled fees, such as appraisal, credit reports, title searches and so forth, had also increased 5% or less over the same time period. In addition, 51.4% reported that lender controlled fees increased 5% or less over the past 12 months.

"There is a perception in the mortgage industry that that the costs had risen a hefty 35 percent, but that is simply not the case, as our research indicates," said Clark.

According to the survey, the reason for the confusion over fees is that the prices that appear on the good faith estimate are precise—and not understated as they were in the past— so some people assumed the higher prices reflected increases in the cost of fees.

Ernst's research, however, shows that is not what has occurred.

"45% of survey participants thought that the recently reported double-digit increase in closing costs that are reflected on the GFE are the result of more accurate reporting of the total funds needed to close a loan," said Gregory E. Teal, President and CEO of Ernst. In contrast, just 36.8% of survey participants thought that the prices reflected increases in closing costs.

"The benefit of the GFE to all parties involved in a real estate transaction is that there can be more confidence in the estimates that are provided, and that's good for our industry," said Teal.



About the Ernst Publishing Company

The Ernst Publishing Company has been the leading authority on land recording requirements for more than two decades. In fact, Ernst's recording fee, transfer tax and title data have been integrated throughout the title and lending industries. Due to RESPA requirements that went into effect in January 2010, accurate recording fees and taxes for recording documents have never been more important. Ernst excels at creating solutions for their clients to manage not just those fees—but also all vendor fees—with unparalleled precision. As a company, our goal is simple: Empower clients to not only meet RESPA's new compliance regulations for Blocks 3-8, but set the industry standard for client satisfaction, an attainable goal due to our technology, impeccable data standards, expertise at creating custom solutions, and network of partners.

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