



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

AUG - 3 2000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING FEDERAL HOUSING COMMISSIONER

K. Michelle Lind, Esq.
Arizona Association of Realtors
255 East Osborne Road, Suite 200
Phoenix, AZ 85012-2327

Dear Ms. Lind:

This is in response to your letter of July 27, 2000, to one of my staff members, William Christie, inquiring about this office's enforcement policies regarding Section 9 of RESPA, which is found at 12 U.S.C. Section 2608.

This issue was addressed in the enclosed November 25, 1996, letter from Assistant Secretary Hal DeCell to Mr. Ty Strout, Executive Vice President of the Arizona Association of Realtors. While the Department's intention to propose a rule never came to fruition, this office has continued to take the enforcement position outlined in the attached letter. In summary, the Department will not enforce Section 9 of RESPA against a seller who selects the title insurance company *if* the seller is paying for the owner's title insurance policy, and does not require the buyer to use the title insurance company for the simultaneously issued lender's policy. HUD would take action under Section 9, however, in situations where a seller required a buyer to pay the seller an amount towards closing costs and the seller used a portion of the buyer paid closing costs for the owner's title insurance without providing the buyer with a choice of that title company.

I trust this is responsive to your concerns.

Sincerely,

Rebecca J. Holtz
Acting Director, Office of Consumer
and Regulatory Affairs

Director, RESPA/ILS Division

Enclosure