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Trump Executive Order Addresses Mortgage Insurance, Title Insurance Costs

Go-To Guide:

- On Oct. 22, 2026, President Donald Trump issued an executive order directing the Federal Housing Finance Agency (FHFA) to pursue initiatives intended to reduce certain mortgage insurance and title insurance costs.
- The order directs FHFA to establish a pilot program for proactive mortgage insurance cancellation for certain future mortgages where borrowers satisfy applicable equity and other requirements.
- The order also directs FHFA to expand the existing title acceptance pilot into an ongoing nationwide program permitting alternatives to lender's title insurance for eligible refinance transactions.

On Oct. 22, 2026, President Donald Trump issued an executive order, titled Decreasing Housing Costs for the American People, directing several federal initiatives intended to lower homeownership and residential mortgage costs. The order contains two provisions of particular interest to providers in the residential real estate industry: proactive cancellation of mortgage insurance (Section 2) and expanded alternatives to lender's title insurance for certain refinance transactions (Section 4).

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Section 2: Proactive Mortgage Insurance Cancellation

The order directs FHFA Director William J. Pulte – subject to specified determinations – to establish a pilot program under which Fannie Mae and Freddie Mac, the government-sponsored enterprises (GSEs), would periodically review covered mortgages to identify borrowers who appear to satisfy applicable requirements for cancellation of mortgage insurance.

The pilot would apply only to mortgages made after the program is established. To determine eligibility, the GSEs would use automated valuation models (AVMs) and other available data to assess current property values. Mortgagors generally have been responsible for requesting cancellation of their mortgage insurance after reaching at least 20% equity in their property. The order would provide for periodic reviews without requiring borrowers to initiate them. Cancellation would be subject to applicable equity requirements based on current market value, consistency with financial safety and soundness and contractual obligations, and other applicable requirements are satisfied.

The order also directs the GSEs to establish appropriate payment-history and financial safety and soundness requirements and, where permitted by law and operationally feasible, to notify borrowers when mortgage insurance may be canceled while reducing unnecessary documentation, appraisal costs, and other administrative barriers.

Section 4: Expansion of Alternatives to Lender's Title Insurance

The order also directs FHFA, subject to specified determinations, to expand the existing title acceptance pilot into an ongoing nationwide program administered through Fannie Mae and Freddie Mac. The contemplated program would permit a GSE to accept an automated title review or another FHFA-approved title-risk assessment in lieu of a lender's title insurance policy for eligible refinance transactions.

Among other things, FHFA is directed to consider expanding eligibility to refinance transactions beyond the program's existing 80% loan-to-value limitation where title risk remains low, eliminating geographic restrictions, and certifying additional title-assessment providers. The order also directs FHFA to consider reducing other costs associated with certain limited cash-out refinances and provides that resulting cost savings should be passed through to borrowers.

Implications for Market Participants

The order does not establish all the parameters of either initiative, and the ultimate market effect will depend on implementation by FHFA and the GSEs.

Mortgage insurers may need to evaluate whether proactive cancellation based partly on updated property values affects the expected duration of mortgage insurance coverage on loans included in the program, as well as the operational implications of the standards FHFA ultimately adopts.

Title insurers and title agents may face reduced demand for traditional lender's title policies in refinance transactions that are eligible for alternative title products. The initiative also may present product-development opportunities for insurers able to offer streamlined or limited-coverage products compatible with the evolving GSE framework. Depending on product structure and applicable state law, such products may raise state regulatory considerations concerning forms, rates, underwriting, and permissible title-insurance activities.

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Lenders and servicers may need to adjust processes to accommodate proactive mortgage insurance cancellation and determine when GSE-approved alternatives to traditional lender's title insurance are available for eligible refinance transactions.

What Comes Next

The order establishes the administration's policy direction, but the significance of the initiatives will depend on further action by FHFA, Fannie Mae, and Freddie Mac. Market participants should consider monitoring developments concerning eligibility requirements for the mortgage insurance pilot, AVMs and other valuation standards, expansion of eligible refinance transactions, and standards governing approved title-risk assessments and providers.

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