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TESTIMONY OF THE NEW ENGLAND LAND TITLE ASSOCIATION ON
L.D. 1306 – “AN ACT TO PROTECT HOMEOWNERS FROM UNFAIR AGREEMENTS TO
EXCLUSIVELY LIST RESIDENTIAL REAL ESTATE FOR SALE”
BEFORE THE JOINT STANDING COMMITTEE ON INNOVATION, DEVELOPMENT,
ECONOMIC ADVANCEMENT AND BUSINESS
TUESDAY, APRIL 11, 2023
AUGUSTA, MAINE

Senate Chair Chip Curry, House Chair Tiffany Roberts and Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business:

The New England Land Title Association (NELTA) appreciates the opportunity to submit testimony on L.D. 1306, “An Act to Protect Homeowners from Unfair Agreements to Exclusively List Residential Real Estate for Sale.” NELTA supports the passage of L.D. 1306, which will protect homeowners from the practice of recording unfair real estate fee agreements in property records.

NELTA is a trade association representing title and settlement agents, abstracters, title searchers, real estate attorneys and title underwriters in Maine, Massachusetts, Connecticut, New Hampshire, Rhode Island and Vermont. Some real estate brokerage firms have been offering homeowners a payment of \$300 to \$1,000 or more to sign a long-term listing agreement, usually for 40 years. In addition to subjecting the homeowner to a penalty of three percent of the property value for non-compliance, it can create a lien on the property, which add significant costs and complications to selling the property as well as refinancing or accessing a home-equity loan. These agreements not only bind the current homeowner, but also any subsequent homeowners to the provisions of the agreement during the 40 years it is in effect.

Already, legislation restricting or limiting the use of these predatory and unfair agreements has passed in Utah, Colorado, North Dakota, Georgia, Tennessee and Idaho with bills currently moving in another dozen states. Additionally, five state attorneys general have filed complaints regarding these agreements.

Thank you again for the opportunity to submit testimony. We hope you will support the passage of L.D. 1306.

Sincerely,

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