



CONNECTICUT REALTORS®

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Statement on

H.B. 5561, AN ACT CONCERNING FAIRNESS IN CONSUMER CONTRACTS

OPPOSE

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By

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Connecticut REALTORS®

The Connecticut REALTORS® (CTR) would like to submit testimony in **OPPOSITION** of **H.B. 5561, AN ACT CONCERNING FAIRNESS IN CONSUMER CONTRACTS**.

The proposal in its statement of purpose states the legislation would set standards for secured and unsecured lending, clarify what constitutes substantively unconscionable terms in a consumer contract written by a party other than the consumer, and make the inclusion of such terms in a consumer contract an unfair and deceptive trade practice under the Connecticut Unfair Trade Practices Act.

CTR believes this bill is not in the best interests of the consumer or business in the State of Connecticut. CTR sees many problems with the current drafting of the bill as well as the underlying concept involved.

There are many undefined terms. What is an “inconvenient venue” in Section 3 of the bill? 10 miles? 25 miles? 50 miles? Different state? Different county? What are the “fees and costs that would be required to bring a claim in a state court?” How is this measured? Docket fees vary depending on the amount of the claim and whether one goes to small claims or the regular session of the Superior

Court. Marshal's fees (which are variable)? Jury claim fees? Copy fees for attachments to the complaint? Attorney's fees? At what point do such fees "substantially exceed" the costs of filing in state court?

It also appears that Section 2(a)(3) is at odds with section 2(c). 2(c) says that nothing in Section 2 limits the common law, but the common law says different documents can be read together to find a single contract. How is a "single document" defined with regard to electronic contracts? If a business had a contract which was subsequently amended by way of a written document with the consumer does this action invalidate the contract? The common law would allow such an amendment and make it part of the contract, but this bill would restrict it making the business process more difficult and more confusing for all parties involved.

Again CTR opposes this not because we encourage the drafting of unconscionable clauses or contracts, but because we believe it gives too much power to the consumer and court to rewrite the contract if the consumer later decides they want to change the terms. Traditionally, courts have refused to reform contracts and have opted to allow the parties to freely deal and negotiate terms between them. This proposal weakens the ability to do so.

CTR opposes HB 5611 and request it not move forward. Thank you for your attention to this important matter.