



CONNECTICUT REALTORS®

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SB 320

**AN ACT CONCERNING REAL ESTATE CLOSINGS AND ATTORNEYS AND
LAW FIRMS PREFERRED BY MORTGAGE LENDERS.**

Submitted to the Insurance and Real Estate Committee

OPPOSE

February 27, 2019

By
Connecticut REALTORS®

Connecticut REALTORS® (CTR) submits this testimony in **OPPOSITION** to **SB 320, AN ACT CONCERNING REAL ESTATE CLOSINGS AND ATTORNEYS AND LAW FIRMS PREFERRED BY MORTGAGE LENDERS**. CTR represents over 17,000 members involved in all aspects of real estate in Connecticut. Our REALTOR® membership works with tens of thousands of buyers, sellers, landlords and tenants annually.

The proposal appears to prohibit real estate closings without a mandatory use of an attorney to represent parties in a real estate transaction. The bill would also prohibit mortgage lenders from suggesting or requiring prospective mortgagors use preferred attorneys or law firms to represent such mortgagors in mortgage loan transactions concerning real property.

This proposal clearly seeks to drive additional and mandated business for attorneys. While CTR believes attorneys are already used in most real estate transactions, we also strongly believe **Connecticut must stop creating statutory mandates**, especially when unnecessary. Mandates always drive higher prices.

Section 2 of the bill would prohibit mortgagors requiring certain attorneys or law firms to represent such mortgagors in proposed mortgage loan transactions concerning real property. Mortgagors are under exceedingly strict scrutiny due to federal laws and therefore seek attorneys who understand



federal laws and can comply with very strict laws, disclosures, timing requirements, reporting and required obligations. An inexperienced or randomly selected attorney by a consumer to represent a mortgage could cause great harm to the parties, the financing of the property, and the lending industry as a whole. CTR does not believe this bill promotes the public safeguards already in place.

In conclusion, CTR does not support **SB 320** as drafted. Thank you for your attention to this important matter.