Bill No.: SB-347
Title: AN ACT CONCERNING CONTRACTS FOR THE SALE OF REAL PROPERTY LOCATED IN THIS STATE.
Vote Date: 4/8/2019
Vote Action: Joint Favorable
PH Date: 4/3/2019

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:
Judiciary Committee

REASONS FOR BILL:
Under current law, a financial institution/seller of property can offer a buyer of such property incentives for the buyer to use the financial institution/seller’s preferred provider of essential real estate closing services. This type of behavior by the financial institution can lead to a potential of a conflict of interest for the provider of closing services because the provider of closing services may be beholden to the financial institution to continue the flow of business. If the provider of closing services disgruntles the financial institution by making minor changes on behalf of the buyer, the provider of closing services may lose the business that the financial institution provides, so there is a possibility that the provider of closing services may not be wholly working in the best interest of the buyer. This bill would eliminate the allowance of such provisions in real estate contracts.

RESPONSE FROM ADMINISTRATION/AGENCY:
None Expressed

NATURE AND SOURCES OF SUPPORT:
Gesmonde, Pietrosimone, & Sgrignari, LLC, Louis A. Crisci, Jr., Esq.: Supports bill because Mr. Crisci believes that the potential for conflicts of interest exists in the current structure of real estate contracts and “there is something inherently wrong” with the current structure. Mr. Crisci wants an amendment added to the bill to add penalties for financial institutions that offer such incentives in real estate contracts, as the amendment would “deter the inappropriate practice and promote a fair deal”
NATURE AND SOURCES OF OPPOSITION:
None Expressed

Reported by:  Logan Durant  
Date:  April 18, 2019