

February 4, 2025

House Committee on Judiciary
Rhode Island State House

Re: **Testimony SUPPORTING House Bill 5185,**

Dear Chair Craven and Honorable Committee Members,

Thank you for the opportunity to testify in support of H5185, which seeks to protect Rhode Island homeowners from predatory real estate brokerage agreements.

Across Rhode Island, families are already facing increasing financial pressures due to rising costs of living. Unfortunately, some real estate companies are exploiting this financial strain by offering homeowners small upfront payments in exchange for exclusive listing agreements that can last for decades—sometimes up to 40 years. These agreements, commonly referred to as "Unfair Service Agreements," are not just burdensome but also deceptive. Many homeowners enter these contracts without fully understanding the long-term consequences.

Once signed, these agreements are recorded as liens on a property's title, making it difficult for homeowners to refinance, access home equity, or even sell their property. This can trap homeowners in a cycle of financial hardship, as they are either forced to comply with unwanted service agreements or pay substantial penalties to exit the contract.

Rhode Island must act now to prevent these predatory practices from harming more homeowners. Over the past two years, 30 states have recognized the dangers of these unfair real estate fee agreements and have enacted laws to ban them. It is time for Rhode Island to join this growing movement to protect its residents from unscrupulous real estate practices.

By passing H5185, this legislature will ensure that homeowners maintain full control over their property decisions without the threat of long-term financial entanglements or deceptive business practices.

I urge this committee to vote in favor of H5185 and stand up for Rhode Island homeowners.
Thank you for your time and consideration.

Sincerely,
Kathleen Gerard,
Providence, RI