

Marianne Kelly  
10 Elizabeth Ann Drive  
Johnston, RI 02919  
mkelly5915@ymail.com  
203-687-7385

February 3, 2025

HOUSE BILL No. 5185  
ENTITLED, AN ACT RELATING TO PROPERTY -- PROHIBITION OF UNFAIR SERVICE  
AGREEMENTS

Dear Chairman Craven and members of the House Judiciary Committee:

I am writing to you today, as a registered voter and AARP RI volunteer, in support of House Bill No. 5185, the Prohibition of Unfair Services Agreements, a bill that protects Rhode Island homeowners from predatory real estate practices.

Real estate companies are taking advantage of people, often those experiencing financial hardship and looking for solutions that would allow them to keep their home, by offering homeowners a small cash payment in exchange for the right to exclusively list their home for a set period, which can be up to 40 years. Unfair Service Agreements often require homeowners to pay for services they may not need or want, leading to further unnecessary financial strain. These agreements can also result in hefty penalties if homeowners fail to comply, further exacerbating their financial difficulties.

By creating a real property interest, Unfair Service Agreements can complicate the process of selling or transferring property. And, once the real estate company records the signed memorandum of the agreement as a lien on the property's title, it becomes difficult, if not impossible, for the homeowner to refinance or access home equity. Many homeowners are unaware of the implications or do not fully understand the consequences when they sign Unfair Service Agreements.

Prohibiting Unfair Service Agreements is essential if we are to protect consumers from these predatory practices. Several states have already enacted legislation to ban these agreements, recognizing the need to safeguard homeowners from unfair real estate fee agreements.

I ask you today to vote in favor of HB No. 5185, the Prohibition of Unfair Services Agreements, to put an end to these predatory real estate practices. Thank you for your consideration.

Sincerely,

Marianne Kelly

