



Senate Committee on Housing and Development

Testimony on HB 4058 A-Eng

Andrea Meyer, Director of Government Relations

February 20, 2024

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With over 500,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families. With a focus on health security, financial resilience, and livable communities. This includes educating and protecting older Oregonians against fraud and supporting legislation that advances important consumer protections.

AARP Oregon supports HB 4058 A-Eng. Section 21 addresses a new practice across this country. Several real estate companies have been using a predatory business model to target seniors and financially insecure homeowners. These companies cold call people providing cash payments, typically between \$300-\$3,000 to homeowners in exchange for agreeing to exclusively utilize that company's services to list their property at any time in the next 40 years.

The property owner agrees by signing a contract which includes a memorandum that is filed with the county as a lien on the property's title. The contract is binding on current homeowners and property heirs and the lien complicates the homeowner's ability to refinance, access home equity, or transfer their property. Property owners can terminate agreements early but must pay a penalty equal to 3% of the market value of the property (i.e., the commission the company would have earned for listing the home) and the company gets to determine the home's value pursuant to the contract.

AARP has worked across the country to stop this egregious practice across the country, involved in more than 25 states. Of those, 16 states have passed legislation to stop this practice. And it's worth noting that the states cover the political spectrum. This is truly a bi-partisan effort, indeed a non-partisan issue.

We support HB 4058 A-Eng, specifically Section 21, the "Future Right to List Contract." We were pleased to work with the Oregon Realtors and Rep. Breese-Iverson to include additional protection to consumers, reflected in the A-Eng. Version. Because of the limited relating to clause, we appreciate the commitment by the Realtors to come back in 2025 with a more global fix to prohibit anyone from engaging in this practice and further equipping consumers with legal protection if they become victims of this practice.

And because we know there are already 500 recorded liens on property as a result of this practice here in Oregon we are pleased that the Attorney General will be looking to providing a remedy for those Oregonians.