Subject: Vote No to SB 121 – Affiliated Business Arrangements in Title Business Harm Consumers

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

I am in your district. I know you are faced with many challenges in your role as a public servant. However, I trust you will always strive to do the right thing. That’s why I am writing you.

I am concerned about Senate Bill 121 (SB 121), which if passed will make drastic changes in Utah’s title and real estate industries. SB 121 allows real estate brokers and home builders to own the title companies where they will steer their captive clients. These arrangements are known as Affiliated Business Arrangements (AfBAs) and were outlawed in Utah in the mid-1980s. I want to urge you to **VOTE NO TO SB 121** for several reasons, including the following:

* AfBAs create **unwanted conflicts of interest**. I think **title companies should be impartial neutral third-party** fiduciaries. If AfBAs are permitted, these title companies will not be impartial and neutral.
* I believe AfBAs create situations where **consumers are held captive and are historically taken advantage of** - realtors and home builders will always steer their customers to the these AfBAs, and there will be no neutral third party to protect consumers. **I believe this will ultimately cause title/settlement fees to increase and quality of service to decline**.
* I do not believe the argument made by the promotors of SB 121 that its purpose is to encourage free market competition. I believe that argument is disingenuous. The fact of the matter is consumers do not shop for their title company. They almost always rely on the advice of their realtor. AfBAs are set up to purposely take advantage of this fact and to create monopolies. For this reason, **I believe SB 121 and AfBAs will discourage competition in the title/settlement industry in Utah**.
* It appears to me that the sole reason **SB 121** is being pushed through the legislature is to **financially benefit a few national real estate brokerages and home builders who want to be permitted to set up AfBAs in Utah at the expense of what is best for Utah consumers**.

If you would like to learn more about the problems with SB 121 and Affiliated Business Arrangements, please go to the following websites:

Utah Consumer Advocacy Network – [www.UCanUtah.org](http://www.UCanUtah.org)

Utah Association of Title Professional’s -- [www.UtahTitlePros.org](http://www.UtahTitlePros.org)

Thank you for your service. I trust that once you become familiar with this issue, you will vote no to SB 121.

Sincerely,

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