



March 7, 2023

House Transportation, Housing & Local Government Committee
Colorado General Assembly
200 E Colfax Avenue
Denver, CO 80203

Re: Support for SB23-077 - Restrictions on Broker Engagement Contracts

Chair Froelich, Vice-Chair Lindstedt, and Members of the House Transportation, Housing & Local Government Committee:

On behalf of Zillow, I am writing to express our support for [SB23-077](#), which would protect Coloradans from unfair and deceptive trade practices as they enter into broker engagement contracts. We applaud the legislature for considering this important bill and express our gratitude to Chair Froelich for sponsoring this legislation.

Zillow was founded to bring transparency to the real estate market, empowering consumers to make smarter, more informed decisions in what is often the most significant, consequential financial transaction of their lives. Deceptive practices have no place in the real estate industry. We strongly support protections to ensure that consumers in the real estate market do not unwittingly jeopardize their most valuable asset.

Homeownership can be the gateway to financial stability and generational wealth creation – and SB23-077 helps protect this important resource for homeowners. Consumers rely on real estate professionals to act in good faith and help them understand complex real estate processes, and by and large, they do. However, regulation is needed to protect consumers from emerging, deceptive practices by bad actors that lock homeowners into lengthy and costly future listing agreements with terms they do not fully understand. These predatory agreements include paying homeowners small amounts of cash upfront in exchange for exclusive future listing rights of their homes – binding for up to 40 years, enforced through a lien that restricts heirs, and costing tens of thousands of dollars for a homeowner to terminate an agreement.

By including “an agreement to retain the services of a broker in the future” under the definition of broker engagement contracts, this bill effectively establishes limits on deceptive future listing agreements, allowing homeowners to utilize their homes as an asset while ensuring they do not become unsuspecting victims of predatory terms. This bill provides crucial protections for consumers by covering these future listing agreements under the existing one year limit for the duration of a brokerage engagement contract and by ensuring such agreements may not serve as a lien on the property.

While these types of practices are not the norm in the real estate industry, we believe this proposal is an important and effective proactive step to protect consumers from these emerging, deceptive practices.

We thank you for your consideration of this important pro-consumer legislation and urge your support.

Sincerely,

A handwritten signature in grey ink that reads "A Boone". The signature is written in a cursive, flowing style.

Anna Boone
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Zillow Group
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