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To: Senate Financial Institutions and Insurance Committee
From: Mark Tomb, VP of Governmental Affairs
Date: March 12, 2024

Re: Testimony in Support of HB 2101

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide testimony in support of HB 2101, which provides reasonable safeguards for Contract for Deed transactions. I served on the 2020 Judicial Council Study Committee that explored the issues surrounding these types of transactions which highlighted the need for this type of legislation.

First and foremost, KAR is supportive of this legislation because this change would benefit consumers. Fraudulent Contract for Deeds transactions are increasingly used by individuals without a real estate license. This bill allows for increased protections that these types of arrangements are in fact a real transaction between a willing buyer and a willing seller that actually has title to the property. It is important to note that these types of transactions are common in real estate but when conducted by individuals without a real estate license there is additional risk for fraud and abuse.

KAR represents over 11,000 members involved in residential, commercial, and agricultural real estate and has advocated on behalf of the state's property owners for over 100 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

Being a real estate licensee subjects individuals to oversight by the Kansas Real Estate Commission and being a REALTOR® subjects individuals to additional scrutiny through a Code of Ethics that outlines and enforces how REALTORS® represent consumers in a transaction. The Kansas Real Estate Commission currently only has authority to investigate activities of licensees which leaves a rather large enforcement gap for these and many other types of fraudulent activities that harm consumers.

Thank you for the opportunity to provide testimony in support of HB 2101. KAR requests that the Senate Financial Institutions and Insurance Committee act on HB 2101 favorably in an effort to better protect consumers.