

Richardson should reconsider position on title insurance

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Last September, we encouraged Gov. Bill Richardson to take the advice of an assorted group of experts and support a bill that would make title insurance in New Mexico more competitive, and therefore more affordable.

And so, we were disappointed to learn earlier this week that Richardson has decided not to put the issue on the call for lawmakers to consider this legislative session, despite being urged to do so by the Public Regulation Commission, the attorney general and the public policy group Think New Mexico.

Richardson's decision will raise some eyebrows, given the governor's contributions from and connections to the title insurance industry. The Associated Press has reported that, through September, title insurance company officials and their family members have contributed at least \$30,000 to Richardson's presidential campaign. On top of that, Richardson presidential campaign manager and former chief of staff, Dave Contarino, and his wife own a title loan company in Santa Fe.

Richardson spokesman Allan Oliver assures us that those contributions and connections had no influence whatsoever on the governor's decision. Rather, he doesn't want to overload legislators in a 30-day session, Oliver said.

We won't engage in trying to guess what the governor's true motivation is here, but we do

encourage him to reconsider.

Think New Mexico, a public-policy think tank out of Santa Fe, conducted a fairly extensive review of title insurance law around the nation and found that New Mexico is one of only three states (along with Texas and Florida) where rates are set by regulation, rather than by competitive market forces. The result is a complete void of competition within the title insurance industry, leading to artificially high rates paid by home buyers.

"The act has denied consumers the benefit from competition among title insurance companies based on price and value," members of the Public Regulation Commission wrote in encouraging Richardson to put the item on the call.

At a time when the housing market is reeling from the impacts of the subprime mortgage crisis, lowering the rates consumers pay for title insurance would make it easier for more middle-income New Mexicans to purchase their own homes.

We understand that only so much can be accomplished in a 30-day session, but much of the legwork and research has already been done on this issue. Lawmakers would not have to start from scratch. And, we can think of few bills on the call this year that would have the same kind of immediate positive impact for New Mexico consumers.