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New Regulations to Reduce Closing Costs for Homebuyers

By Gerald Garner Jr.

SANTA FE – New Mexicans who are buying or refinancing a home will likely get some much-needed savings in closing costs thanks to new state regulations, which took effect on Friday, Dec. 31, 2010.

Until last week, title insurance companies were bound by the 1985-enacted New Mexico Title Insurance Law, which required companies to abide by a single rate schedule established by the Superintendent of Insurance. The law nullified price competition by prohibiting companies from charging rates lower than the standard established by the state's insurance boss.

However, legislation sponsored by House Speaker Ben Lujan in 2009 opened the door for competition within the market thus paving the way for potential savings for New Mexicans.

Superintendent of Insurance John Franchini said he's pleased that the new, consumer-friendly title reform regulation is now in effect.

"This is fantastic news for New Mexicans who are either buying or refinancing a home," Franchini said. "Anything that can benefit our citizens during these very trying financial times is a blessing and bringing price competition back to New Mexico will

help the state's economy as well as the struggling housing market."

In addition to lower closing costs, 2009 legislation also increased and extended discounts available for title insurance policies purchased with mortgage refinancings, according to Think New Mexico Executive Director Fred Nathan said. Think New Mexico was one of the champions of the 2009 title insurance reform effort.

The new title insurance regulations are available for review on the NMPRC Insurance Division's web page: nmprc.state.nm.us/title.htm

Visit the NMPRC on the web at: www.nmprc.state.nm.us

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### *About the NMPRC*

*The NMPRC regulates public utilities, telecommunications companies and motor carriers operating in the State of New Mexico. It also administers the State Fire Marshal's Office, the New Mexico Firefighters Training Academy in Socorro, New Mexico, Pipeline Safety Bureau and the Corporations Bureau, which registers state corporations. The NMPRC is also responsible for the oversight of the New Mexico Insurance Division and the state's superintendent of insurance.*

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