

1889 INSTITUTE

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1889 INSTITUTE SAYS “MAKE HOMEBUYING CHEAPER: REPEAL ABTRACTOR LICENSING”

Title insurance in Oklahoma costs an extra \$280 compared to the national average

OKLAHOMA CITY, OK (August 7, 2019) – The 1889 Institute has published “Abstracting: Licensure and Regulatory Impacts in Oklahoma,” which calls for deregulating abstracting in Oklahoma, including abolishing the Abstractors Board and ending abstracting licensing. Abstracting is the practice of researching the ownership history of a piece of property, usually in preparation for its sale. Oklahoma requires complete abstracts prepared for every property sale as a condition for purchasing title insurance, which is required for mortgaged property.

The report shows that, in addition to licensing abstractors, Oklahoma imposes other costly regulations on abstracting. These include requiring every abstracting company to maintain title records, separate from the county recording office, requiring a permit to create these records, requiring a licensed attorney to review every abstract, and requiring abstract companies to obtain a certificate of authority from the Abstractors Board.

“Having examined the laws of many other states, it appears that Oklahoma has done its best to make the buying and selling of real property as onerous and costly as possible,” said Mike Davis, author of the report and Research Fellow at the Institute.

Because of the way comparison data are reported and due to differences across states, it is difficult to determine all the impacts of Oklahoma’s excessive regulation of the abstracting industry. One impact is Oklahoma’s relatively high cost of title insurance. Another is that while Oklahoma has relatively few abstracting offices, given its population, it has an excessive number of individuals working in abstracting, as shown in the report’s statistical analysis.

“Given the statistical results, it’s obvious that excessive regulation had the result likely intended,” said Davis. “Relatively few offices means there is less overall competition, but the relatively high number of personnel indicates how much busy work is required by the regulations,” he said.

Davis summed up the study, saying, “Bottom line, by repealing licensing and needless regulation in abstracting, Oklahoma home buyers could save time, trouble, and money.”

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About the 1889 Institute

The 1889 Institute is an Oklahoma think tank committed to independent, principled state policy fostering limited and responsible government, free enterprise and a robust civil society. The publication, “Abstracting: Licensure and Regulatory Impacts in Oklahoma” and other reports on licensing can be found on the nonprofit’s website at <http://www.1889institute.org/licensing>.