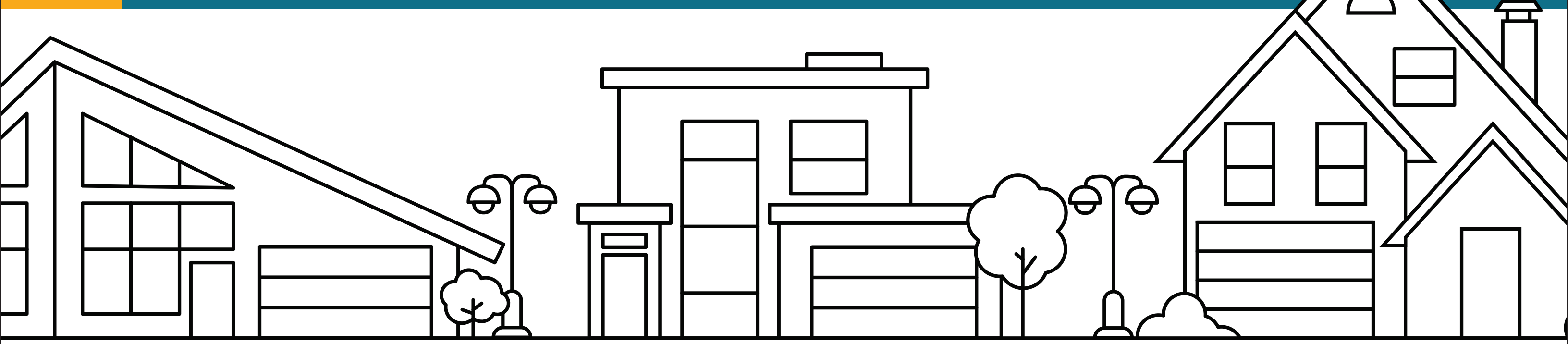
Legislative Guide to Residential Real Estate Wholesaling: Report and Model Act



Created for State and Local Leaders by
AARP Government Affairs, Econsult Solutions, Inc., and the National Consumer Law Center

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AARP | 601 E Street NW, Washington, D.C., 20049 | *AARP.org* | 888-OUR-AARP

Toll-Free: 1-888-OUR-AARP (1-888-687-2277) Toll-Free Spanish: 1-877-342-2277
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AARP Government Affairs: A part of the AARP Community, State, and National Affairs (CSN) group, Government Affairs advances AARP's work on behalf of older adults and their families through legislative and regulatory advocacy with elected officials and other policymakers at the federal, state, and local levels, as well as through judicial advocacy.

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Also within the CSN group, the AARP Livable Communities initiative works nationwide to support the efforts of neighborhoods, towns, cities, counties, and rural areas to be livable for people of *all* ages. The initiative's programs include the AARP Network of Age-Friendly States and Communities, the AARP Community Challenge "quick-action" grant program, livability training for local leaders, and free educational resources, such as the weekly, award-winning *AARP Livable Communities Newsletter* and several printed and downloadable publications.

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This report is available as a PDF download via *https://www.aarp.org/money/scams-fraud/buy-your-home-mailer.html*.

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Executive Summary

AARP commissioned Econsult Solutions, Inc. (ESI), and the National Consumer Law Center (NCLC) to develop this legislative guide on the residential real estate wholesaling industry (also known as the residential wholesaling industry) in the United States. The report aims to explore the predatory nature of the practice and explain how it affects local communities, low-income households, and older adults. This guide includes a qualitative study of real estate wholesaling, developed by ESI, and a model law to regulate residential wholesaling, developed by NCLC.[1]

Residential real estate wholesaling involves three parties: the seller, the wholesaler, and the investor. Most commonly, the wholesaler enters into a purchase contract with a home seller in an off-market setting, commonly at a sale price below market value. The wholesaler then sells the contract to an investor for a higher price than the amount in the purchase contract.[2] A purchase contract is a legally binding agreement between a buyer and a seller that outlines the terms and conditions of a property sale, including the price, closing date, and any contingencies. In wholesaling, the wholesaler secures this contract with the seller and then assigns it to an investor buyer, typically for a fee. The practice largely targets low-income property owners in neighborhoods with rapidly escalating housing costs to ensure scalable profits and a low-cost entry into the neighborhood for the investor, to the detriment of property owners who do not recognize the full or future value of their home. Overall, the lack of regulatory oversight has created space for bad actors to exploit vulnerable homeowners and siphon equity from groups that are commonly discriminated against. This aspect of residential wholesaling can easily become predatory and is why the industry is often said to be unethical.

The Impact on Older Adults and Households With Lower Incomes

Real estate wholesalers are known to target older adults—in particular those with serious medical issues or those who need cash and therefore are more likely to agree to a quick sale.[3, 4] These predatory tactics pose a serious threat to the financial security of older adults. Selling a property significantly below market value can leave older adults unable to afford long-term care, cover rising medical expenses, or pass on wealth to their families.

Another predatory behavior of real estate wholesalers is the targeted solicitation of homeowners in low-income neighborhoods. Residents in these neighborhoods are less likely to conduct sales through a real estate agent and list their homes on a multiple-listing service (MLS), practices that are essential for maximizing the sale price of the home.[5] There are valid reasons why some homeowners prefer to sell to a wholesaler rather than through an agent: Their home's value may be too low to attract agent interest or they may be unable to afford the transaction costs associated with a traditional sale. However, wholesalers often employ aggressive tactics—

including repeated phone calls, texts, mailers, and unannounced visits—designed to pressure homeowners into signing a contract before they've had a chance to weigh their options. When concentrated in neighborhoods where homeowners with low incomes live—where home equity may represent a family's primary or only financial asset—these tactics can be especially harmful and exploitative.

Legislative Overview

In many states, laws already exist to regulate real estate purchases and wholesaling. Such laws fall into two categories: that of general real estate (appling to wholesalers but not specific to them) and wholesaler specific.

GENERAL REAL ESTATE LAWS

ATTORNEY CLOSING

Participation by an attorney, who will protect consumers and explain all paperwork, is required in all real estate closings.

REAL ESTATE LICENSURE REQUIREMENTS

Prohibit anyone without a real estate license from engaging in the purchase or sale of real estate not owned by them.

WHOLESALER-SPECIFIC LAWS

GRACE PERIOD

Period in which a homeowner can cancel the purchase contract after it has been signed.

DISCLOSURE REQUIREMENT

Wholesalers must inform the homeowner that they (the wholesalers) do not purchase the home itself but instead sell the purchased contract to a third party.

WHOLESALERS LICENSE/REGISTRY

Documentation of wholesalers that allows for regulation of the practice through state registries, disclosure rules, insurance coverage, application fees, and more.

NONSOLICITATION PROVISIONS

Regulatory tools that protect homeowners from unwanted or predatory outreach by real estate wholesalers.

Takeaways and Recommendations

Our analysis identified three key takeaways from the available literature and findings from the local- and state-level legislative review:

- **Protecting homeowners from aggressive sales tactics and ensuring that they know the true value of their home before signing a contract are of paramount importance.**
- **While disclosure requirements and nonsolicitation provisions may be helpful, they are far from sufficient to protect homeowners.**
- **A right to cancel or a cooling-off period can help stop unfair transactions—especially if that period lasts up until closing**.

Notably, many local and state laws regarding residential wholesaling are quite recent. Using lessons from these recently enacted laws and reviewing other best practices, the model legislation recommends the following protections:

- **A Nonwaivable Appraisal Requirement and Disclosure for the Wholesaler;**
- **Licensing and Insurance-Carrying Requirements for the Wholesaler;**
- **Nonwaivable Right-to-Cancel Periods for Homeowners; and**
- **Broader Antisolicitation Measures.**

Together, these takeaways and the model law offer a framework for state and local governments to implement meaningful consumer protections that can help ensure transparency and fairness in home selling and purchasing—preserving generational wealth and promoting housing stability in communities across the country.

1. LEGISLATIVE GUIDE OVERVIEW

Introduction

AARP commissioned Econsult Solutions, Inc. (ESI), and the National Consumer Law Center (NCLC) to develop a legislative guide on the residential real estate wholesaling industry (also known as the residential wholesaling industry) in the United States. The report explores the predatory nature of the practice and explains how it affects local communities, households with low incomes, and older adults. This legislative guide includes a qualitative study of real estate wholesaling developed by ESI and a model law to regulate residential wholesaling developed by NCLC.

Throughout this guide and the accompanying study, ESI employs secondary research and relies on data and information to present an overview of real estate wholesaling and the households it most severely impacts. High-level legislative research regarding wholesaling laws was completed by evaluating information directly from state and local legislative websites and databases.

Consumer Protection Challenges and Predatory Housing Practices

Over the last two decades, several consumer-protection problems for older homeowners have emerged in the United States housing market, including unfair rent-to-own arrangements in which a tenant pays rent for a property in need of repairs and is responsible for those repairs or exclusive listing arrangements that require the homeowner to use a specific real estate agent for future sales.[6] More recently, concern has grown about the practice of real estate wholesaling—the practice of buying purchase contracts for homes and subsequently selling them to investors rather than making a direct purchase and transference of title between a home seller and a purchaser.[7] A purchase contract is a legally binding agreement between a buyer and a seller that outlines the terms and conditions of a property sale, including the price, closing date, and any contingencies. Most commonly, real estate wholesalers look for distressed property owners who are open to an off-market sale at a below market price. In many cases, older homeowners with low incomes living in disinvested communities are targeted.

AARP's Advocacy Against Predatory Housing Practices

A central part of AARP's policy, research, and advocacy efforts focuses on housing—particularly on issues of affordability, accessibility, and stability. Within this work, AARP has also researched a variety of consumer protection challenges involving predatory housing practices.

AARP Housing Principles

***Secure Affordability**—communities should have a range of housing sizes and types located across neighborhoods, and adequate subsidies should be available for all who qualify.*

***Ensure Equity**—affordable, accessible, high-quality housing should be available to people of all incomes, backgrounds, and abilities, including those from groups that are discriminated against. Policies that alleviate the impact of past and current discriminatory housing practices and address disparities should be developed and implemented.*

***Prioritize Accessibility**—housing should be designed for people of all ages and ability levels, including those with disabilities. This empowers community residents to age in their homes and communities as well as live in the setting of their choice.*

***Promote Housing Stability**—older adults and other community residents should be able to decide when and under what circumstances they move. Communities should offer housing options that are affordable, accessible, and livable to allow this to happen.*

***Ensure Health and Safety**—housing should be designed and maintained to ensure the health and safety of all residents, including older adults.*

***Foster Service Delivery in Housing**—older adults should have access to convenient home- and community-based services to allow them to safely remain in their homes and communities as their needs change.*

*Source: AARP 2025–2026 Policy Book (**policybook.aarp.org**)*

As part of its broader housing policy advocacy and research efforts, AARP is engaged in efforts to address the predatory effects of real estate wholesaling in communities across the United States. Through this effort, AARP commissioned NCLC to develop a model law reflecting best practices and recommendations from across the country. (See Appendix C.)

Organization of the Legislative Guide

The legislative guide has been organized to provide an overview of the residential wholesaling practice and is followed by overviews of recently enacted state and local laws pertaining to regulatory guidance for residential wholesaling. The guide concludes with policy recommendations and opportunities for furthering antipredatory housing-advocacy efforts.

- **Section 1** provides an overview of the legislative guide and highlights AARP's broader policy and advocacy efforts for consumer protections against predatory housing practices and residential wholesaling.
- **Section 2** provides information on the practice of residential wholesaling—highlighting regulatory gaps, predatory behavior, and the impact of the practice on at-risk communities.
- **Section 3** provides a view into legislation pertaining to consumer protections against residential wholesaling—highlighting examples from state and local laws that have been recently enacted.
- **Section 4** offers policy recommendations and advocacy opportunities for consumer protection against predatory residential wholesaling.
- **Appendices A and B** provide the state and local legislative landscape in residential wholesaling.
- **Appendix C** provides a model law regulating residential real estate wholesaling.

2. THE PRACTICE OF RESIDENTIAL REAL ESTATE WHOLESALING

Residential real estate wholesaling (or residential wholesaling) involves three parties—the seller, the wholesaler, and the investor. Most commonly, the wholesaler enters a purchase contract with a home seller in an off-market setting, commonly at a sale price below market value. The wholesaler then sells the contract to an investor for a higher price than the amount in the purchase contract. The profit the wholesaler makes from this transaction is known as a wholesale fee.[8]

Figure 2.1: Residential Wholesaling in Practice

Source: Econsult Solutions, Inc. (2025)

The practice of residential wholesaling is fundamentally different from flipping houses, which requires making a downpayment, securing a loan, and typically investing in renovations before the house can be sold for a profit above the purchase price.[9] Residential wholesalers take on far less risk, as they only need to put down a deposit on the purchase contract, rather than paying the full value of the home. Generally, the amount of this deposit is negotiable, but usually represents 1 to 2 percent of the overall purchase price.[10]

For these reasons, residential wholesaling is often marketed as a low-barrier-to-entry alternative to traditional real estate investing strategies. There are a countless number of online resources available to prospective wholesalers, outlining how the process works and touting the potential to quickly turn a profit while putting little to no money down.[11] Because wholesalers need to secure contracts at below-market value to make a profit, they target distressed properties and sellers—often those facing some form of financial hardship or who are located in disinvested communities.[12] This aspect of residential wholesaling can easily become predatory, which is why the industry is often criticized as unethical. Although some states and localities have regulated residential real estate wholesaling for this reason, the practice is unregulated in many states.

Regulatory Gaps and Predatory Behavior

Residential wholesaling targets property owners who need to make money quickly. Proponents argue that they are offering homeowners a trade-off: a price below market value in exchange for speed and convenience. This process can appeal to some home sellers—who go in with eyes wide open and truly understand that they will receive less money than their house is worth or to those who could not find a partnering real estate agent because their home is at a low value. However, most home sellers targeted by residential wholesalers do not understand that they will receive a sale price less than their home is worth relative to the market and are thus taken advantage of. Moreover, the lack of regulatory oversight has created space for bad actors to exploit homeowners in vulnerable situations and siphon equity from groups who are commonly discriminated against.

"We Buy Houses"—
a common outreach tactic of wholesalers

One of the most frequent predatory practices is wholesalers taking advantage of asymmetric information, meaning that the wholesaler knows the value of the home while the homeowners they target do not. Often, homeowners targeted by wholesalers are under duress and may be looking for a quick sale and are thus swayed by wholesalers' cash offers. They agree to a sale without knowing the true market value of their home or being aware of the wholesaler's intent to sell the purchase contract for a profit, thereby wiping out generational equity a homeowner may have built over the course of many years. This can occur because, in most states, there are no requirements for wholesalers to disclose the appraised home value to the seller or their intent to sell the purchase contract to a third party. Sellers have little recourse after a purchase contract has been signed with a wholesaler, and often, there is no cooling off period between signing the contract and the assignment. It is not uncommon for homeowners to learn of the steep discount in the purchase price in the days or weeks after signing the contract and attempt to back out, only to be blocked, either by the wholesaler or the investor purchasing the property.[13]

Another predatory behavior of real estate wholesalers is the targeted solicitation of homeowners in low-income communities. Residents in these neighborhoods are less likely to conduct sales through a real estate agent and list their homes on a multiple listing service (MLS)—actions that are critical to maximizing the sale price of the home.[14] Wholesalers often employ aggressive marketing tactics, such as repeated phone calls, texts, mailers, and unannounced visits—each designed to pressure homeowners into signing a contract before they've had a chance to weigh their options. When concentrated in these neighborhoods—where home equity often represents a family's primary or only financial asset—these tactics can be especially harmful and exploitative.

Impacts on Older Adults and Households With Lower Incomes

Older Adults

Real estate wholesalers are known to target older adults, who are more likely to sell below market value—particularly those with serious medical issues and those who need to move quickly because their current home is no longer suitable.[15, 16] Marketing strategies that target this population include in-person solicitations and location-specific online ads targeted to nursing homes and rehabilitation hospitals. Wholesalers have even been known to befriend older adults living alone, running errands for them and bringing dinner, pushing for a sale the whole time.[17]

These predatory tactics pose a serious threat to the financial security of older adults. Around 75 percent of Social Security beneficiaries cease working after claiming their benefits, and nearly 40 percent of the 65-plus population depends solely on Social Security as an income source.[18] This reliance on fixed income means that home equity often represents the only financial cushion for older adults, 78 percent of whom own their home.[19] Selling a property significantly below market value can leave homeowners—regardless of age—without the assets needed to live their daily lives and without a stable housing option.

Households With Lower Incomes

As noted, real estate wholesalers target households with lower incomes—exploiting asymmetric information and pressuring those in distressed financial positions to purchase houses well below market value. This can result in homeowners losing out on tens or even hundreds of thousands of dollars in appreciation—losses that can be devastating for households that already lack savings or other assets. Recent research completed by Zillow found that home sellers who did not list their properties on an MLS—a common occurrence among those who enter a contract with a real estate wholesaler—had lost out on more than $1 billion collectively since 2023, with the value difference to home sellers being greatest in majority Black and majority Hispanic neighborhoods.[20] As a generational asset, such losses in home equity at the time of sale can have a significant negative impact on the economic mobility of households with lower incomes.[21]

Figure 2.2: Off-MLS Sales vs. On-MLS Sales

Seller Group	Median Sale Price Difference for Off-MLS Sales vs. On-MLS Sales (Dollar Value Difference)	Median Sale Price Difference for Off-MLS Sales vs. On-MLS Sales (Percentage Difference)
All Home Sellers	–$4,975	–1.5%
Sellers in majority White neighborhoods	–$3,694	–1.2%
Sellers in majority Black neighborhoods	–$5,576	–3.1%
Sellers in majority Hispanic neighborhoods	–$13,728	–4.0%

Source: Zillow (2025)

3. REVIEW OF STATE AND LOCAL LEGISLATIVE ACTIVITY

The following section outlines current laws and recent legislation related to residential wholesale real estate purchases and transactions. Across the country, anyone facilitating the buying or selling of real estate requires a state-specific real estate license. In certain states, in fact, current laws require that an attorney be present during sale closings. Together, these provide a baseline regulatory structure for real estate transactions. More recently, state and local governments have worked to enact laws to more specifically address residential wholesaling.

To better understand these laws and possible regulatory gaps, a legislative review was completed on both these preexisting requirements and the more recent regulatory efforts to combat the predatory effects of residential wholesaling.

Preexisting Real Estate Laws

This section outlines laws that are not specific to wholesalers and that shape the legal environment in which home purchases exist. This regulatory framework—concerning licensing and legal representation—places wholesalers under a degree of regulatory scrutiny and provides the foundation upon which more targeted laws have been layered by states and municipalities.

Licensure Requirements

A key principle in each state is that individuals without a real estate license may not act as real estate brokers, marketing properties that they do not own.[22] For example, in **New York,** there are currently no laws targeting residential wholesaling, but it is illegal for wholesalers to publicly market properties that they don't own outright, unless they have a real estate license.[23]

Some states have stricter requirements around licensure and explicitly define residential "wholesaling" as a form of real estate brokerage, meaning all real estate wholesalers must possess a real estate license, whether they publicly market property or not. This includes **Pennsylvania,** which expands the definition of "broker" to include "[a]ny person who, whether for the person or for another, engages or attempts to engage in a wholesale transaction."[24] **Virginia** has a slightly looser definition of "brokerage," designating "real estate broker" as anyone who "sells or offers to sell, buys or offers to buy, negotiates, or otherwise deals in real estate contracts, including assignable contracts, on two or more occasions in any 12-month period."[25]

While the specifics may vary by state, the underlying regulatory intent is to require licensure when a person repeatedly engages in marketing, negotiating, or assigning real estate contracts without closing on and owning the property. These laws aim to ensure that wholesalers meet the same ethical and legal standards as licensed brokers and salespersons, thereby protecting consumers from misrepresentation and undisclosed interests.

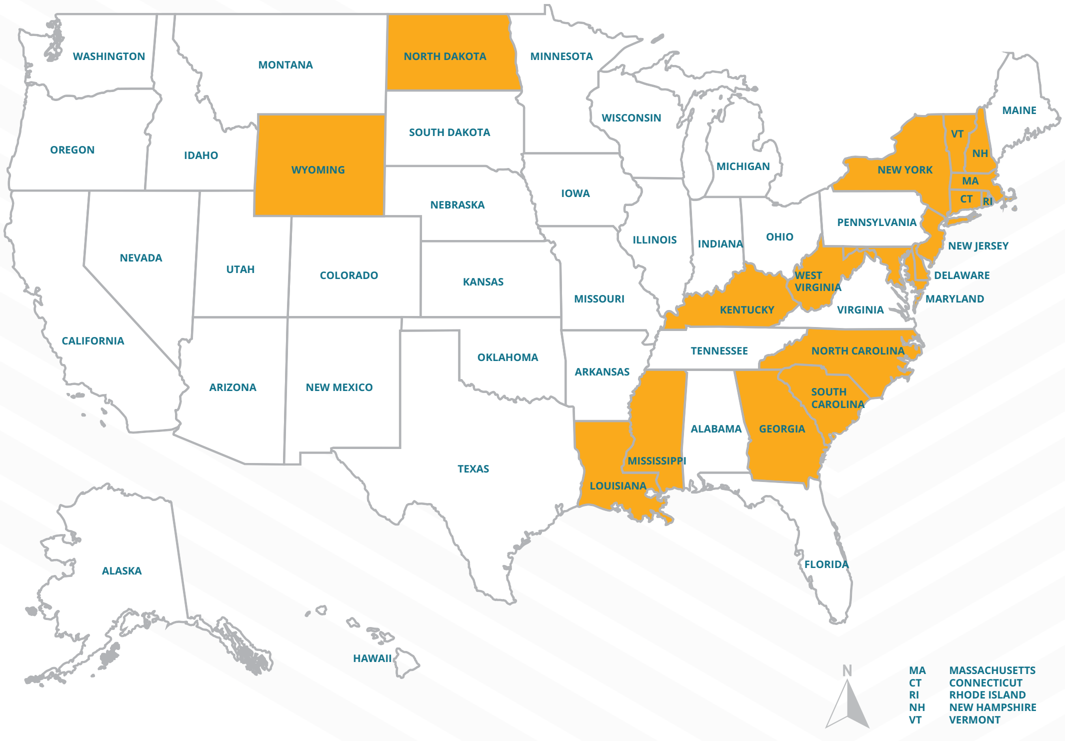
Attorney Close Requirements

In many states, it is customary for real estate attorneys to oversee real estate transactions. Some states, known as "attorney closing states," go a step further and require that an attorney participate in real estate closings. Those states are **Connecticut, Delaware, Georgia, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Rhode Island, South Carolina, Vermont, West Virgina,** and **Wyoming.**[26, 27, 28] These laws are designed to protect consumers by ensuring that complex legal paperwork is properly prepared and explained. For wholesalers, attorney-closing requirements can help ensure that transactions comply with state laws specifically regulating wholesaling, if any such laws exist in the state. However, in the absence of substantive protections related to wholesaling, an attorney-closing requirement has no likelihood of reducing the risk of harm to homeowners selling their home. Attorneys handling a closing are not generally required to inquire about the seller's knowledge or understanding or to look for signs of fraud or duress. Wholesalers may also align themselves with closing attorneys who, because they want the business, are willing to cooperate with transactions regardless of any hallmarks of unfairness.

National Landscape

Figure 3.1 (see below) illustrates the presence of attorney-close requirements by state.

States With Attorney-Close Requirements, 2025



Source: Econsult Solutions, Inc. (2025), ArcGIS Pro (2025)

Types of Residential Wholesaling Laws

Residential wholesaling laws in states and cities around the country tend to have some common attributes. These include disclosure requirements, licensing requirements, grace periods, and marketing restrictions, all of which are designed to increase the protection of homeowners and the transparency and oversight of residential wholesaling.[29]

Disclosure Requirements

Because residential wholesaling transactions typically occur at a price well below market value, it is important that homeowners be fully aware of the nature of the transaction when they are presented with a purchase contract by a wholesaler. These disclosures inform the homeowner that the wholesaler does not intend to purchase the home but to instead sell the purchase contract to a third party at a profit. The states that have implemented disclosure requirements are **Arizona, Illinois, Indiana, Iowa, Maryland, North Dakota, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas,** and **Wisconsin,** each of which requires wholesalers, before entering into a binding agreement with other parties, to provide written disclosures to sellers as well as buyers identifying themselves as wholesalers and stating that they are not taking title to the property.[30, 31, 32] In all of these states, owners may rescind the sales contract anytime before closing, without penalty, if the disclosure is not provided. **Indiana's** disclosure requirement states that unlicensed wholesalers must declare their lack of professional credentials in the solicitation phase.[33] These stipulations allow wholesaling but are designed to help homeowners make informed decisions.

It is unclear whether the written disclosures have been effective at giving homeowners the information they need when they need it. A number of studies have questioned the effectiveness of disclosure-based regulations at preventing harm to consumers.[34]

Specific Wholesaler Licensure Requirements

While most states' existing real estate licensure laws place restrictions on residential wholesaling, a few states have gone further, creating entirely new forms of licensure for wholesaling. Rather than treating wholesaling as a subset of real estate brokerage, these measures establish separate regulatory systems aimed at increasing transparency and consumer protection. For example, **Oregon**—the only state that has enacted this requirement—created a registration program for "residential property wholesalers," requiring individuals who market equitable interests in residential property to register with the state's Real Estate Agency, adhere to strict disclosure rules, and face civil or criminal penalties for unregistered activity.[35]

Grace Periods

Another feature of residential wholesaling laws is a mandated grace period in which the homeowner can cancel the purchase contract after it's been signed. For example, in **Pennsylvania,** homeowners who enter a purchase contract with wholesalers have 30 days (or until closing) to cancel the contract, without penalty. [36] These grace periods complement states' disclosure requirements, giving homeowners the opportunity to back out of the contract once they have full information about the nature of the transaction. The states that have implemented similar grace periods are **Indiana, Iowa, Maryland,** and **Oregon.**

Prohibiting Unfair or Deceptive Practices

Georgia and **Maryland** have specified that purchasing or offering to purchase a consumer's home is within the scope of the states' unfair and deceptive acts and practices statutes.[37] This is helpful because otherwise it might not be clear that the sale of one's home is covered by such statutes. Unfair and deceptive acts and practices statutes exist in all 50 states and typically ban a list of specific practices as well as generally banning practices that are unfair or deceptive in transactions involving consumers. These statutes typically provide for actual damages, statutory or enhanced damages, and attorneys' fees. It may make sense to state clearly, as we do in the model bill, that the violation of a state's wholesaling law is a per se violation of its unfair and deceptive acts and practices statute.

Nonsolicitation Provisions

Nonsolicitation provisions—such as Do-Not-Call lists, primarily employed at the municipal level—are regulatory tools that protect homeowners from unwanted or predatory outreach by residential property wholesalers. These provisions typically prohibit individuals or entities from attempting to purchase a home if the owner has clearly indicated they do not wish to be contacted. For example, **Baltimore** and **Philadelphia** prohibit soliciting a homeowner who has expressed disinterest in selling and authorize the creation of public Do-Not-Solicit lists.[38, 39] **Atlanta** has taken a slightly different approach by criminalizing "predatory tactics," defined as repeated, unsolicited contact within a 180-day period after a homeowner has requested that there be no further contact.[40] **Georgia,** as of 2024, requires that any attempt by an unlicensed person to purchase someone's home via written solicitation or other form of inquiry include disclosures that such effort is indeed a solicitation; that the home owner is not required to respond; that the offer may or may not be the fair market value; and that, if the offer is less than the tax assessed value of the home, the owner be so advised.[41]

Examples of State Legislation

➤ Iowa

In 2024, Iowa enacted **House File 2394,** the Real Estate Wholesaling Consumer Protection Act, which requires that wholesalers have a real estate license; it also includes disclosure requirements for wholesaling transactions.[42] Additionally, the law mandates that wholesalers inform all parties of their legal identity, explain the wholesaling process in writing—including that they hold an equitable interest—and provide a copy of the agency agreement (the legal contract that establishes and defines the relationship between the wholesaler and investor buyer) to the investor buyer and the property seller. If a wholesaler fails to comply with the requirements, the seller or buyer may cancel the contract at any time prior to closing and retain any earnest money paid by the wholesaler, effectively creating a grace period. Additionally, a violation of these regulations can lead to a civil penalty of up to the greater amount between $10,000 and 10 percent of the sale price of each residential property for which an individual engages in wholesaling.[43]

➤ Oregon

Oregon's **House Bill 4058,** enacted in 2024, created comprehensive regulation of residential property wholesaling through the creation of a specific registration requirement, distinguishing it clearly from traditional real estate brokerage activities.[44] Wholesalers must register individually; meet standards, including age, education, and criminal background checks; and meet disclosure requirements—thereby informing all parties that they hold only an equitable interest and may not transfer the title directly. A structured grace period allows buyers as well as sellers to cancel a wholesale contract without penalty within three business days of receiving the wholesaler's disclosure; if the wholesaler fails to disclose properly, the seller may terminate the agreement at any time and retain any earnest money deposit. Oregon sets specific transaction parameters, defining "wholesaling" explicitly by the length of time that an equitable interest is held (fewer than 90 days) and a limit on the value ($10,000), although HB 4058 does not explicitly impose limits on transaction volume or resale pricing.

➤ Pennsylvania

Pennsylvania's **Senate Bill 1173,** enacted in 2024, amends the Real Estate Licensing and Registration Act to explicitly integrate residential real estate wholesaling into the existing broker licensing framework, requiring wholesalers to either hold a real-estate-broker or -salesperson license or be affiliated with one.[45] The law introduces consumer protections, including a 30-day period during which consumers can cancel the agreement or contract without penalty or liability. Moreover, if the wholesaler fails to provide the required disclosures, the consumer retains the right to cancel at any time prior to the sale. The mandatory disclosures must clearly state wholesaler's intent and remind consumers of their right to independent appraisals, legal counsel, and a refund upon cancellation.

Examples of Local Legislation

➤ Atlanta

Atlanta's **Ordinance 20-O-1668,** enacted in 2020, prohibits commercial harassment to protect residents and visitors from predatory and coercive commercial practices, including aggressive real estate solicitation in which homeowners are pressured into selling their property below fair market value.[46] The ordinance defines "commercial harassment" broadly to include threats, intimidation, coercion, or repeated unsolicited contact after a person has requested such communication to cease. Specifically targeted are practices such as "driving for dollars" and "dialing for dollars," which notably affected longtime residents in rapidly appreciating neighborhoods, where sellers frequently received offers significantly below market value.

➤ Philadelphia

In 2020, Philadelphia enacted **Bill No. 200544,** greatly enhancing protections against unwanted real estate solicitation.[47] The ordinance established a city-administered Do-Not-Solicit list, enabling homeowners to explicitly opt out of unsolicited property purchase efforts. By requiring residents to opt in to this protection by joining the Do-Not-Solicit list, this law protects fewer homeowners than a ban applicable to all homeowners. Inclusion on the list prohibits individuals or entities, including real estate brokers, agents, and wholesalers, from contacting homeowners about selling or renting their property. Violations can lead to substantial fines and penalties under the city's fair housing and antidiscrimination provisions. This measure is part of a broad regulatory framework requiring wholesalers to obtain licenses, pass background checks, and provide disclosures—including a detailed explanation of homeowner rights and resources—to prevent predatory practices and ensure transparency in residential property transactions, particularly benefiting historically targeted neighborhoods vulnerable to low-value solicitations.

4. TAKEAWAYS AND RECOMMENDATIONS

AARP has prioritized housing affordability, accessibility, and stability as part of its effort to support community well-being. Unregulated residential wholesaling can negatively impact housing stability, and the following section outlines the risks it poses to sellers, particularly in households with low income and older adults. The section also highlights policies that address these risks, drawing on qualitative research from ESI and a model act developed by NCLC. These recommendations focus on providing homeowners substantive protection to ensure that wholesalers do not pressure them into unfair transactions.

Takeaways

Community advocates working with homeowners have found that residential wholesaling often does more harm than good in a community. At best, many homeowners report tiring of repeated solicitations from wholesalers. At worst, the practice poses a high risk of exploitation. Too often, homeowners contracting with wholesalers are unaware that the price they will receive for their property will be significantly less than its true market value. In some cases, wholesaler tactics lead sellers into believing that their home is indeed worth less than it is. While a small portion of homeowners are indeed willing to accept a lower price in return for speed and convenience, the great majority prefer to receive the fair market value for their home—understandably. In fact, some homeowners need the money to pay living expenses or the cost of their next home, particularly when buying a new house.

Three key takeaways are clear from the available literature and legislative findings:

- **Protecting homeowners from aggressive sales tactics and ensuring that they know the true value of their home before signing a contract are of paramount importance.** States have adopted a variety of protections, ranging from mere disclosure to giving homeowners the right to cancel contracts. But none fully addresses the possibility that a homeowner will be deceived by a deceptively low offer from a wholesaler. Our recommendations include provisions to resolve that information asymmetry.
- **While disclosure requirements and nonsolicitation provisions may be helpful, they are far from sufficient to protect homeowners.** A state law that only requires disclosures is more likely to hurt than to help, because it creates an air of legitimacy without genuinely protecting homeowners. It is too easy for a deceptive wholesaler to use silver-tongued sales tactics that contradict the information provided in writing or to discourage a homeowner from reading it. Meanwhile, nonsolicitation laws—in their current iterations—also have proved to have a de minimis effect on predatory wholesaling efforts.

- **A right to cancel or a cooling-off period can help stop unfair transactions—especially if that period extends up to the closing.** Many homeowners realize they have been induced into an unfair contract when someone reaches out to schedule a closing. Homeowners who try to backtrack at that point are often locked into the unfair sale price because a court enforces performance of the sale contract. Unfortunately, if a right to cancel lasts only 3 or 10 days, the investor may sit back and not communicate with the homeowner until that time period is over—meaning that the homeowner will never be prompted to take remedial action within the cancellation window. If homeowners are given a right to cancel that extends to the closing, it incentivizes investors to provide accurate information about the tradeoffs and benefits of the sale contract they are offering. Homeowners are unlikely to rescind or cancel a contract if those trade-offs are accurately described up front. Cancellations generally occur when the contract is initiated through misrepresentation and pressure tactics.

Recommendations

Most state and local legislation regarding residential wholesaling is very recent. This makes the quantitative impact difficult to measure. The recommendations in the following section are therefore rooted in well-documented qualitative evidence of harm, established reasoning for addressing information asymmetry, and principles of legal capacity and protection against financial exploitation. Future work to evaluate the efficacy of these and other measures implemented at the state and local level could help inform and tailor future legislative approaches.

Following the analysis of the state and local landscape, our report recommends the following components in any state law aimed at preventing predatory wholesaling practices:

Appraisal Requirement

To ensure that homeowners can make informed decisions regarding a wholesaler's offering price, the latter should cover the cost of an independent appraisal when a recent one (e.g., within 60 days) is not available. Although there is not a current precedent for this, some states, including Texas, offer appraisals in the case of buyouts and acquisitions for properties damaged or at extreme risk of it from natural disaster.[48] The two approaches address the same core issue: Without the benefit of an appraisal, homeowners cannot accurately assess whether a wholesale offer reflects fair market value. This recommendation complements disclosure requirements by ensuring that sellers not only receive information but also have the means to verify it through an independent valuation. Instead of an appraisal, a state law may permit a broker price opinion from an independent real estate agent. This option carries the benefit of connecting a homeowner with a real estate agent, who has a financial incentive to tell the homeowner whether they can sell their home for a higher price by listing it publicly with an agent.

Licensing and Insurance Requirements

All wholesalers should be required to be licensed and adequately insured. Licensing enables regulators to collect information regarding the entities engaging in whole-saling and to deny or revoke licenses from entities that engage in unlawful practices.

In addition, a licensing regime may allow for data collection over time, enabling a state to detect risk factors and adjust the overall policy strategy.

Licensing regimes are most effective when they also carry an insurance or bonding requirement. The insurance or bond will protect consumers who are financially harmed by a wholesaler. The insurance requirement should be scaled to the size of the wholesaler's business because larger businesses can harm more people and require more insurance for compensation. Licensing alone, however, is insufficient to protect consumers. It must be combined with substantive protections, including a mandatory appraisal before a wholesaling contract can be closed and a right to cancel a contract before the deed is transferred to another party.

Right to Cancel

A strong right to cancel is vital. Consumer advocates have reported that it is common for homeowners to enter wholesaler contracts without understanding the consequences. Many homeowners seek help only after being contacted to schedule a date for a deed transfer. For that reason, homeowners should have the right to cancel a wholesaling contract up until the deed is transferred. A shorter time period can be exploited by wholesalers who simply wait for the cancellation period to expire before scheduling the deed transfer.

Do-Not-Call List and Other Antisolicitation Measures

Several jurisdictions have attempted to limit direct marketing to homeowners or to at least give homeowners an opportunity to sign up for a Do-Not-Call list blocking solicitation attempts for sale of their home. Since a Do-Not-Call list requires homeowners to know about the list and actively opt in, states should require all marketing materials and advertisements to indicate, in boldface, conspicuous text, the fact that homeowners may opt out of direct solicitation, and the website and phone number through which to do so.

Seller Protections Must Not Be Waivable

To be effective, any state law must prohibit the waiving of protections. Any attempted waiver should be void. Otherwise, wholesalers may simply include waivers within the contract. Consumers are unlikely to read the contract and have no opportunity to negotiate its terms, so waivers of key protections are unfair and would undercut the purpose of any residential wholesale statute.

Conclusion

In recent years, many states have introduced and enacted laws regulating residential wholesaling. However, in many states, the practice continues to impact the stability of insufficiently informed homeowners. The research and model act presented herein offer a framework for state and local governments to implement meaningful consumer protections that can help ensure transparency and fairness in home selling and purchasing—preserving generational wealth and promoting housing stability in communities across the country.

The model act found in Appendix C includes the key protections recommended above.

A. STATE-LEVEL LEGISLATIVE FINDINGS

ESI researched residential real estate wholesaling legislation in all 50 states. Figure A.1 presents the complete set of research findings, including from those states where no relevant legislation beyond preexisting laws were found. Current pieces of legislation that have been introduced but not yet passed or enacted have been included to provide additional context. The names of states with passed and enacted laws (or ones currently pending in the legislative process) are boldfaced.

Figure A.1: State-Level Legislative Findings

STATE:	ALABAMA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	ALASKA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**ARIZONA**
Recent Legislation - Bill Name and Number:	**House Bill 2747—the Wholesale Real Estate Buyers Disclosure Bill**
Date Passed:	**April 2022**
Date Enacted:	**April 2022**
Description:	**Real estate wholesaling is legal but subject to strict disclosure requirements under HB 2747. The law does not ban wholesaling or require a license, but it mandates that wholesalers disclose their role in writing to sellers as well as end buyers. Specifically, a wholesaler must inform the seller that they are a wholesale buyer before signing any agreement and must also disclose to the buyer that they only hold an equitable interest and may not be able to convey title. Failure to provide these disclosures allows the other party to cancel the contract before closing and recover any earnest money.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	ARKANSAS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	CALIFORNIA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	COLORADO
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	CONNECTICUT
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	DELAWARE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	FLORIDA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**GEORGIA**
Recent Legislation - Bill Name and Number:	**Senate Bill 90—an Act to Amend the Fair Business Practices Act**
Date Passed:	**May 2023**
Date Enacted:	**May 2023**
Description:	**Georgia enacted SB 90 in 2023, with an effective date of July 1, 2024. It requires that any written solicitation or inquiry about purchasing someone's home by an unlicensed person must include disclosures that it is a solicitation; that the seller is not required to respond; that the offer may or may not be of fair market value; and that the offer is less than the tax assessed value if that is true. Failure to meet these requirements is a violation of Georgia's unfair and deceptive acts and practices statute.**
Real Estate License State?	**Y**
Attorney Close State?	**Y**
Disclosure Requirement?	**N**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	**HAWAII**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**IDAHO**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**ILLINOIS**
Recent Legislation - Bill Name and Number:	**Senate Bill 1872—the Regulatory Sunset and Real Estate License Act**
Date Passed:	**May 2019**
Date Enacted:	**August 2019**
Description:	**Illinois enacted SB 1872. It significantly restricts real estate wholesaling by amending the Illinois Real Estate License Act of 2000 (225 ILCS 454). The law clarifies that licensed activities include those commonly referred to as "wholesaling," which it defines as "buying, selling, offering to buy or sell, marketing for sale, exchanging, or otherwise dealing in contracts, including assignable contracts for the purchase or sale of, or options on real estate." Under Section 1-10, an individual or entity must have a broker's license if engaged in this pattern of business at least twice in a 12-month period. The law effectively makes wholesaling without a license illegal if performed more than once in a 12-month period, with penalties of up to $25,000 per violation.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	**INDIANA**
Recent Legislation - Bill Name and Number:	**House Bill 1068—the Unlicensed Real Estate Solicitors Act**
Date Passed:	**March 2024**
Date Enacted:	**March 2024**
Description:	**With the passage and enactment of House Enrolled Act 1068, the state introduced limited consumer protections focused on solicitation. The law requires unlicensed individuals who solicit the sale or purchase of residential single-family homes to include the following succinct disclosure: "This solicitation is not from a licensed real estate professional." This statement must appear in writing or be stated aloud and include the solicitor's name and that of the intended buyer (if different). Violators may face civil penalties, and sellers are granted a two-day right to cancel the contract. While a license is still not required to wholesale, Indiana law clarifies that unlicensed individuals may only market their equitable interest—that is, their contractual right to purchase the property, not the property itself. This distinction allows wholesalers to assign contracts legally without acting as unlicensed brokers.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**Y**

STATE:	**IOWA**
Recent Legislation - Bill Name and Number:	**House File 2394—the Real Estate Wholesaling Consumer Protection Act**
Date Passed:	**March 2024**
Date Enacted:	**May 2024**
Description:	**This law uses licensing and disclosure requirements to regulate the existence of real estate wholesalers. It requires a person to be licensed as a real estate broker to engage in wholesaling. Additionally, the law's disclosure requirements mandate that wholesalers inform all parties of their legal identity; explain the wholesaling process; including that they hold an equitable interest; and provide a copy of the agency agreement. If a wholesaler fails to comply with the requirements, the seller or the buyer may cancel the contract at any time prior to closing and retain any earnest money paid by the wholesaler, effectively creating a grace period. Additionally, violation of these regulations can lead to a civil penalty of up to $10,000 or 10 percent of the sale price of each residential property for which the wholesaler is in violation of the section.**
Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**Y**

STATE:	**KANSAS**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	KENTUCKY
Recent Legislation - Bill Name and Number:	**House Bill 62—the Real Estate Brokerage Act**
Date Passed:	**March 2023**
Date Enacted:	**March 2023**
Description:	**Kentucky passed HB 62, amending KRS 324.020 in order to regulate wholesaling under real estate license law. While the law does not ban wholesaling outright, it does place clear restrictions on unlicensed activity, especially public advertising. Further, it explicitly states that it is unlawful for any unlicensed person to "advertise for sale an equitable interest in a contract for the purchase of real property between a property owner and a prospective purchaser" (KRS 324.020(1)(b)). This means that unlicensed wholesalers may still assign contracts privately but cannot publicly market or solicit buyers for those contracts unless the wholesalers are licensed as real estate brokers or sales associates.**
Estate License State?	**Y**
Attorney Close State?	**Y**
Disclosure Requirement?	**N**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	LOUISIANA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MAINE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MARYLAND
Recent Legislation - Bill Name and Number:	**House Bill 124—the Residential Property and Disclosure Requirement and Rescission Act**
Date Passed:	**April 2025**
Date Enacted:	**May 2025**
Description:	**HB 124 imposed disclosure requirements on wholesalers without requiring them to hold a real estate license and allows for a rescission period if the law is not properly followed by a wholesale buyer. As of October 1, 2023, the law states: "A wholesale buyer shall disclose in writing to the seller that the wholesale buyer may assign the contract of sale to another buyer," and "a wholesale seller shall disclose in writing to the assignee (or the purchaser) that the wholesale seller holds an equitable interest in the owner-occupied residential property, may not be able to convey title to the property, and intends to make a profit from the transfer." Failure to provide these disclosures grants the seller or assignee the right to cancel the contract at any time before closing without penalty (HB 124, Sec. 17–532). Maryland also specifically includes the wholesale purchase or offer of purchase of a consumer's home within its unfair and deceptive acts and practices statute. Md. Coml. 13-303(6).**
Estate License State?	**Y**
Attorney Close State?	**Y**[49]
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**Y**

STATE:	MASSACHUSETTS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MICHIGAN
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MINNESOTA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MISSISSIPPI
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MISSOURI
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	MONTANA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**NEBRASKA**
Recent Legislation - Bill Name and Number:	**Legislative Bill 892—the Nebraska Real Estate License Act Amendment**
Date Passed:	**March 2022**
Date Enacted:	**March 2022**
Description:	**LB 892 significantly tightened wholesaling law in Nebraska by clarifying that publicly marketing an equitable interest in a real estate contract is considered brokerage activity requiring a real estate license. Specifically, the bill amends §81-885.02 to specify that acting as a broker involves "publicly marketing for sale an equitable interest in a contract for the purchase of real property." Additionally, LB 892 clarifies that holding an equitable interest does not count as ownership, meaning unlicensed individuals cannot use this as an exemption: "An equitable interest in real property shall not be considered an ownership interest for purposes of this subdivision" (§81-885.04). In short, wholesalers may still assign contracts privately, but public marketing of those rights is now regulated and restricted to licensed individuals.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**N**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	NEVADA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	NEW HAMPSHIRE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	NEW JERSEY
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	NEW MEXICO
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	NEW YORK
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	NORTH CAROLINA
Recent Legislation - Bill Name and Number:	**House Bill 797—the Residential Property Wholesaling Protection Act**
Date Passed:	**Currently Pending in Senate rules committee, Passed House 103-0 in May 2025**
Date Enacted:	**–**
Description:	**HB 797 is currently pending in the Senate Rules Committee. The bill explicitly defines “wholesaling” as a form of real estate brokerage, requiring those who engages in it to be licensed. It states that a broker includes “any person… who engages in residential property wholesaling or related transactions.” Key wholesaling activities—such as soliciting a homeowner, assigning or marketing purchase contracts, or dealing in equitable interests—are to be considered licensed broker activity. The law also introduces a non-waivable 30-day cancellation right for homeowners, mandates specific disclosures in all contracts, and classifies noncompliance as an unfair or deceptive trade practice.**
Real Estate License State?	**Y**
Attorney Close State?	**Y**
Disclosure Requirement?	**Y (Pending)**
Wholesaler License?	**N**
Grace Period?	**Y (Pending)**

STATE:	**NORTH DAKOTA**
Recent Legislation - Bill Name and Number:	**House Bill 1190—the Wholesale Buyers and Sellers Act**
Date Passed:	**March 2023**
Date Enacted:	**March 2023**
Description:	**HB 1190 introduced key changes in wholesaling in North Dakota by requiring written disclosure from wholesalers to all parties involved in a transaction. "Wholesaler" is now defined as "a person that enters an agreement to make income or profit from the transfer of or equitable interest in residential real property" (Section 3, NDCC 43-23-06.1). Disclosures must state that the wholesaler "holds an equitable interest in the property, may not be able to convey title to the property, and intends to make a profit or income from the transfer." Failure to disclose allows buyers and sellers to cancel the contract without penalty, and the buyer must be refunded any earnest money. Wholesalers are not required to be licensed unless they publicly market the property or their interest, which constitutes brokerage activity.**
Real Estate License State?	**Y**
Attorney Close State?	**Y**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	**OHIO**
Recent Legislation - Bill Name and Number:	**Senate Bill 155—the Real Estate Wholesaler Law**
Date Passed:	**Passed House and Senate in November 2025**
Date Enacted:	**–**
Description:	**SB 155 requires real estate wholesalers to provide property owners with a clear, boldfaced, written disclosure before entering a purchase contract, outlining that the wholesaler intends to assign the contract for profit and is not representing the owner. If the disclosure is not made, the owner may cancel the contract at any time before closing without penalty. Violations are considered deceptive practices under Ohio law, and these protections cannot be waived via agreement. The law applies to residential properties (one to four units) and does not affect assignments to close relatives.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y (Currently Pending)**
Wholesaler License?	**N**
Grace Period?	**Y (Currently Pending)**

STATE:	**OKLAHOMA**
Recent Legislation - Bill Name and Number:	**House Bill 1148—the Predatory Real Estate Wholesaler Act (2021)**
Date Passed:	**April 2021**
Date Enacted:	**May 2021**
Description:	**HB 1148 created the Predatory Real Estate Wholesaler Act in Oklahoma, amending Title 59, Section 858-301, to prohibit unlicensed individuals from “publicly marketing for sale an equitable interest in a contract for the purchase of real property” and requiring real estate wholesalers to obtain a real estate license and comply with the Oklahoma Real Estate License Code and Administrative Rules. The law was designed to address consumer complaints about misleading sales tactics and predatory contracts by bringing wholesaling under the same regulatory framework as traditional real estate brokerage, with violations carrying penalties of up to $5,000 per occurrence and up to six months imprisonment. While the act preserves exceptions for individuals acquiring real estate for their own use, it effectively requires licensing for wholesalers who engage in public marketing of their contractual rights, establishing mandatory disclosure requirements and consumer protection measures that cannot be waived.**
Recent Legislation - Bill Name and Number:	**Senate Bill 1075—Amendment to the Predatory Real Estate Wholesaler Act (2025)**
Date Passed:	**May 2025**
Date Enacted:	**May 2025**
Description:	**This law was strengthened in 2025 through additional clarification and codification of the definition of wholesaling and requires a written disclosure when wholesale purchasing real estate.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	OREGON
Recent Legislation - Bill Name and Number:	**House Bill 4058—the Residential Property Wholesaling Act**
Date Passed:	**March 2024**
Date Enacted:	**March 2024**
Description:	**HB 4058 introduced comprehensive regulation of residential property wholesaling through the creation of a specific registration requirement, distinguishing it clearly from traditional real estate brokerage activities. Wholesalers must register individually; meet standards that address age, education, and criminal background; and adhere to mandatory disclosure requirements—informing all parties that the wholesaler has only an equitable interest and cannot transfer the title directly. A structured grace period allows buyers and sellers to cancel contracts without penalty within three business days of receiving the wholesaler's disclosure; if the wholesaler fails to disclose properly, the seller may terminate the agreement at any time and retain earnest-money deposits. Oregon sets specific transaction parameters, defining "wholesaling" explicitly by the length of equitable interest held (under 90 days) and an investment limit ($10,000), although it does not explicitly impose limits on transaction volume or resale pricing.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**Y**
Grace Period?	**Y**

STATE:	**PENNSYLVANIA**
Recent Legislation - Bill Name and Number:	**Senate Bill 1173—Amending the State Real Estate Commission Act**
Date Passed:	**July 2024**
Date Enacted:	**July 2024**
Description:	**SB 1173 amends the Real Estate Licensing and Registration Act to integrate residential real estate wholesaling into the existing broker licensing framework, requiring wholesalers to have a real-estate-broker or salesperson license or be affiliated with one. The law defines "wholesaling transactions" specifically as acquiring equitable interests in residential properties with intent to transfer without holding legal title and introduces strong consumer protections, including mandatory disclosure statements and an extended 30-day cancellation period, during which consumers can cancel the agreement or contract without penalty or liability. If the wholesaler fails to provide the required disclosures, the consumer retains the right to cancel at any time prior to conveyance. These disclosures must clearly state the wholesaler's intent and remind consumers of their right to independent appraisals, legal counsel, and a refund upon cancellation. The bill applies statewide and was supported on a bipartisan basis, passing both chambers after amendments in the House Professional Licensure Committee in June 2024, reflecting broad legislative consensus on enhancing transparency, accountability, and consumer rights in wholesaling activities.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**Y**

STATE:	**RHODE ISLAND**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**SOUTH CAROLINA**
Recent Legislation - Bill Name and Number:	**House Bill 4754—the Real Estate Associates Act**
Date Passed:	**May 2024**
Date Enacted:	**May 2024**
Description:	**HB 4754 created comprehensive wholesaling regulations in South Carolina, defining "wholesaling" as marketing residential real estate before taking legal ownership and establishing that real estate brokerage firms bound by fiduciary duties are "prohibited from engaging in, representing others in, or assisting others in the practice of wholesaling" under Section 40-57-350(A). The law creates an effective ban on traditional wholesaling by stipulating that the marketing of real estate owned by another for compensation constitutes brokerage activity, thereby requiring licensure, while simultaneously prohibiting licensed professionals from wholesaling, though it preserves an exception for contract assignments without public marketing. Violations carry administrative penalties of up to $10,000 per occurrence.**
Real Estate License State?	**Y**
Attorney Close State?	**Y**
Disclosure Requirement?	**N**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	**SOUTH DAKOTA**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	**TENNESSEE**
Recent Legislation - Bill Name and Number:	**House Bill 0781/Senate Bill 0909—the Wholesaling Disclosure Act**
Date Passed:	**March 2025**
Date Enacted:	**April 2025**
Description:	**SB 0909 and HB 0781 provide regulations for residential property wholesaling, defining the practice as assigning equitable interests in real property to subsequent purchasers at higher prices before legal title is acquired. The legislation mandates clear, written disclosures to both the original seller and potential subsequent purchasers. Specifically, wholesalers must inform the seller of the intent to market the equitable interest and must provide the effective date of any assignment at least three business days in advance, with disclosures prominently displayed in boldfaced, large print. The law establishes a two-year statute of limitations for claims related to disclosure violations.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	**TEXAS**
Recent Legislation - Bill Name and Number:	**Senate Bill 1577—Amendment to the Texas Real Estate Commission Act**
Date Passed:	**May 2023**
Date Enacted:	**May 2023**
Description:	**SB 1577 requires a written disclosure of the equitable interest in a wholesale transaction, to both the wholesale seller and purchaser, through an amendment to Texas's real estate licensure code.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	UTAH
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	VERMONT
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	VIRGINIA
Recent Legislation - Bill Name and Number:	**House Bill 917—Amendment to the definition of "real estate broker"**
Date Passed:	**April 2024**
Date Enacted:	**April 2024**
Description:	**HB 917, expanded the definition of "real estate broker" to include wholesalers and anyone who deals in real estate contracts, including assignable contracts, on two or more occasions in any 12-month period" (§54.1-2100). This means unlicensed individuals may only wholesale once per year; beyond that, a real estate broker's license is required. Exemptions exist for licensed attorneys acting within their duties, individuals selling their own property, trustees or executors under court order, and certain government or utility representatives, as outlined in §54.1-2103.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**N**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	WASHINGTON
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	WEST VIRGINIA
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	N
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	WISCONSIN
Recent Legislation - Bill Name and Number:	**House Bill 918—Amendment to Real Estate Practice Laws and Wholesaler Disclosures**
Date Passed:	**March 2024**
Date Enacted:	**March 2024**
Description:	**Wisconsin Act 208 imposes strict disclosure requirements. Wholesalers must notify the seller in writing that they are a wholesaler before entering a purchase agreement and notify the end buyer that they are assigning contractual rights, not the property. Failure to disclose gives either party the right to rescind the deal before closing. These rights cannot be waived, and penalties for violations have increased to $5,000 per instance. While licensure is not required if wholesalers strictly market contracts and not properties, Wisconsin now enforces transparency and accountability to prevent deceptive practices in wholesaling.**
Real Estate License State?	**Y**
Attorney Close State?	**N**
Disclosure Requirement?	**Y**
Wholesaler License?	**N**
Grace Period?	**N**

STATE:	WYOMING
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

STATE:	WASHINGTON, D.C.
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Description:	–
Real Estate License State?	Y
Attorney Close State?	Y
Disclosure Requirement?	N
Wholesaler License?	N
Grace Period?	N

B. LOCAL-LEVEL LEGISLATIVE FINDINGS

ESI researched a selection of 30 large cities in the U.S., with broad geographic coverage. Only two local laws pertaining to real estate wholesaling were found—one in Atlanta, the other in Philadelphia (both of which are indicated in boldface). Results of the full survey, including cities where no results were found, are shown in the chart below.

Figure B.1: Local-Level Legislative Findings

LOCALITY:	**ATLANTA**
Recent Legislation - Bill Name and Number:	**Ordinance 20-O-1668**
Date Passed:	**November 2020**
Date Enacted:	**November 2020**
Wholesaler Law Type:	**Do-Not-Solicit list**
Description:	**Ordinance 20-O-1668, enacted in 2020, prohibits commercial harassment to protect residents and visitors from predatory and coercive commercial practices, including aggressive real estate solicitation meant to pressure homeowners into selling their property below fair market value. The ordinance defines “commercial harassment” broadly to include threats, intimidation, coercion, or repeated unsolicited contact after a person has requested that such communication cease. Specifically targeted are predatory practices such as “driving for dollars” and “dialing for dollars,” which often affect longtime residents in rapidly appreciating neighborhoods, with sellers frequently receiving offers significantly below market value. In outlawing such coercive activities, the ordinance seeks to curb “equity theft,” protect homeowner wealth, and preserve community stability amid significant economic growth and rising property values in Atlanta.**

LOCALITY:	BALTIMORE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have any wholesale real estate laws and defers to Maryland real estate laws.

LOCALITY:	**BOISE**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Idaho real estate laws.

LOCALITY:	**BOSTON**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Massachusetts real estate laws.

LOCALITY:	**CHICAGO**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Illinois real estate laws.

LOCALITY:	**DALLAS**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to Texas real estate laws, which include Texas Occ. Code Section 1101.0045 (referenced in the state-level legislative findings).

LOCALITY:	DENVER
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Colorado real estate laws.

LOCALITY:	HOUSTON
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to Texas real estate laws, which include Texas Occ. Code Section 1101.0045 (referenced in the state-level legislative findings).

LOCALITY:	INDIANAPOLIS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Indiana real estate laws.

LOCALITY:	JACKSONVILLE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Florida real estate laws.

LOCALITY:	KANSAS CITY
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Missouri real estate laws.

LOCALITY:	LAS VEGAS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Nevada real estate laws.

LOCALITY:	LOS ANGELES
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to California real estate laws.

LOCALITY:	MEMPHIS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to Tennessee real estate laws, which include HB 781 and SB 909 (referenced in the state-level legislative findings).

LOCALITY:	MIAMI
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Florida real estate laws.

LOCALITY:	NASHVILLE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to Tennessee real estate laws, which include HB 781 and SB 909 (referenced in the state-level legislative findings).

LOCALITY:	NEW ORLEANS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Louisiana real estate laws.

LOCALITY:	NEW YORK CITY
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to New York state real estate laws.

LOCALITY:	**NEWARK**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to New Jersey real estate laws.

LOCALITY:	**OKLAHOMA CITY**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have specific wholesale real estate laws and defers to Oklahoma real estate laws, which include HB 1148 (referenced in the state-level legislative findings).

LOCALITY:	**OMAHA**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Nebraska real estate laws, including LB892 (referenced in the state-level legislative findings).

LOCALITY:	**ORLANDO**
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Florida real estate laws.

LOCALITY:	PHILADELPHIA
Recent Legislation - Bill Name and Number:	**Bill No. 200544**
Date Passed:	**November 2020**
Date Enacted:	**November 2020**
Wholesaler Law Type:	**Do-Not-Solicit list**
Description:	**Bill No. 200544, significantly enhancing protections against unwanted real estate solicitation. The ordinance establishes a city-administered Do-Not-Solicit list, enabling homeowners to opt out explicitly from unsolicited property purchase offers. Real estate brokers, agents, and wholesalers are legally prohibited from contacting homeowners on the list about selling or renting their property. Violations can lead to substantial fines and penalties under the city's fair housing and antidiscrimination provisions. This protective measure is part of a broader regulatory framework requiring wholesalers to obtain a license, pass a background check, and provide mandatory disclosures—including a detailed explanation of homeowner rights and resources—in order to prevent predatory practices and ensure transparency in residential property transactions. This particularly benefits historically targeted neighborhoods vulnerable to low-value solicitations.**

LOCALITY:	PHOENIX
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Arizona real estate laws, which include HB 2747 (referenced in the state-level legislative findings).

LOCALITY:	PORTLAND
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws, and defers to Oregon real estate laws, which include HB 4058 (referenced in the state-level legislative findings).

LOCALITY:	RALEIGH
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to North Carolina real estate laws.

LOCALITY:	SAN FRANCISCO
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to California real estate laws.

LOCALITY:	SEATTLE
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Washington state real estate laws.

LOCALITY:	ST. LOUIS
Recent Legislation - Bill Name and Number:	–
Date Passed:	–
Date Enacted:	–
Wholesaler Law Type:	–
Description:	Does not have wholesale real estate laws and defers to Missouri real estate laws.

C. MODEL ACT ON RESIDENTIAL WHOLESALING

Section 1. Purpose

This Act shall be known and cited as the "Residential Wholesaling Protections Act." The purpose of this Act is to reduce the risk to consumers in their dealings with residential wholesalers and to protect consumers from sale contracts that allow wholesalers to take advantage of an imbalance of information. This Act is to be construed as a consumer protection statute and shall be liberally and remedially construed to effectuate its purposes.

Section 2. Definitions

"**Consumer**" means a natural person residing in this [JURISDICTION] who is the record owner or equitable owner of a residential property.

"**Residential wholesaling**" means:

(a) being in the business of:

(1) soliciting the purchase of any interest in residential property;

(2) marketing for sale an equitable interest in a contract for the purchase of real property between a property owner and a prospective purchaser; or

(3) purchasing or otherwise accepting the transfer of a contract for the purchase of any interest in residential property.

(b) Notwithstanding the foregoing, residential wholesaling does not include:

(a) the purchase of an interest in residential property made for the purpose of substantially improving and reselling the property;

(b) the purchase of an interest in residential property by a natural person who intends to occupy the property as the purchaser's residence;

(c) transactions in which all parties are first- or second-degree relatives.

"**Residential wholesaler**" means any person or entity in the business of residential wholesaling.

"**Residential wholesaling contract**" means a legally enforceable agreement between a residential wholesaler and a consumer for the purchase or offer to purchase of any interest in the consumer's residential property.

"**Residential property**" means any property legally used or held out for use by individuals to live in, regardless of whether such property is occupied by the owners of the property, rented to a tenant, or sits vacant.

"**Solicit**" means:

(a) to advertise the accomplishments or abilities of a residential wholesaler, including mass market advertising;

(b) to request that a consumer sell their residential property; or

(c) to offer to purchase a consumer's residential property through postal, oral, or electronic communication.

Section 3. Licensing

The [REGULATOR] shall establish a system for licensing residential wholesalers.

Section 4. Prohibited Acts

(a) No person shall:

1) engage in residential wholesaling without:

A) being licensed as a residential wholesaler in [JURISDICTION];

B) obtaining insurance or posting a surety bond in an amount to be determined by the [REGULATOR].

(1) The minimum amount required shall not be less than the median home value in [JURISDICTION]; and

(2) shall be proportional to the number of transactions the licensee entered into during the preceding year; and

C) complying with all provisions of this Act.

(b) No residential wholesaler shall—

1) enter into a residential wholesaling contract with a consumer who has not received a property valuation meeting the requirements of Section 5 of this Act at least 7 (seven) calendar days and no more than 60 (sixty) calendar days before consummation of the residential wholesaling contract, unless the property has been listed for sale by a public listing service with a licensed real estate agent for at least 30 (thirty) days within the past year;

2) enter into a residential wholesaling contract with a consumer without providing the following items to the consumer at least 7 (seven) calendar days before consummating the contract:

A) a complete copy of the contract to be executed with no blanks remaining to be completed other than the parties' signatures and the date of consummation; and

B) the disclosures described in Section 6 of this Act;

3) place any lien or encumbrance on, transfer title to, or otherwise cloud title to a property that is the subject of a residential wholesaling contract for at least 10 (ten) calendar days after the consumer has executed the contract;

4) ask a consumer to execute a power of attorney in connection with a residential wholesaling contract;

5) make any false or misleading solicitation;

6) fail to include in all solicitations all information required by the [REGULATOR]; or

7) ask a consumer to waive any provision of this Act.

Section 5. Valuation

The valuation required by Section 4(b) of this Act shall be either:

(a) An appraisal meeting the following requirements:

  a. it shall be performed by a licensed or certified appraiser in accordance with the Uniform Standards of Professional Appraisal Practice;

  b. the appraiser shall be selected by the consumer;

  c. the appraisal shall be paid for in advance by the residential wholesaler; and

  d. the appraiser shall not have any relationship with the residential wholesaler that would compromise the appraiser's ability to perform assignments with impartiality, objectivity, and independence; or

(b) A broker price opinion meeting the following requirements:

  a. performed by a real estate agent licensed in [JURISDICTION];

  b. the broker price opinion shall be paid for in advance by the residential wholesaler; and

  c. the real estate agent may not have any relationship with the residential wholesaler that would compromise the agent's ability to perform the valuation with impartiality, objectivity, and independence.

Section 6. Disclosures

The [REGULATOR] shall produce a disclosure form for residential wholesalers to provide to consumers in compliance with this Act. The form shall include the following information:

(a) A description of the valuation requirement set forth in Section 5 of this Act, including,

  1) Information on how to find an appraiser or real estate agent, and

  2) A statement that the wholesaler will pay for the valuation;

(b) A description of the consumer's right to cancel a residential wholesaling contract, set forth in Section 7 of this Act, and instructions on how to exercise the right to cancel;

(c) That the consumer may be able to sell their property for a higher price by listing it with a licensed real estate agent other than the wholesaler;

(d) A clear explanation that, by signing a residential wholesaling contract, the consumer is agreeing to sell their house;

(e) The wholesaler's license number;

(f) A space for the wholesaler to provide a good faith estimate of the amount of any fee, percentage of the purchase price, or other monetary consideration that the wholesaler will seek to obtain from the party purchasing the wholesaler's interest in the residential property;

(g) Information about how the consumer can file a complaint with the appropriate regulatory entity; and

(h) Such other information that the [REGULATOR] deems necessary.

Section 7. Right to Cancel

(a) A consumer who is party to a residential wholesaling contract shall have an absolute right to cancel the contract for any reason until title to the property is transferred or for the time period specified in Section 4(b)(3) of this Act, whichever is later.

(b) The right to cancel a residential wholesaling contract shall not be waivable.

(c) The consumer shall have no liability for exercising the right to cancel.

Section 8. Contract Requirements

(a) A residential wholesaling contract must include the following:

1) the name, address, and telephone number of the residential wholesaler;

2) the wholesaler's license number;

3) the address of the residential property involved in the transaction;

4) the total consideration to be given by the residential wholesaler to the consumer;

5) a complete description of the terms of payment or other consideration including, but not limited to, any services of any nature that the residential wholesaler represents they will perform for the consumer before or after the sale.

(b) If a residential wholesaler makes an earnest money deposit or security deposit in connection with a residential wholesaling contract, the deposit shall be kept in an escrow account maintained in [JURISDICTION] with a federally insured financial institution.

(c) A residential wholesaling contract must not include any provision requiring the consumer to treat any aspect of the transaction as confidential or otherwise limiting the consumer's right to discuss the transaction with a nonparty to the contract.

(d) If negotiations for a residential wholesaling contract are conducted in a language other than English, the residential wholesaler must provide the consumer with a translation of the contract and required disclosures in the same language as that used in the negotiations.

(e) A residential wholesaling contract must include the following statement on the same page as, and immediately above, the signature line for the consumer:

1) "You are now agreeing to sell your home. But you may cancel this contract for any reason for AT LEAST 10 (ten) days or until title to your property is transferred, whichever is later."

2) This statement shall be in boldfaced text that is at least 4 (four) points larger than the text used in the rest of the contract.

3) The statement shall not be in all capital letters.

Section 9. Reporting

(a) The [REGULATOR] shall develop a data collection form for use during the consummation of residential wholesaling contracts. The form shall request demographic data about the consumer and shall inform the consumer that providing the data is optional.

(b) A residential wholesaler shall provide the demographic data collection form to the consumer when executing a residential wholesaling contract and shall return completed forms to the [REGULATOR] according to the [REGULATOR'S] instructions.

(c) A residential wholesaler shall inform the [REGULATOR] of the following information regarding each transaction:

1) the address of the property;
2) the date of the contract;
3) the amount of consideration paid to the consumer in connection with the contract; and
4) such other information as the [REGULATOR] may require.

(d) Every three years, the [REGULATOR] shall issue a public report summarizing the data, any complaints received regarding residential wholesalers, and such other information as the [REGULATOR] deems appropriate.

(e) The [REGULATOR] shall make all complaints against residential wholesalers available to the public.

Section 10. Do-Not-Solicit List

(a) The [REGULATOR] shall create and maintain a public list of residents of [JURISDICTION] who have expressed a desire to not be solicited to sell or rent their residential property. This list shall be known as the "Do-Not-Solicit list." Any person who appears on the Do-Not-Solicit List may request in writing that the [REGULATOR] remove their name from the Do-Not-Solicit list. The [REGULATOR] will then remove said person's name from the Do-Not-Solicit list within thirty (30) days of such a request.

(b) Inclusion of a person on the Do-Not-Solicit List shall be deemed notice that the person does not desire to be solicited.

(c) No residential wholesaler may solicit a person after receiving notice that the person desires to not be solicited.

(d) The [REGULATOR] shall advertise the existence of the Do-Not-Solicit list to the general public.

(e) The [REGULATOR] shall produce a disclosure regarding the Do-Not-Solicit list for use by residential wholesalers in compliance with this Act. The disclosure shall include the following information:

1) a description of the Do-Not-Solicit list;
2) how a person may add their name to it;
3) how a person may remove their name from it; and
4) such other information as the [REGULATOR] may require.

(f) In every solicitation, whether written or oral, residential wholesalers shall notify recipients of the solicitation of the Do-Not-Solicit list using the disclosure produced by the [REGULATOR].

(g) Private right of action for violations of antisolicitation rules:

1) A person who has received more than one solicitation within any 12-month period by or on behalf of the same residential wholesaler in violation of this statute and any regulations prescribed thereunder may bring an action in civil court—

A) to enjoin such violation;

B) to recover for actual damages from such a violation or receive up to $500 in damages for each such violation, whichever is greater; and

C) for the costs of the action, together with a reasonable attorney's fee as determined by the court.

2) If the court finds that the defendant committed the violation willfully or knowingly, the court may, in its discretion, increase the amount of the award to an amount equal to not more than three times the amount available under Subsection (g) (1) of this Section.

Section 11. Penalties and Enforcement

(a) The transfer of any interest in residential property subject to a residential wholesaling contract shall be void ab initio if made before the expiration of the time period specified in Section 4(b)(3) of this Act.

(b) Violation of this Act—

a. shall render the contract invalid and unenforceable by the wholesaler;

b. shall entitle the consumer to keep any earnest money deposit offered by the wholesaler as part of the transaction; and

c. constitutes a per se unfair or deceptive trade practice under [CROSS-REFERENCE JURISDICTION UDAP STATUTE]. Any recoveries available under [CROSS-REFERENCE SAME STATUTE] will not be offset by any consideration paid to the consumer in connection with the residential wholesaling.

(c) A residential wholesaler shall not request, or attempt to enforce, a waiver of any provision of this Act. Any waiver obtained in violation of this Act shall be void and unenforceable.

(d) In the case of any successful action by a consumer to enforce the foregoing liability or in any action in which a consumer is determined to have a right to cancel a residential wholesaling contract, the consumer shall be entitled to the costs of the action, together with a reasonable attorney's fee as determined by the court.

(e) The [REGULATOR] shall promulgate regulations outlining the consequences of a wholesaler's violation of this Section as it relates to the wholesaler's license.

ACKNOWLEDGEMENTS

This legislative guide to residential real estate wholesaling was produced by members of the AARP Government Affairs team, Econsult Solutions, Inc., and the National Consumer Law Center®:

AARP Government Affairs:

- **Jenn Jones,** Vice President, Financial Security and Livable Communities
- **Coralette Hannon,** Director, Livable Communities, Government Affairs
- **Samar Jha,** Government Affairs Director, Livable Communities

Econsult Solutions, Inc.:

- **Gina Lavery,** Executive Vice President & Principal
- **Stephen Madsen,** Director
- **Joe Shortell,** Senior Analyst

National Consumer Law Center®:

- **Sarah Bolling Mancini,** Managing Director of Advocacy
- **Andrew Pizor,** Senior Attorney

Advice and assistance provided within AARP:

AARP Office of Policy Development and Integration: Susanna Montezemolo (Senior Director of Policy) and **Zachery McCune** (Policy Advisor)

AARP Fraud Watch Network™: Kathy Stokes (Senior Director, Fraud Prevention Program) and **Seth Bofelli** (Senior Advisor, Fraud Prevention Program)

AARP Digital Content: Christina Ianzito (Writer/Editor/Producer)

AARP Strategic Communications and Operations: Eugenia Wright (Communications Director)

AARP Livable Communities: Mike Watson (Director)

AARP Public Policy Institute: Rodney Harrell (Vice President; Family, Home and Community), **Shannon Guzman** (Senior Director, Housing and Livable Communities), **Timothy Murphy** (Strategic Policy Advisor), **Christy Kwan** (Policy Advisor) and **Joanna Shell** (Housing Analyst)

AARP Foundation: Julie Nepveu (Senior Lead Attorney, Litigation)

Advice and assistance provided externally:

Community Legal Services of Philadelphia: Michael Froehlich (Managing Attorney, Homeownership and Consumer Rights Unit) and **Kate Dugan** (Divisional Supervising Attorney, Homeownership and Consumer Rights Unit)

North Carolina Justice Center: Jason Pikler (Senior Attorney and Director of Housing, Consumer, and Energy Project)

Copy Editor: Don Armstrong

Designer: Jennifer Goodman

ENDNOTES

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46 n, Jennifer N. Ide, Dustin Hillis, Michael Julian Bond, Marci Collier Overstreet, Carla Smith, Natalyn M. Archibong, Joyce M. Sheperd, Cleta Winslow, and J. P. Matzigkeit as substituted and amended by Public Safety and Legal Administration Committee and as amended by Community Development/Human Services Committee to amend Chapter 106, Article III, Section 106-86 to prohibit the offense of commercial harassment in the City of Atlanta to preserve the public order through the protection of the residents and visitors to the City of Atlanta, including Atlanta's Legacy Residents—City of Atlanta, Georgia

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49 Real estate attorneys are not essential for preparing typical closing documents; however, according to Maryland Real Property §3-104(f)(1), an attorney must certify that any deed, mortgage, or deed of trust has been prepared (1) by an attorney, (2) under an attorney's supervision, or (3) by one of the parties named in the instrument.

Legislative Guide to Residential Real Estate Wholesaling: Report and Model Act

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