

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1937 Session of  
1993

INTRODUCED BY YANDRISEVITS, KUKOVICH AND FREEMAN, JUNE 23, 1993

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 23, 1993

AN ACT

1 Amending the act of February 19, 1980 (P.L.15, No.9), entitled  
2 "An act establishing the State Real Estate Commission and  
3 providing for the licensing of real estate brokers and  
4 salesmen," further providing for right to cancel certain  
5 agreements or contracts for the sale of residential real  
6 estate.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 609 of the act of February 19, 1980  
10 (P.L.15, No.9), known as the Real Estate Licensing and  
11 Registration Act, added June 29, 1990 (P.L.246, No.58), is  
12 amended to read:

13 Section 609. Right to cancel sales agreements and sales  
14 contracts for residential real estate and right  
15 to cancel purchase of time share and campground  
16 membership.

17 (a) A purchaser shall have the right to [cancel the purchase  
18 of a time share or a campground membership until midnight of the  
19 fifth day following the date on which the purchaser executed the  
20 purchase contract.] cancel:

1       (1) a sales agreement or sales contract for real estate  
2       containing a single-family residential dwelling unit;

3       (2) a sales agreement or sales contract for the sale of  
4       a lot or lots intended for construction of a single-family  
5       residential dwelling unit; and

6       (3) the purchase of a time share or a campground  
7       membership. The purchaser's right to cancel shall continue  
8       until midnight of the fifth day following the date on which  
9       the purchaser executed the sales agreement, sales contract or  
10       purchase contract.

11       (b) The right of cancellation shall be set forth  
12       conspicuously in boldface type of at least ten point in size  
13       immediately above the signature of the purchaser on the sales  
14       agreement, sales contract or purchase contract in substantially  
15       the following form:

16               "You, the purchaser, may cancel this purchase at any time  
17               prior to midnight of the fifth day following the date of  
18               this transaction. If you desire to cancel, you are  
19               required to notify the seller, in writing, at (address).  
20               Such notice shall be given by certified return receipt  
21               mail or by any other bona fide means of delivery which  
22               provides you with a receipt. Such notice shall be  
23               effective upon being postmarked by the United States  
24               Postal Service or upon deposit of the notice with any  
25               bona fide means of delivery which provides you with a  
26               receipt."

27       This clause is to be separately initialed by the purchaser.  
28       Copies of all documents which place an obligation upon a  
29       purchaser shall be given to the purchaser upon execution by the  
30       purchaser.

1 (c) Notice of cancellation shall be given by certified  
2 return receipt mail or by any other bona fide means of delivery,  
3 provided that the purchaser obtains a receipt. A notice of  
4 cancellation given by a bona fide means of delivery shall be  
5 effective on the date postmarked or on the date of deposit of  
6 the notice with any bona fide means of delivery.

7 (d) Within ten business days after the receipt of a notice  
8 of cancellation, all payments made under the sales agreement,  
9 sales contract or purchase contract shall be refunded to the  
10 purchaser and an acknowledgment that the contract is void shall  
11 be sent to the purchaser. In the event of a cancellation  
12 pursuant to this section, any promotional prizes, gifts and  
13 premiums issued to the purchaser by the seller shall remain the  
14 property of the purchaser.

15 (e) The right of cancellation shall not be waivable by any  
16 purchaser.

17 (f) A purchaser who exercises the right of cancellation  
18 shall not be liable for any damages as a result of the exercise  
19 of that right.

20 (g) In addition to constituting a violation of this act, a  
21 violation of this section by any individual, corporation,  
22 partnership, association or other entity shall also be deemed a  
23 violation of the act of December 17, 1968 (P.L.1224, No.387),  
24 known as the "Unfair Trade Practices and Consumer Protection  
25 Law." The Attorney General is authorized to enforce this  
26 section. Any actions brought by the Attorney General to enforce  
27 this section shall be in addition to any actions which the  
28 commission may bring under this act.

29 (h) The right of the purchaser to bring an action to enforce  
30 this section shall be independent of any rights of action which

1 this section confers on the Attorney General and the commission.

2 (i) Nothing in this act shall affect any rights conferred  
3 upon the purchaser by 68 Pa.C.S. Pt. II Subpt. B (relating to  
4 condominiums).

5 (j) This act shall be applicable to real estate containing a  
6 single-family residential dwelling unit, to a lot or lots  
7 intended for construction of a single-family residential  
8 dwelling unit, and to time shares and campground memberships  
9 which are located within this Commonwealth [and]; additionally,  
10 this act shall be applicable to time shares and campground  
11 memberships which are located outside this Commonwealth but for  
12 which the purchase contract was executed by the purchaser within  
13 this Commonwealth.

14 Section 2. This act shall take effect in 60 days.