
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1697 Session of
2021

INTRODUCED BY DeLUCA, MILLARD, NEILSON AND SIMS, JUNE 24, 2021

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, JUNE 24, 2021

AN ACT

1 Providing for regulation of housing wholesalers.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Residential
6 Housing Wholesalers Registration Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Applicant." An individual applying for an initial license.

12 "Commission." The State Real Estate Commission established
13 under the act of February 19, 1980 (P.L.15, No.9), known as the
14 Real Estate Licensing and Registration Act.

15 "Homeowner." The record owner or equitable owner of a
16 residential property.

17 "License." The Residential Property Wholesaler License
18 established under section 3.

1 "List." The Do-Not-Solicit List created under section 5.

2 "Renewal." A renewal of a license that has not lapsed or
3 expired.

4 "Residential property." Each property legally used or held
5 out for individuals to live in, whether the property is occupied
6 by the owners of the property, rented or vacant.

7 "Residential property wholesaler." A person or entity who is
8 in the business of purchasing or soliciting for purchase
9 residential properties not to use as the person or entity's
10 residence. The term does not include any of the following:

11 (1) A public official or employee who acts as a
12 residential property wholesaler in the course of the official
13 or employee's official duties.

14 (2) A person or entity who purchases residential
15 properties and substantially improves those properties for
16 the purpose of resale.

17 (3) Any of the following licensed professionals when
18 acting within the scope of a licensed practice area:

19 (i) An attorney licensed to practice law in this
20 Commonwealth.

21 (ii) A person licensed by the Pennsylvania Real
22 Estate Commission under the Real Estate Licensing and
23 Registration Act.

24 "Solicit." To advertise the accomplishments or abilities of
25 a residential property wholesaler, request that a homeowner list
26 the residential property owned by the homeowner for sale or
27 offer to purchase a homeowner's residential property through
28 mail, oral communication or electronic communication.

29 Section 3. License required.

30 (a) License required.--A person or entity may not act as a

1 residential property wholesaler unless that person or entity
2 possesses a valid license.

3 (b) License issuance.--The following shall apply:

4 (1) Applications for licenses and renewals shall be
5 filed on forms developed and provided by the commission.

6 (2) Licenses and renewals shall be issued in accordance
7 with rules established by the commission.

8 (3) Licenses and renewals shall be valid for one year.

9 (4) All application and renewal forms must include:

10 (i) A nonrefundable application fee of \$200.

11 (ii) Proof that the applicant possesses insurance,
12 in a type and amount as the commission shall require.

13 (iii) The name and address of an applicant or, if
14 the applicant is not a natural person, the name and
15 address of a responsible natural person.

16 (iv) Each Pennsylvania corporation, including a
17 limited liability corporation, in which the applicant has
18 an equity interest, regardless of whether the applicant
19 has a direct equity interest or the applicant's equity
20 interest is held through one or more tiers of a corporate
21 structure, including a parent-subsidary structure.

22 (c) Criminal history record search required.--An applicant
23 may only be issued a license if, after a criminal history
24 records search of the applicant has been performed by the
25 commission, the commission has determined that the applicant has
26 not, within the past six years, been convicted of a crime of
27 fraud, dishonesty, breach of trust or deceit or has been
28 convicted for violating the act of March 17, 1978 (P.L.15,
29 No.9), known as the Agricultural Liming Materials Act.

30 (d) Changed information.--An applicant or licensee shall

1 notify the commission, in writing, within 72 hours of any
2 changes in the information contained in or submitted with the
3 application.

4 Section 4. Disclosure required.

5 (a) Disclosures.--A licensee must provide a homeowner with a
6 disclosure at least three days before presenting an offer to
7 purchase a homeowner's residential property. The disclosure must
8 do all the following:

9 (1) Inform the homeowner of how to access resources that
10 assess the fair value of residential properties, including
11 any private real estate assessment tools as may be identified
12 by the commission by regulation.

13 (2) Inform the homeowner of the seller's ability to do
14 all the following:

15 (i) Hire a real estate agent.

16 (ii) Seek legal counsel.

17 (iii) Identify any other resources deemed
18 appropriate by the commission.

19 (b) Signature required.--The residential property wholesaler
20 shall retain copies of each disclosure signed by the homeowner
21 as proof of providing the disclosure to the homeowner.

22 Section 5. Do-Not-Solicit List.

23 (a) Creation.--The commission shall create and maintain a
24 public list of real property owners who have expressed a desire
25 to not be solicited to sell or rent the property owner's real
26 property in accordance with the following:

27 (1) This list shall be known as the "Do-Not-Solicit
28 List."

29 (2) A real property owner who appears on the list may
30 request in writing that the commission remove the real

1 property owner's name from the Do-Not-Solicit List.

2 (3) The commission shall remove the real property
3 owner's name from the list within 30 days of the request.

4 (b) Inclusion on list.--The inclusion on the list of any
5 real property owner shall be deemed a desire not to sell or rent
6 the homeowner's real property and a desire not to be solicited.

7 Section 6. Unlawful actions.

8 (a) Solicitation.--It shall be unlawful for a licensee to
9 solicit a real property from a homeowner on the list.

10 (b) Statements.--A licensee or applicant may not, in the
11 course of soliciting residential property, do any of the
12 following:

13 (1) Knowingly make a material misrepresentation, a false
14 promise, untruthful advertisement or engage in any conduct
15 which demonstrates bad faith, dishonesty, untrustworthiness
16 or incompetency.

17 (2) Knowingly give false or misleading information when
18 completing a license application or when providing changes of
19 information to the commission.

20 (c) Refusal or revocation of license.--A history of
21 violation of the prohibited conduct listed in this section will
22 be cause for refusal or revocation of a license or renewal.

23 Section 7. Enforcement.

24 (a) Unlicensed residential property wholesalers.--An
25 agreement of sale entered into by a residential property
26 wholesaler who is unlicensed at the time of the solicitation may
27 be rescinded at any time prior to the transfer of the title to
28 the homeowner's property at the sole option of the homeowner. A
29 homeowner may bring a civil action in court against the
30 residential property wholesaler.

1 (b) Other violations.--A violation of any other provision of
2 this act shall be considered a violation of the act of February
3 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and
4 Registration Act, and shall be subject to any penalty contained
5 therein.

6 Section 8. Inapplicability.

7 This act does not apply in cities of the first class.

8 Section 9. Effective date.

9 This act shall take effect in 60 days.