

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5572

AN ACT CONCERNING REAL ESTATE WHOLESALERS AND REAL ESTATE

Title: WHOLESALE CONTRACTS.

Vote Date: 3/24/2025

Vote Action: Joint Favorable

PH Date: 2/26/2025

File No.:

Disclaimer: *The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

General Law Committee

Rep. Joseph Zullo, 99th Dist.

Rep. Jason Doucette, 13th Dist.

Sen. Paul Cicarella, 34th Dist.

REASONS FOR BILL:

House Bill 5572 establishes parameters for real estate wholesalers, in that they must (1) receive a license to wholesale in the state of Connecticut, and (2) upon entrance into wholesale contract, abide by regulations adopted in the statute and by the Commissioner of Consumer Protection. The legislature recognized the increase in wholesaling since the pandemic, and along with it, predatory sales practices and homeowner contract issues. This piece of legislation is designed to ensure wholesalers receive the proper approval from the Commissioner of Consumer Protection to conduct business in the state of Connecticut, as well as ensure contracts are transparent and are easily cancellable within a properly allotted time with no penalty or obligation for the contractee.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Bryan Cafferelli, Commissioner, Department of Consumer Protection](#) submitted testimony with general comments about the bill. He states that DCP does not have concerns operationalizing the licensing and enforcement of the wholesaling industry. He describes that the resources necessary for DCP to create and manage oversight are not currently within the Governor's proposed budget.

NATURE AND SOURCES OF SUPPORT:

[Cindy Butts, CEO, CT Realtors](#)

[Steven Miller, President, CT Realtors](#)

[Carl Lantz, Former President, CT Realtors](#)
[Joanne Breene, Former President, CT Realtors](#)

These individuals all submitted written testimony on behalf of CT Realtors in support of this legislation with changes. They each provide many examples of consumers' issues with wholesalers, and why unregulated wholesaling can cause issues. One of these issues is that consumers who enter into agreements with wholesalers may be elderly, financially struggling, or unknowledgeable about real estate prices. When unregulated, wholesalers can take advantage of these traits. They state that the wholesale industry must be licensed and regulated. The CT Realtors provide their proposed changes to the legislation in Carl Lantz's testimony.

[Josh Cunningham, Citizen](#)
[Will Gonzalez, Citizen](#)
[Jon Jaw, Citizen](#)
[Anonymous, Anonymous](#)

These individuals submitted testimony in general support for this legislation to protect ethics, fairness, transparency, and the consumer in wholesaling agreements.

NATURE AND SOURCES OF OPPOSITION:

[Ian Drumheller, Acquisition Specialist](#) submitted extensive testimony in opposition to HB 5572. He believes this bill imposes bureaucratic hurdles, limits economic opportunity, and does not address current issues in the real estate industry. He argues, rather, that wholesaling provides homeowners with a fast and flexible alternative to standard real estate practices, and that the bill will only protect the commissions of licensed real estate professionals.

[Matt Esposito, Real Estate Investor](#) submitted testimony in opposition to the bill. He believes the legislation constrains consumer choice and unfairly benefits realtors. He finally notes that wholesalers help revitalize neglected properties, and there are already protections put in place against unethical wholesaling practices.

[Jonathan Perlich, Member, QRM LLC](#) wrote to oppose HB 5572. In his testimony, he listed general concerns with the bill as it relates to wholesaling regulation. These were that the bill may have unintended consequences for the wholesaling industry such as barriers to economic development and potential over-regulatory harm to property owners. Perlich recommends that the legislature instead develops a wholesaling regulatory framework, consider stakeholders in further discussion, and support the education of ethical practices that do not impose entry barriers for the industry.

[Samuel Eddinger, Owner](#) described his opposition for HB 5572 through written testimony. He outlined his belief that providing "strongly-worded disclaimers" in the wholesaling contracts may instead elicit confusion or alarm for potential contractees. Additionally, he stated that the proposed \$285 licensing fee is excessive and can bar potential access to wholesaling practices for those who are struggling financially.

[Gabrielle Peters](#) submitted testimony in opposition to this bill. She states that HB 5572 will have unintended consequences for both buyers and sellers. She continues, stating that it will restrict opportunity and limit options for financially struggling consumers. Instead, she recommends that there should be a focus on education and transparency.

[Joseph Fiorella, Real Estate Investor](#) opposes HB 5572. He describes how the introduction of the 10-day cancellation period would be detrimental to the wholesaling industry. With this new rule, Fiorella states that wholesaling companies would no longer be able to front costs of moving/relocating for homeowners who need to sell their house quickly for emergency reasons.

[Ryan Lutrario, Attorney, Savage Law Partners](#) submitted opposition to the bill as it relates to the 10-day cancellation period and the 70-day closing date regulation. He believes that as currently written, the periods could allow for what he calls the "stalking horse bid concept," in which a seller can take an offer to various buyers, leaving transactions open-ended, and not clarifying which seller is under contract. Additionally, he believes that the 70-day closing date could present the industry with issues, as sellers are not always responsive, there may be special requirements for tenants, and general issues regarding work to be performed, title, and marketing. Instead, Lutrario recommends that the regulations should focus on disclosures rather than time limits.

[Adam Devine, Real Estate Broker](#) wrote in opposition to the bill. He believes the bill is unnecessary government overreach, negatively impacts consumers, and states that existing laws are sufficient in tackling fraudulent and deceptive practices.

[Conor Callahan, General Contractor, Callahan Contractors](#) submitted opposition to this bill as it would create unnecessary barriers to wholesaling practices. His testimony outlines his belief that the regulations would constrain and limit his work and client opportunities, as well as create an increase in vacant properties. He states that in combination, the regulations would harm communities.

[Anthony D'Amore, Sales Associate & Wholesaler, Keller Williams](#) submitted testimony in opposition to HB 5572. He describes how, in his opinion, overregulating wholesalers will also impact the service to sellers who do not have the resources or time necessary to sell their properties through conventional methods. He explains how many of the property owners that wholesalers assist face situations such as foreclosure, significant repairs, probate complications, or are just struggling financially. In passing this bill, he states that it can put the wholesaling industry in jeopardy, potentially leaving homeowners to face distressing situations.

[Lorena Alvarez](#) submitted testimony in opposition to the bill. She believes that it would place an unnecessary restriction on free-market real estate practices. She states that wholesaling is beneficial to homeowners by granting them more opportunities, helping improve their communities, and creating more economic opportunity.

[Ruben Vallejo, Broker, Golden Ribbon Realty](#) opposes this bill. He states that the regulations would pressure real estate agents to become wholesalers, harm homeowners in difficult situations, lead to a market decline, and provide an unfair advantage for agents and attorneys, and contribute to urban decline.

[Geronimo Valdez, Manager, Valdez Real Estate Solution](#)
[Joseph Tracy](#)
[Garey A, Real Estate Investor](#)
[Anonymous, Broker](#)
[Anonymous](#)
[Tyler Amann, Better Buyer USA](#)
[Anonymous](#)
[Anonymous](#)
[Antonio Batista](#)
[Fernando Branco, Enterprenuer](#)
[Eric Cajamarca, Acquisition Specialist](#)
[Joao Calado](#)
[Andres Bernal, Sky Circle LLC](#)
[Mendel Deitsch, Real Estate Investor, Briet Realty](#)
[Levi Fancher](#)
[Leo Ferland](#)
[Brandon Fratta, Investor](#)
[Martin Garcia](#)
[Christopher Frione](#)
[Candida Gomes](#)
[Tedlah Haile](#)
[Caleb Hester, Resident](#)
[Hamlet Jaquez](#)
[Brian Keane](#)
[Robert Lachance, Real Estate Agent/Investor](#)
[Nicholas Lombardi](#)
[Bobby Lachance](#)
[Jeffery Miller](#)
[Mike P.](#)
[Mike Monteiro, M3 Management](#)
[Maria Santos](#)
[Abraham Meer](#)
[Cliff Porter](#)
[Joseph Mazzaccaro](#)
[Ethan Raymond](#)
[Jason Rodrigues, Offer CT LLC](#)
[Drew Tarantino, Small Business Owner](#)
[Tracy Monaco, Transaction Coordinator, Purch Rock](#)
[Nikoll Selca](#)
[Justin Sudol](#)
[Ryan Mikolajczak](#)
[Michelle Lorenzetti, Broker, Premier RE](#)
[Orlando Oliveira](#)
[Jacob Kegel](#)
[Joe Ireland](#)
[Frank Gomes](#)

[Raymond Devine, Lender](#)
[Joseph Tracey](#)
[Gloria Vaz](#)
[Tony Vaz](#)
[Ty W., Real Estate](#)
[Susan Woytowicz](#)
[Dante Zapata](#)
[Eric Cajamarca, Acquisition Specialist](#)
[Anonymous, Anonymous](#)
[Anonymous, Anonymous](#)
[Anonymous, Anonymous](#)
[Anonymous, Anonymous](#)
[Anonymous, Anonymous](#)

These individuals and organizations provided general opposition to the bill.

Reported by: Michael Flynn

Date: 3/31/2025