



General Assembly

Amendment

January Session, 2025

LCO No. 10036



Offered by:
REP. LEMAR, 96th Dist.

To: Subst. House Bill No. **5572**

File No. 588

Cal. No. 362

***"AN ACT CONCERNING REAL ESTATE WHOLESALERS AND
REAL ESTATE WHOLESALE CONTRACTS."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2026*) As used in this section and
4 sections 2 to 8, inclusive, of this act:

5 (1) "Commissioner" means the Commissioner of Consumer
6 Protection;

7 (2) "Department" means the Department of Consumer Protection;

8 (3) "Person" has the same meaning as provided in section 20-311 of
9 the general statutes;

10 (4) "Prospective seller" means any person who communicates with a
11 real estate wholesaler in contemplation of entering into a real estate
12 wholesale contract;

13 (5) "Real estate broker" has the same meaning as provided in section
14 20-311 of the general statutes;

15 (6) "Real estate salesperson" has the same meaning as provided in
16 section 20-311 of the general statutes;

17 (7) "Real estate wholesaler" means a person who enters into a real
18 estate wholesale contract for the purpose of facilitating or orchestrating
19 the sale of a seller's residential real property to a third party without
20 assuming title to such property;

21 (8) "Real estate wholesale contract" means an agreement between a
22 real estate wholesaler and the seller of residential real property in which
23 the real estate wholesaler agrees, or reasonably expects or intends, to,
24 for compensation and without assuming title to such property, facilitate
25 or orchestrate the sale of such property to a third party; and

26 (9) "Residential real property" has the same meaning as provided in
27 section 20-311 of the general statutes.

28 Sec. 2. (NEW) (*Effective July 1, 2026*) (a) (1) No person shall act as a
29 real estate wholesaler in this state unless the Department of Consumer
30 Protection has issued a real estate wholesaler registration to such person
31 pursuant to this section.

32 (2) A person may simultaneously hold a real estate broker license or
33 real estate salesperson license under chapter 392 of the general statutes
34 and a real estate wholesaler registration issued pursuant to this section.

35 (b) (1) A person seeking an initial real estate wholesaler registration
36 under this section shall submit a completed application to the
37 Department of Consumer Protection in a form and manner prescribed
38 by the Commissioner of Consumer Protection. Each completed
39 application submitted to the department under this subdivision shall be
40 accompanied by a nonrefundable application fee in the amount of two
41 hundred eighty-five dollars. Each initial real estate wholesaler
42 registration issued pursuant to this subdivision shall be valid for a

43 period not to exceed two years.

44 (2) Each initial real estate wholesaler registration issued pursuant to
45 subdivision (1) of this subsection may be renewed for successive two-
46 year periods by submitting a completed registration renewal
47 application to the department in a form and manner prescribed by the
48 commissioner. Each completed registration renewal application
49 submitted to the department under this subdivision shall be
50 accompanied by a nonrefundable renewal fee in the amount of two
51 hundred eighty-five dollars.

52 Sec. 3. (NEW) (*Effective July 1, 2026*) (a) Each real estate wholesale
53 contract shall, at a minimum, include a provision providing (1) the seller
54 with a three-business-day period within which the seller may, in the
55 seller's discretion and at the seller's expense, review the terms of such
56 contract with an attorney or other advisor, and (2) that the seller may
57 cancel such contract during such three-business-day period without
58 providing any reason for such cancellation or incurring any penalty or
59 obligation, except to return any deposit the real estate wholesaler paid
60 to the seller.

61 (b) No real estate wholesale contract shall provide for a closing date
62 that is more than ninety days after the date on which all parties to such
63 contract executed such contract. The parties to the real estate wholesale
64 contract may agree to extend such ninety-day period, provided such
65 extension is made in writing and signed by all parties to such contract.
66 In the absence of any such extension, the real estate wholesale contract
67 shall automatically terminate upon expiration of such ninety-day
68 period.

69 (c) Any real estate wholesaler seeking to sell or assign a real estate
70 wholesale contract to a third party shall, prior to such sale or
71 assignment, provide to the third party:

72 (1) A written notice (A) disclosing all of such third party's rights, as
73 set forth in the real estate wholesale contract with the seller, and (B)

74 identifying such real estate wholesaler as a real estate wholesaler who
75 holds a future interest in the purchase of the residential real property
76 but does not hold title to such property; and

77 (2) The written residential condition report that the seller of the
78 residential real property provided to such real estate wholesaler
79 pursuant to subdivision (1) of section 4 of this act.

80 Sec. 4. (NEW) (*Effective July 1, 2026*) A seller of residential real
81 property shall, prior to entering into a real estate wholesale contract
82 with a real estate wholesaler concerning such property:

83 (1) Provide to the real estate wholesaler a written residential
84 condition report concerning such property that satisfies the
85 requirements established in section 20-327b of the general statutes; and

86 (2) Satisfy all relevant reporting requirements required by federal
87 law.

88 Sec. 5. (NEW) (*Effective July 1, 2026*) (a) On and after October 1, 2026,
89 a real estate wholesaler shall, prior to executing a real estate wholesale
90 contract with a prospective seller of residential real property, provide to
91 the prospective seller the written wholesale disclosure report developed
92 by the Commissioner of Consumer Protection pursuant to subsection
93 (b) of this section. The real estate wholesaler may deliver such written
94 wholesale disclosure report to the prospective seller by electronic
95 means.

96 (b) Not later than September 30, 2026, the Commissioner of
97 Consumer Protection shall, within available appropriations, develop
98 and post on the Department of Consumer Protection's Internet web site
99 a written wholesale disclosure report. Such report shall:

100 (1) Be in a form and manner prescribed by the Commissioner of
101 Consumer Protection;

102 (2) Be published (A) on one or more pages, each of which shall be

103 numbered and not larger than eight and one-half inches in width and
104 eleven inches in height, and (B) in at least nine-point type, except
105 checkboxes and section headings may be published in a smaller point
106 type;

107 (3) Include (A) the address of the residential real property that is the
108 subject of such report on each page of such report, (B) section headings
109 in bold type, and (C) space for the purchaser's and the seller's initials on
110 each page of such report, except the signature page of such report; and

111 (4) Include the following, in a form and manner prescribed by the
112 commissioner, in the order indicated:

113 (A) The following language:

114 "Notice to Sellers: What to Know About Wholesale Transactions

115 If you are considering selling your property through a wholesale
116 transaction, please be aware of the following:

117 1. The real estate wholesaler may not be the person or entity
118 purchasing your property, and you may be granting them the right to
119 sell your property to another person or entity.

120 2. During the contract period, the real estate wholesaler may market
121 your property for sale.

122 3. A real estate wholesaler may reasonably expect or intend to make
123 a profit, or receive compensation through an assignment fee, from
124 selling, assigning or transferring their interest in the real estate
125 wholesale contract.

126 4. As the seller, the terms of your agreement with a real estate
127 wholesaler may provide the real estate wholesaler with the ability to
128 make decisions to reject or accept an offer to purchase your property
129 without your knowledge or consent during the term of the real estate
130 wholesale contract.

131 5. The assessed value of a property, as assessed by a town, is not the
132 same as the fair market value of the property, and may be significantly
133 less than the fair market value of the property.

134 6. You are advised and have the right to investigate the fair market
135 value of your property before signing a real estate wholesale contract.
136 The sale price of your property is negotiable.

137 7. You may, in your discretion and at your expense, have an attorney
138 or other advisor review the terms of a real estate wholesale contract, or
139 have an appraiser assess the value of your property.

140 8. You may cancel a real estate wholesale contract during the three-
141 business-day period beginning when you enter into the contract
142 without providing any reason or incurring any penalty or obligation,
143 except to return any deposit the real estate wholesaler paid to you.

144 9. If the real estate wholesaler is a real estate broker or a real estate
145 salesperson, the real estate wholesaler must disclose to you who he or
146 she represents and what fiduciary duties, if any, are owed to you in the
147 wholesale transaction.

148 10. As the seller, you are required to provide certain property
149 condition and lead paint disclosures under state and federal law. These
150 disclosures must be completed as part of the transaction.

151 11. A real estate wholesale contract may not have a closing date that
152 is more than ninety days after all parties sign the contract. However, you
153 may agree to extend the ninety-day period, provided the extension is in
154 writing and signed by you and the real estate wholesaler. If you do not
155 extend the contract, the contract will automatically terminate at the end
156 of the ninety-day period.

157 Please read the terms in the real estate wholesale contract to
158 understand all of your rights and obligations thereunder, including:

159 (A) How prospective purchasers of your property may have access to

160 your property for showings, inspections or for other transactional
161 details;

162 (B) What additional costs you may be charged at the time of closing,
163 such as a seller's conveyance tax or other closing-related fees; and

164 (C) If you have any right to cancel the contract prior to closing in
165 addition to your right to cancel the contract during the three-business-
166 day period beginning when you enter into the contract.

167 All sellers in real estate transactions should consult with appropriate
168 professionals to understand their rights and obligations and the various
169 implications of a real estate transaction."

170 (B) An acknowledgment in the following form:

171 "I acknowledge that I have received and understand this disclosure
172 notice.

173 Signature of Seller

174 Seller's street address, municipality, zip code

175 Date:

176 Signature of Wholesaler

177 Date:".

178 Sec. 6. (NEW) (*Effective July 1, 2026*) (a) No person shall record, or
179 cause to be recorded, on the land records of any town any real estate
180 wholesale contract, any notice or record thereof or any documentation
181 that purports to create any lien or encumbrance upon, or other security
182 interest in, the residential real property that is the subject of such real
183 estate wholesale contract. A real estate wholesaler shall not file a
184 purchaser's lien, as set forth in section 49-92a of the general statutes,
185 related to a real estate wholesale contract. If any such contract, notice,
186 record, documentation or lien is recorded on the land records of any

187 town related to the residential real property that is the subject of such
188 contract, such contract, notice, record, documentation or lien shall not
189 be deemed to provide actual or constructive notice to an otherwise bona
190 fide purchaser or creditor of such property.

191 (b) Notwithstanding the provisions of section 7-24 of the general
192 statutes, a town clerk may refuse to receive for recording any real estate
193 wholesale contract, notice, record or documentation described in
194 subsection (a) of this section.

195 (c) If a real estate wholesale contract, or any notice or record thereof,
196 is recorded with respect to any residential real property, the owner of
197 such property, or any person having knowledge of facts affecting such
198 property, may effectuate a release of any rights purported to be created
199 by the recordation of such contract, notice or record by recording an
200 affidavit of facts in accordance with section 47-12a of the general statutes
201 setting forth the facts related to the recordation of such contract, notice
202 or record. Upon the recordation of said affidavit, any filing providing
203 notice of the real estate wholesale contract shall be void and
204 unenforceable.

205 Sec. 7. (NEW) (*Effective July 1, 2026*) The Commissioner of Consumer
206 Protection may adopt regulations, in accordance with the provisions of
207 chapter 54 of the general statutes, to implement the provisions of
208 sections 2 to 6, inclusive, of this act.

209 Sec. 8. (NEW) (*Effective July 1, 2026*) Any violation of the provisions
210 of sections 2 to 6, inclusive, of this act shall be deemed an unfair or
211 deceptive trade practice under subsection (a) of section 42-110b of the
212 general statutes."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	New section
Sec. 2	July 1, 2026	New section
Sec. 3	July 1, 2026	New section

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Sec. 2	July 1, 2026	New section
Sec. 3	July 1, 2026	New section

Sec. 4	<i>July 1, 2026</i>	New section
Sec. 5	<i>July 1, 2026</i>	New section
Sec. 6	<i>July 1, 2026</i>	New section
Sec. 7	<i>July 1, 2026</i>	New section
Sec. 8	<i>July 1, 2026</i>	New section