

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 797

Short Title: Residential Property Wholesaling Protection. (Public)

Sponsors: Representatives Howard, Tyson, Biggs, and K. Hall (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Housing and Development, if favorable, Regulatory Reform, if favorable, Rules,
Calendar, and Operations of the House

April 8, 2025

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE NORTH CAROLINA REAL ESTATE
LICENSE LAW TO CLARIFY THAT RESIDENTIAL PROPERTY WHOLESALING
AND RELATED TRANSACTIONS CONSTITUTE REAL ESTATE BROKERAGE
ACTIVITY THAT REQUIRES LICENSURE AND TO PROVIDE HOMEOWNERS WITH
A RIGHT TO CANCEL SUCH TRANSACTIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 93A-2 reads as rewritten:

"§ 93A-2. Definitions and exceptions.

(a) A real estate broker within the meaning of this Chapter is any person, partnership, corporation, limited liability company, association, or other business entity who for a compensation or valuable consideration or promise thereof lists or offers to list, sells or offers to sell, buys or offers to buy, auctions or offers to auction (specifically not including a mere crier of sales), or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or who sells or offers to sell leases of whatever character, or rents or offers to rent any real estate or the improvement thereon, for others. A real estate broker within the meaning of this Chapter also includes any person, partnership, corporation, limited liability company, association, or other business entity who engages in residential property wholesaling or related transactions.

...

(a3) "Residential property wholesaling or related transactions" means any of the following acts:

- (1) Soliciting a homeowner to enter into a purchase contract for the sale of the homeowner's residential property, unless the residential property will be used as the residence of the soliciting party.
- (2) Marketing, assigning, or selling a purchase contract for residential property or the equitable interest in the residential property to another, for a fee or other valuable consideration.
- (3) Selling or offering to sell, buying or offering to buy, negotiating, or otherwise dealing in contracts for residential property or the equitable interest in residential property, or options on residential property or improvements thereon.

(a4) For purposes of this Chapter, "homeowner" means the record owner or owners or equitable owner or owners of a residential property.



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(a5) For purposes of this Chapter, "residential property" means real property containing one or more dwelling units legally used or held out for individuals to live in, regardless of whether such property is occupied by the owners of said property, rented, or vacant.

(a6) For purposes of this Chapter, "soliciting" means to communicate with a homeowner through mail, telephone, in-person oral communication, or electronic communication for the purpose of offering to enter into a purchase contract for the homeowner's residential property.

...."

SECTION 1.(b) Chapter 93A of the General Statutes is amended by adding a new Article to read:

"Article 8.

"Residential Property Wholesaling and We Buy Houses Homeowner Protection Act.

"§ 93A-89.1. Purposes.

This Article is intended to protect homeowners from the unfair and deceptive practices involved in residential property wholesaling and related transactions, in which homeowners are not provided with accurate information regarding the fair market value of their homes or the monetary incentives of the person or entity soliciting them to sign a purchase contract.

"§ 93A-89.2. Right to cancel residential property wholesaling and related transactions.

(a) A homeowner who is party to a residential property wholesaling or related transaction, as defined in G.S. 93A-2(a3), shall have the right to cancel the purchase contract until midnight of the thirtieth day after the date when the homeowner executed the contract or until conveyance of the deed or title, whichever occurs first. The right to cancel the purchase contract shall not be waivable.

(b) Notice of cancellation shall be given by certified return receipt mail or by any other bona fide means of delivery, including electronic delivery or personal delivery, provided that the homeowner obtains a receipt. A notice of cancellation given by a bona fide means of delivery shall be effective on the date postmarked, the date of electronic transmission, or on the date of deposit of the notice with any bona fide means of delivery.

(c) Within 10 business days after the receipt of the notice of cancellation, all payments of any kind made by the homeowner shall be refunded to the homeowner and an acknowledgment that the purchase contract is void shall be sent by the broker or salesperson to the homeowner. In the event of a cancellation under this section, any earnest money paid to the homeowner shall remain the property of the homeowner.

(d) A homeowner who exercises the right of cancellation shall not be liable for any damages as a result of the exercise of that right.

(e) The purchase contract used by a person or entity engaging in a residential property wholesaling or related transaction, as defined in G.S. 93A-2(a3), shall include the following information in at least 14-point font, immediately above the homeowner's signature:

(1) A statement that the homeowner has the right to cancel the purchase contract until midnight of the thirtieth day after the date when the homeowner executed the contract or until conveyance of the deed or title, whichever occurs first, by certified return receipt mail or by any other bona fide means of delivery, including electronic delivery or personal delivery, provided that the homeowner obtains a receipt.

(2) The mailing address, electronic mail address, and physical address where the homeowner can cause a notice of cancellation to be delivered.

(3) A statement that within 10 business days after the receipt of a notice of cancellation, all payments of any kind made by the homeowner shall be refunded to the homeowner, and the homeowner shall not be liable for any damages as a result of exercising the right to cancel.

(f) The wholesaler shall provide the homeowner with an exact copy of the contract, containing all of the disclosures required by subsection (e) of this section, at the time the homeowner signs the contract.

"§ 93A-89.3. Unfair or deceptive acts.

Failure of an entity engaging in residential property wholesaling or related transactions to provide homeowners with the right to cancel, as set forth in G.S. 93A-89.2, or engaging in violations of G.S. 93A-6(a) constitutes per se unfair or deceptive trade practices under G.S. 75-1.1. Any party aggrieved by this failure to provide the requisite right to cancel or by the violations of G.S. 93A-6(a) may bring a cause of action and is entitled to the relief available in Chapter 75 of the General Statutes. Any recoveries available under Chapter 75 of the General Statutes will not be offset by any consideration paid to the homeowner in connection with the unfair residential property wholesaling or related transaction. The Attorney General is hereby empowered to enforce this section as allowed by Chapter 75 of the General Statutes."

SECTION 2. Rulemaking. – The North Carolina Real Estate Commission may adopt rules to implement the provisions of Section 1 of this act.

SECTION 3. Effective Date. – This act becomes effective October 1, 2025, and applies to purchase contracts entered into on or after that date.