

2026 Regular Session

HOUSE BILL NO. 468

BY REPRESENTATIVE HEBERT

REAL ESTATE: Provides with respect to the wholesale of residential real properties

1 AN ACT

2 To enact R.S. 37:1431 (35) through (37) and 1448.5, relative to the wholesale of residential
3 real properties; to provide for definitions; to provide relative to wholesalers; to
4 provide for disclosures from a wholesaler; to provide for written agreements and
5 contracts; to provide for written notice; to provide for enforcement; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 37:1431 (35) through (37) and 1448.5 are hereby enacted to read as
9 follows:

10 §1431. Definitions

11 As used in this Chapter, the following words have the meaning ascribed to
12 them in this Section unless the context clearly indicates otherwise:

13 * * *

14 (35) "Residential real property" means real property consisting of one or not
15 more than four residential dwelling units, which are buildings or structures each of
16 which is occupied or intended for occupancy as single family residences.

17 (36) "Wholesaler" means any person or entity that is either engaged in or
18 intends to engage in the wholesaling of residential real property.

1 (37) "Wholesaling" means securing, negotiating, or facilitating the purchase
2 or sale of residential real property with the purpose of transferring, assigning, or
3 selling a contractual right to purchase or any other equitable interest in the residential
4 real property, whether directly or indirectly, for financial gain. The marketing for
5 sale of the contractual rights or other equitable interests constitutes a presumption
6 that the person or entity marketing or selling the rights or interests is engaged in
7 wholesaling. "Wholesaling" includes but is not limited to the following:

8 (a) Entering into a contract to purchase residential real property with the
9 intent of assigning or selling the contractual rights to another party before taking
10 possession or legal ownership of such residential real property.

11 (b) Simultaneously consummating or closing two separate transactions
12 relative to the same residential real property, including one transaction with the
13 original owner and seller of the residential real property and another transaction with
14 the end buyer, without the intent to reside in, occupy, or otherwise materially
15 improve the residential real property.

16 * * *

17 §1448.5. Wholesale agreements; residential real property

18 A. A wholesaler shall prominently disclose all of the following in writing to
19 the seller of residential real property, which is the subject of wholesaling, before the
20 execution of each related contract or written agreement:

21 (1) That the wholesaler has an intent to assign, transfer, convey, or sell the
22 wholesaler's contractual rights to, or equitable interest in, the subject residential real
23 property for a higher price than what is offered to the seller, or will otherwise market
24 the wholesaler's contractual rights or equitable interests for financial gain.

25 (2) That the seller should seek legal advice before signing each contract or
26 written agreement relative to the seller's residential real property.

27 (3) That the seller has the right to cancel any contract or written agreement
28 relative to the seller's residential real property for any reason and without penalty for
29 at least five calendar days after the execution of each related contract or written
30 agreement.

1 B. A wholesaler shall not directly or indirectly do any of the following:

2 (1) Act or purport to act as an advisor or consultant or in any other manner
3 represent that the wholesaler is acting on behalf of the seller whether pursuant to a
4 mandate, power of attorney, or otherwise.

5 (2) Represent himself as holding any license or certification or being a
6 member of a licensed profession without possession of the license or certification.

7 (3) Impose, file, record, or place any lien, privilege, mortgage, or other
8 encumbrance on the residential real property, which is the subject of wholesaling, or
9 otherwise cloud the title of such property.

10 (4) Engage in any deceptive or unfair trade practice involving residential real
11 property or the execution of unlawful real estate service agreements in violation of
12 R.S. 51:1429.

13 C.(1) Any seller that enters into a contract or written agreement involving
14 wholesaling has the right to cancel the contract or written agreement for any reason
15 and without penalty for at least five calendar days after the date of execution of each
16 related contract or written agreement by either the seller or the wholesaler,
17 whichever is later.

18 (2)(a) Any contract or written agreement involving wholesaling shall
19 conspicuously include the date and time by which the contract or written agreement
20 may be canceled by the seller. The date and time shall be included within a notice
21 which shall be located in immediate proximity to the space reserved for the seller's
22 signature and shall contain the following language:

23 "NOTICE REQUIRED BY LOUISIANA LAW: You may cancel this
24 contract at any time before 11:59 PM of [Insert Date]. [Insert Name of Wholesaler]
25 CANNOT ask you to sign or have you sign any cash sale, conveyance or deed, or
26 any other document until your right to cancel this contract has ended. See the
27 attached notice of cancellation form for an explanation of this right. It is advisable
28 that you find your own attorney before signing the contract. The law requires this
29 contract to contain the entire agreement. You should not rely upon any other written
30 or oral agreement or promise."

1 **(b) The commission shall publish and maintain a mandatory cancellation**
2 **notice form on its website, which shall include, at a minimum, the language required**
3 **by this Paragraph.**

4 **(c) A wholesaler shall include the mandatory cancellation notice form**
5 **required by this Paragraph at no cost to the seller with each contract or written**
6 **agreement involving wholesaling.**

7 **D.(1) Failure to include any of the required disclosures outlined in this**
8 **Section or any other violation of this Section shall render the contract or written**
9 **agreement involving wholesaling immediately voidable and terminable at any time**
10 **prior to transfer of title of the residential real property by the seller, at the seller's**
11 **sole discretion.**

12 **(2) Upon seller's written notice to the wholesaler of the seller's election to**
13 **void and terminate such contract or written agreement pursuant to Paragraph (1) of**
14 **this Subsection, the contract or written agreement shall be invalid and unenforceable**
15 **by the wholesaler.**

16 **E.(1) Upon a termination exercised by a seller in accordance with this**
17 **Section, the seller shall be entitled to receive any earnest money deposit involved in**
18 **the wholesaling transaction. Upon a termination by the seller prior to the expiration**
19 **of the rescission period outlined in this Section, the wholesaler shall be entitled to**
20 **receive a full return of any earnest money deposit involved in the wholesaling**
21 **transaction.**

22 **(2) Any earnest money deposit or security deposit involved in a wholesaling**
23 **transaction shall be kept in either the account of the seller or an escrow account**
24 **maintained in this state with a federally insured financial institution.**

25 **(3) Any contract or written agreement involving wholesaling shall include**
26 **an earnest money deposit of not less than one percent of the purchase price, which**
27 **shall be held in escrow in accordance with this Section.**

28 **F. Any violation of this Section shall constitute both an unfair trade practice,**
29 **which may be enforced by the attorney general, public protection division, consumer**

1 protection section, and a violation of this Chapter, which may be enforced by the
 2 commission.

3 G. In addition to any other remedy provided by law, any person who violates
 4 the provisions of this Section shall be subject to a civil penalty not to exceed five
 5 thousand dollars per violation to be imposed and collected by the commission.

6 Section 2. The provisions of this Act shall not apply to any contracts or written
 7 agreements, regarding the wholesaling of residential real property, that were completed prior
 8 to the effective date of this Act.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 468 Reengrossed

2026 Regular Session

Hebert

Abstract: Provides relative to the wholesale of residential real property.

Present law provides for definitions for the "Louisiana Real Estate License Law".

Proposed law adds the definitions of "residential real property", "wholesaler", and "wholesaling".

Proposed law provides for what a wholesaler shall prominently disclose in writing to the seller of residential real property, which is the subject of wholesaling, before the execution of each related contract or written agreement.

Proposed law provides that a wholesaler shall not directly or indirectly do any of the following:

- (1) Act or purport to act as an advisor or consultant or in any other manner represent that the wholesaler is acting on behalf of the seller, whether pursuant to a mandate, power of attorney, or otherwise.
- (2) Represent himself as holding any license or certification or being a member of a licensed profession without possession of the license or certification.
- (3) Impose, file, record, or place any lien, privilege, mortgage, or other encumbrance on the residential real property, which is the subject of wholesaling, or otherwise cloud the title of such property.
- (4) Engage in any deceptive or unfair trade practice involving residential real property or the execution of unlawful real estate service agreements in violation of present law.

Proposed law provides that a seller who enters into a contract or written agreement involving wholesaling has the right to cancel the contract or written agreement for any reason and without penalty.

Proposed law provides what shall be included in any contract or written agreement involving wholesaling.

Proposed law requires the La. Real Estate Commission (commission) to publish and maintain a mandatory cancellation notice form on its website which shall include, at a minimum, the language required by proposed law.

Proposed law provides that a wholesaler shall include the mandatory cancellation notice form required by proposed law at no cost to the seller with each contract or written agreement involving wholesaling.

Proposed law provides that failure to include any of the required disclosures outlined in proposed law or any other violation of proposed law shall render the contract or written agreement involving wholesaling immediately voidable and terminable at any time prior to transfer of title of the residential real property by the seller, at the seller's sole discretion.

Proposed law provides that upon the seller's written notice to the wholesaler of the seller's election to void and terminate such contract or written agreement pursuant to proposed law, the contract or written agreement shall be invalid and unenforceable by the wholesaler.

Proposed law provides that upon a termination exercised by the seller in accordance with proposed law, the seller is entitled to receive any earnest money deposit involved in the wholesaling transaction and that upon a termination by the seller prior to the expiration of the rescission period outlined in proposed law, the wholesaler is entitled to receive a full return of any earnest money deposit involved in the wholesaling transaction.

Proposed law provides that any earnest money deposit or security deposit involved in a wholesaling transaction shall be kept in either the account of the seller or an escrow account maintained in this state with a federally insured financial institution.

Proposed law provides that any contract or written agreement involving wholesaling includes an earnest money deposit of not less than 1% of the purchase price, which shall be held in escrow in accordance with proposed law.

Proposed law provides that any violation of proposed law constitutes both an unfair trade practice, which may be enforced by the attorney general, public protection division, consumer protection section, and a violation of present and proposed law which may be enforced by the commission.

Proposed law provides that, in addition to any other remedy provided by law, any person who violates the provisions of proposed law is subject to a civil penalty not to exceed \$5000 per violation to be imposed and collected by the commission.

Proposed law provides that the provisions of proposed law do not apply to any contracts or written agreements, regarding the wholesaling of residential real property, that were completed prior to the effective date of proposed law.

(Adds R.S. 37:1431(35)-(37) and 1448.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Add that any contract or written agreement involving wholesaling shall include an earnest money deposit of not less than 1% of the purchase price, which shall be held in escrow in accordance with proposed law.

2. Add that in addition to any other remedy provided by law, any person who violates the provisions of proposed law shall be subject to a civil penalty not to exceed \$5000 per violation to be imposed and collected by the commission.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Change the cancellation without penalty period for a wholesaling agreement from 14 calendar days to five calendar days.
3. Clarify that upon a termination exercised by a seller in accordance with any provision of proposed law, the seller shall be entitled to receive any earnest money deposit involved in the wholesaling transaction.
4. Add that upon a termination by the seller prior to the expiration of the rescission period outlined in proposed law, the wholesaler shall be entitled to receive a full return of any earnest money deposit involved in the wholesaling transaction.