

RÉSUMÉ DIGEST

ACT 807 (HB 468)

2026 Regular Session

Hebert

New law provides relative to the wholesale of residential property.

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

New law defines "residential real property", "wholesaler", and "wholesaling".

New law provides 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.

New 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 existing law.

New 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 for a certain period of time.

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

New 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 new law.

New law requires the wholesaler to include the mandatory cancellation notice form required by new law at no cost to the seller with each contract or written agreement involving wholesaling.

New law provides that failure to include any of the required disclosures outlined in new law or any other violation of new 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.

New 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 new law, the contract or written agreement shall be invalid and unenforceable by the wholesaler.

New law provides that upon a termination by the seller prior to the expiration of the rescission period outlined in new law, the wholesaler shall be entitled to receive a full return of any deposit involved in the wholesaling transaction. Upon any other termination exercised by a seller in accordance with new law, the seller shall be entitled to receive any deposit involved in the wholesaling transaction.

New law requires that any deposit involved in a wholesaling transaction be kept in either the account of the seller or an escrow account maintained in this state with a federally insured financial institution.

New law requires that any contract or written agreement involving wholesaling includes a deposit of not less than 1% of the purchase price, which shall be held in escrow.

New law provides that any violation of new 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 the "Louisiana Real Estate License Law", which may be enforced by the commission.

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

New law provides that provisions of new 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 new law.

Effective August 1, 2026.

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