

Wholesaling

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Unregulated wholesaling is a growing concern in Missouri.

In these transactions, a wholesaler places a property under contract and then assigns that contract to another buyer for a profit. Many sellers (especially seniors, heirs, distressed homeowners, and first-time sellers) may not fully understand the wholesaler's role or intentions when signing a contract.

This lack of transparency can leave property owners vulnerable. Sellers may be unaware that the wholesaler does not represent them, plans to assign the contract for profit, may market the property to third parties, and may have offered a price below market value.

Clear, upfront information helps ensure Missouri homeowners can make informed decisions.

Proposed legislation would require wholesalers to provide a simple written disclosure before entering into a contract with a seller. This disclosure must state that the individual is acting as a wholesaler, does not represent the seller, may assign the contract to another buyer, and encourages the seller to seek legal counsel before entering into any agreements with a wholesaler.



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Further, sellers would have the right to cancel agreements with wholesalers without penalty if proper disclosures are not provided.

These changes do not restrict legitimate wholesaling. They simply ensure sellers receive transparent, accurate information before signing away an interest in their property.

Missouri REALTORS® supports these consumer protection measures. Clear disclosures strengthen trust in the real estate market, protect homeowners from misleading practices, and ensure a fair process for all parties.

We encourage lawmakers to support legislation that provides greater transparency in wholesaling transactions and safeguards Missouri property owners.

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