

SB 973

WHOLESALING DISCLOSURE REQUIREMENTS

Missouri Senate Bill 973 requires residential wholesalers to provide a simple written disclosure before entering into a contract with a property owner. This disclosure provides transparency, protects homeowners, and ensures a fair process for all parties. **The law takes effect on August 28, 2026.**

What you need to know

What is real estate wholesaling?

Wholesaling occurs when someone (the wholesaler) enters into a contract to purchase a residential property from the owner, then sells or assigns that contract to a third-party buyer, usually for a profit and often without ever taking title to the property.

What does SB 973 require of wholesalers?

Under **SB 973**, a wholesaler must provide the property owner with a written disclosure at least 14 calendar days before entering into any contract that transfers an interest in residential real property. Both the wholesaler and the property owner must sign and date the disclosure before the contract is executed.

What must the disclosure include?

The written disclosure must include specific statutory language and clearly inform the property owner of the nature of the wholesaling transaction, including the wholesaler's intent to assign or resell the contract.

Where can I find the required disclosure language?

The exact statutory language required for the disclosure is found in **Section 407.3600 of the Revised Statutes of Missouri (RSMo)**. Missouri REALTORS® does not provide a form for this disclosure as wholesaling is not a licensed real estate activity. Wholesalers should consult legal counsel or refer directly to the statute to draft a compliant disclosure document.

What happens if the wholesaler skips the disclosure?

Failure to provide the proper disclosure allows the property owner to cancel the contract at any time before closing, without penalty. In this situation, the escrow agent is required to disburse any earnest money paid by the wholesaler to the owner within 30 days of cancellation.

Can the disclosure requirement be waived?

No. The provisions of **SB 973** cannot be modified or waived by any agreement, and any contract term that attempts to waive or modify these protections is null and void.

What are the consequences for violations?

Any violation is considered an unlawful practice under the Missouri Merchandising Practices Act. A property owner who did not receive the required disclosure may bring private legal action against the wholesaler. The Missouri Attorney General also has authority to enforce the law and may commence a civil action for violations.

Why does Missouri REALTORS® support this legislation?

Missouri REALTORS® supports transparency and informed decision-making in all real estate transactions. This legislation protects vulnerable property owners, particularly those in distressed situations, from entering into contracts without fully understanding the nature of a wholesaling transaction. Informed sellers are better positioned to make decisions that serve their own best interests.

How does this affect licensed real estate brokers?

Licensed brokers still need to abide by current disclosure and fiduciary duty requirements in Missouri license law. **SB 973** primarily targets unlicensed wholesalers. REALTORS® who engage in wholesaling activities should consult their legal counsel to ensure their specific practices and disclosures comply with the new requirements.

Questions? Contact Missouri REALTORS® Government Affairs at missourirealtors.org or call Legal Line at 573-447-5278.

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