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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 657 Session of  
2023

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INTRODUCED BY BULLOCK, CEPHAS, MADDEN, HILL-EVANS, DELLOSO,  
SMITH-WADE-EL, SANCHEZ, ISAACSON, KENYATTA, KINSEY, KHAN,  
SCHLOSSBERG, PARKER, D. WILLIAMS AND CERRATO, MARCH 21, 2023

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REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,  
MARCH 21, 2023

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AN ACT

1 Providing for transparency in realty agreements; requiring and  
2 prohibiting certain provisions in realty agreements; and  
3 imposing penalties.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Transparency  
8 in Realty Agreements Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Real estate professional." A real estate broker,  
14 salesperson, company or other person regularly engaged in the  
15 trade or business of buying and selling real property.

16 "Realty agreement." A contract under which a real estate  
17 professional agrees to provide realty services connected to the

1 purchase or sale of residential real property by a homeowner.

2 "Security interest." A mortgage, lien or other encumbrance  
3 on residential real property.

4 Section 3. Realty agreements.

5 (a) Requirements.--A realty agreement between a real estate  
6 professional and a homeowner shall:

7 (1) Include a detailed list of the transactions covered  
8 under the realty agreement.

9 (2) Identify the capacity in which the real estate  
10 professional is involved in the transactions covered under  
11 the realty agreement.

12 (3) Include a statement to be signed by the homeowner  
13 acknowledging that the homeowner understands the nature and  
14 extent of the transactions covered under the realty  
15 agreement.

16 (b) Prohibitions.--A realty agreement between a real estate  
17 professional and a homeowner may not:

18 (1) Provide for a service that will not be performed  
19 within one year of the execution of the realty agreement,  
20 including a one-time payment to the homeowner in exchange for  
21 the exclusive opportunity to list the residential real  
22 property on the realty market for a period in excess of one  
23 year.

24 (2) Provide a service without the notice or consent of  
25 the homeowner.

26 (3) Purport to create a security interest in the  
27 residential real property that is the subject of the realty  
28 agreement.

29 Section 4. Prohibited action.

30 A real estate professional may not record, or cause to be

1 recorded, a security interest on real property covered under a  
2 realty agreement prior to notifying the homeowner with the  
3 details of the security interest and without the express written  
4 consent of the homeowner or the assignee of the homeowner.

5 Section 5. Cancellation.

6 (a) Authorization.--A homeowner may cancel a realty  
7 agreement at any time.

8 (b) Fees.--Cancellation fees specified in a realty agreement  
9 shall be limited to not more than \$500.

10 (c) Notice.--Notice of cancellation of a realty agreement  
11 must be given in writing.

12 Section 6. Penalties.

13 (a) Unenforceability and violation of other State law.--If a  
14 violation of section 3 or 4 occurs, the realty agreement shall  
15 be deemed unenforceable and the violation shall constitute an  
16 unfair method of competition and an unfair or deceptive act or  
17 practice under the act of December 17, 1968 (P.L.1224, No.387),  
18 known as the Unfair Trade Practices and Consumer Protection Law.

19 (b) Damages.--In addition to the penalties specified under  
20 the Unfair Trade Practices and Consumer Protection Law, a real  
21 estate professional found to be in violation of this act shall  
22 be subject to actual damages incurred by any person with an  
23 interest in the residential real property that is the subject of  
24 the unenforceable realty agreement, including reasonable costs  
25 and attorney fees.

26 Section 7. Effective date.

27 This act shall take effect in 60 days.