



## What Homeowners and REALTORS® in Ohio Need to Know New law effective Mar 2, 2026

### What is Wholesaling?

Real estate wholesaling occurs when a person:

- Enters into a contract with a homeowner as if they are going to purchase the property
- Does not intend to take ownership of the home
- Instead assigns (transfers) the contract to another buyer for a profit.

*The wholesaler typically earns money by charging a fee or by selling the contract at a higher price than they agreed to pay the seller.*

### New Law: Written Disclosure Required for Wholesalers

*Before entering into a contract, a wholesaler must provide a separate written disclosure that:*

- Clearly identifies them as a wholesaler
- States that they do not represent the homeowner
- Explains that the contract may be assigned to a third party
- States that the homeowner may receive below-market value
- Informs the homeowner of their right to seek legal or professional advice

***The disclosure must be clear, conspicuous, and signed and dated by both parties. A wholesaler cannot enter into a binding contract without it.***

***The required statutory disclosure language can be found in [Section 5301.95 of the Ohio Revised Code](#).***

### Important Notes:

- If the required disclosure is not provided and signed, the **homeowner may cancel** the contract at any time before closing without penalty. Earnest money must be returned within 30 days.
- Failure to comply may be treated as unfair or deceptive practice under the Consumer Practices Act and may result in enforcement action. Real estate licensees may also face discipline by the Division of Real Estate and Professional Licensing, including **fines, suspension, or revocation**.

**This law increases transparency, ensuring homeowners understand who they are working with and what they are agreeing to before signing a contract.**