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Office of Research
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Office

H.B. 438
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Williams and Jarrells

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SUMMARY

- Prohibits a real estate broker or salesperson working directly with a prospective purchaser from disclosing a purchaser's name, age, race, or address on certain documents prior to the purchaser and seller entering into a contract.
- Requires the real estate broker or salesperson to provide the seller a signed and notarized affidavit acknowledging receipt of a preapproval letter or a proof of funds document and the amount of funds pre-approved or the amount accessible and legitimate, as applicable.
- Requires the broker or agent, within 48 hours of a purchaser and the seller entering into a contract, to supplement all the documents that had the purchaser's information redacted with the redacted information.
- Authorizes the Superintendent of Real Estate and Professional Licensing to issue a citation and fine of up to \$200 per violation of the bill's provisions.

DETAILED ANALYSIS

General overview

The bill establishes the Homebuyer Protection Act,¹ which prohibits a real estate broker or salesperson working directly with a prospective purchaser in a real estate transaction from disclosing the prospective purchaser's name, age, race, or address on any document provided to the seller, seller's agent, or seller's subagent (herein "seller") relating to the offer to purchase the property prior to the purchaser and seller entering into a contract. Once the

¹ Section 3.

purchaser and seller enter into a contract, the broker or salesperson is required to provide the omitted information to the seller.²

Proof of funds and pre-approval letters

The bill specifies that the purchaser's initials may be used in place of the purchaser's full name on a proof of funds document and preapproval letters. "Pre-approval letter" is defined as the document from a lender stating that the lender is tentatively willing to lend to the purchaser, up to a certain loan amount. "Proof of funds document" is defined as a document that ensures that the funds needed to execute the transaction fully are accessible and legitimate. The bill specifies that for purposes of relaying information related to a preapproval letter or proof of funds document to the seller, the broker or agent must provide the seller a signed and notarized affidavit acknowledging receipt of a preapproval letter or a proof of funds document and the amount of funds preapproved or the amount accessible and legitimate.³

Contract

Once the purchaser and the seller enter into a contract, the bill requires the broker or agent, within 48 hours, to supplement all the documents that had the purchaser's information redacted with the redacted information. The broker or agent may also provide the pre-approval letter or proof of funds document to the seller.⁴

Enforcement

The Superintendent of Real Estate and Professional Licensing may issue a citation and fine of up to \$200 to the licensed broker or salesperson for each violation of the bill.⁵

HISTORY

Action	Date
Introduced	03-04-24

ANHB0438IN-135/ts

² R.C. 4735.80.

³ R.C. 4735.80(A) and (B)(1) and (2).

⁴ R.C. 4735.80(C).

⁵ R.C. 4735.181.