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OHIO LEGISLATIVE SERVICE COMMISSION

Wendy Zhan, Director

Office of Research
and Drafting

Legislative Budget
Office

S.B. 192*
135th General Assembly

Occupational Regulation Report

[Click here for S.B. 192's Bill Analysis / Fiscal Note](#)

Primary Sponsor: Sen. Brenner

Impacted Professions: Real estate brokers and wholesalers

Jill Rowland, Attorney

LSC is required by law to issue a report for each introduced bill that substantially changes or enacts an occupational regulation. The report must: (1) explain the bill's regulatory framework in the context of Ohio's statutory policy of using the least restrictive regulation necessary to protect consumers, (2) compare the regulatory schemes governing the same occupation in other states, and (3) examine the bill's potential impact on employment, consumer choice, market competition, and cost to government.¹

LEAST RESTRICTIVE REGULATION COMPARISON

Ohio's general regulatory policy

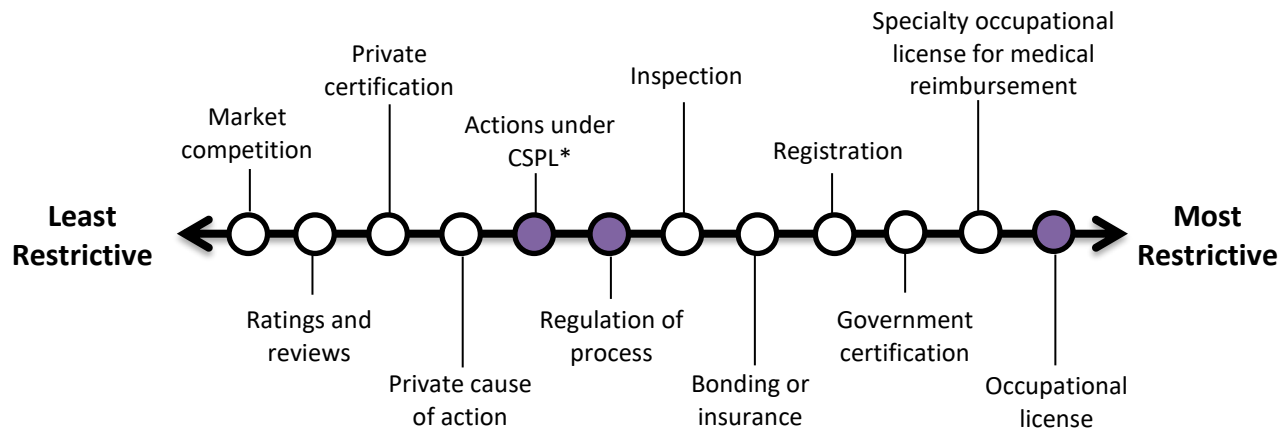
The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect consumers from "present, significant, and substantiated harms that threaten health, safety, or welfare," the state's expressed intent is to enact the "least restrictive regulation that will adequately protect consumers from such harms."²

The degree of "restrictiveness" of an occupational regulation is prescribed by statute. The following graphic identifies each type of occupational regulation expressly mentioned in the state's policy by least to most restrictive:

* This report addresses the "As Introduced" version of S.B. 192. It does not account for changes that may have been adopted after the bill's introduction.

¹ R.C. 103.26, not in the bill.

² R.C. 4798.01 and 4798.02, neither in the bill.



*CSPL – The Consumer Sales Practices Law

S.B. 192 expands the scope of activities for which a real estate broker’s license is required. Specifically, the bill adds that a person must obtain a real estate broker license for dealing in residential real estate contracts (a practice commonly called “wholesaling”), regardless of whether those dealings are on behalf of another person.³

In addition, the bill requires wholesalers (as defined in the bill) of residential real property containing one to four dwelling units to make specified disclosures before entering into a contract to transfer such a property.⁴ For a wholesaler who violates this requirement, the bill establishes all of the following potential consequences:

- Being the subject of a lawsuit brought under the Consumer Sales Practices Law, which could result in liability for damages and attorney fees;⁵
- If the wholesaler holds a real estate broker or salesperson license, disciplinary sanctions (including license suspension or revocation) by the Ohio Real Estate Commission;⁶ and
- Cancellation of the contract.⁷

Necessity of regulations

Senator Andrew O. Brenner, the bill’s primary sponsor, asserted that the bill would protect Ohioans from real estate wholesaling, a practice that he described as being predatory by preying on vulnerable homeowners to rob them of equity in their homes. He explained that real estate wholesaling involves a wholesaler who enters into a contract with a property owner and then assigns the wholesaler’s interest in that contract to a third-party investor for an assignment

³ R.C. 4735.01 and R.C. 4735.02, not in the bill.

⁴ R.C. 5301.95(A) and (B).

⁵ R.C. 5301.95(D) and R.C. 1345.02 and 1345.09, neither in the bill.

⁶ R.C. 4735.18(A) and (B) and R.C. 4735.051(I), not in the bill.

⁷ R.C. 5301.95(D).

fee. He said that, unlike an investor who flips a home after purchasing it, a wholesaler has no intention of actually purchasing the property and never takes title. He testified that the Department of Commerce's Division of Real Estate and Professional Licensing has received reports of a concerning increase in wholesaling activity that involves predatory contracts, misleading sales tactics, clouding title to properties, and targeting susceptible homeowners.

Senator Brenner stated that problems arise when wholesalers engage in aggressive tactics to persuade homeowners to enter into such a contract. He said that wholesalers mislead homeowners into believing that the wholesaler is the one purchasing the property when, in reality, the wholesaler intends to sell the contract for a profit. If the wholesaler cannot find an investor to sell the contract to, Senator Brenner explained that the wholesaler will back out of the contract without closing, with few consequences.

If the closing proceeds, he testified that the homeowner then discovers that the actual purchaser is a third-party investor with whom the homeowner has never interacted. He also asserted that the homeowner finds that the sale price is well below fair market value, benefitting the wholesaler who makes a profit while depriving the homeowner of equity in the home.

Furthermore, Senator Brenner said that wholesalers publicly market the property as if they actually own it, which is often indistinguishable from the activities a licensed real estate professional engages in when representing a seller. However, he stated that wholesalers are unlike licensed real estate professionals, who receive training and who are subject to Ohio law and have a fiduciary obligation to protect and promote the client's interests. Instead, he asserted that wholesalers operate in the shadows, and state regulators have no authority to take action against them in cases of abuse.

Senator Brenner testified that the bill addresses the problems associated with wholesaling by requiring wholesalers to be licensed. He indicated that licensure will do the following:

- Increase accountability;
- Protect the public from predatory tactics;
- Ensure that wholesalers meet a minimum level of competency regarding complex real estate transactions; and
- Ensure that wholesalers are knowledgeable about Ohio's laws and regulations designed to protect consumers.

He also stated that the bill increases transparency by requiring wholesalers to disclose their true intentions to the homeowner and end buyer. The disclosure informs the homeowner that the wholesaler:

- Is not representing the homeowner;
- Intends to assign the wholesaler's rights to the contract for a profit; and
- May be offering below fair market value for the home.

Consequently, Senator Brenner asserted that the bill will ensure that homeowners make informed decisions when entering into a contract to sell their property.⁸

Restrictiveness of regulations

Licensure

Licensure is the most restrictive of all regulatory options identified within the state's continuum of regulations. Accordingly, the state's policy prescribes a narrow range of situations in which required licensure is appropriate, specifically, when all of the following circumstances are present:

- The occupation involves providing a service regulated by both state and federal law;
- The licensing framework allows individuals licensed in other states and territories to practice in Ohio; and
- The licensing requirement is based on uniform national laws, practices, and examinations that have been adopted by at least 50 U.S. states and territories.⁹

Continuing law satisfies the state policy's first criterion regarding concurrent state and federal law. For example, real estate transactions are subject to the federal Fair Housing Act, which prohibits discrimination based on specified factors.¹⁰ In addition, state governments issue licenses to sell real estate.¹¹

The state policy's second criterion regarding licensure of out-of-state individuals also is satisfied by continuing law. Specifically, the state's Out-of-State Applicant Licensure Law generally requires the Ohio Real Estate Commission to issue licenses to applicants who hold analogous out-of-state occupational licenses.¹²

As for the state policy's third criterion, neither continuing law nor the bill satisfies it because laws governing the transfer of real estate, including licensure laws, generally are not consistent across the nation.¹³

⁸ See [Senator Andrew O. Brenner S.B. 192 Sponsor Testimony \(PDF\)](#) (Senate Government Oversight Committee, February 28, 2024), which is available on the General Assembly's website, legislature.ohio.gov, by searching for "SB 192" and looking under the "Committee Activity" tab.

⁹ R.C. 4798.02, not in the bill.

¹⁰ 42 United States Code (U.S.C.) 3601 *et seq.*

¹¹ See [Licensing for Real Estate Professionals](#), which may be accessed by conducting a "licensing for real estate professionals" keyword search on the National Association of Realtors website: nar.realtor.

¹² R.C. 4735.07, 4735.09, and 4796.03, not in the bill.

¹³ See [Licensing for Real Estate Professionals](#).

Real estate licenses

Expansion of scope of activities for which broker license is required

Under continuing law, persons engaged in specified real estate activities on behalf of another person must be licensed as a real estate broker.¹⁴ The bill appears to increase restrictiveness by adding that a person also must obtain a real estate broker license from the Superintendent of Real Estate and Professional Licensing for dealing in residential real estate contracts (i.e., wholesaling) regardless of whether those dealings are on behalf of another person. The bill describes this dealing in residential real estate contracts more specifically as engaging “in the business of buying, selling, offering to buy or sell, marketing for sale, exchanging, or otherwise dealing in contracts, including novations and assignable contracts, for the purchase or sale of residential real estate.”¹⁵

Continuing law establishes a criminal penalty (a first-degree misdemeanor) for acting as a real estate broker without a license.¹⁶ It also authorizes the Ohio Real Estate Commission to assess a civil penalty of up to \$1,000 per day of violation.¹⁷

Discipline involving broker and salesperson licenses

The bill requires wholesalers (as defined in the bill¹⁸) of residential real property containing one to four dwelling units to make specified disclosures before entering into a contract to transfer such a property.¹⁹ (For more details, see “**Required wholesaler disclosures**” under the “**Process regulation**” heading, below.)

Under the bill, a licensed real estate broker or salesperson who fails to make the required disclosures is subject to potential disciplinary sanctions by the Ohio Real Estate Commission. By thus expanding the grounds for disciplinary sanctions, the bill appears to increase restrictiveness. These sanctions may include suspension or revocation of the individual’s real estate broker or salesperson license, a fine of up to \$2,500 per violation, a public reprimand, or completion of additional continuing education course work.²⁰

Process regulation

The state’s policy does not provide specific guidance as to when a regulation of process is the best means of protecting the health, safety, and welfare of consumers. However, the policy as a whole suggests that regulations of process are the most preferred method of regulation

¹⁴ R.C. 4735.02, not in the bill.

¹⁵ R.C. 4735.01(A).

¹⁶ R.C. 4735.99(A), not in the bill.

¹⁷ R.C. 4735.052, not in the bill.

¹⁸ R.C. 4735.01(JJ) and 5301.95(A).

¹⁹ R.C. 5301.95(A) and (B).

²⁰ R.C. 4735.051(I), not in the bill, and 4735.18.

when market competition, ratings and reviews, private certifications, private causes of action, and actions under the state's Consumer Sales Practices Law do not provide sufficient protection.²¹

Whether these mechanisms are a sufficient means of protecting consumers is a policy decision. However, continuing Ohio law establishes several process regulations that govern the real estate industry. For example, a licensee who is a buyer's agent or a seller's subagent working with a buyer must provide the buyer with an agency disclosure statement containing specified information.²² In addition, a real estate broker or salesperson who provides the name of a home inspector to a buyer or seller must provide names of at least three such inspectors.²³ Also, agency agreements must contain specified provisions.²⁴

Required wholesaler disclosures

The bill appears to increase restrictiveness by establishing disclosure requirements for wholesalers. Under the bill, a wholesaler is defined as a person or entity that, for the receipt (or with the intention, expectation, or promise of receiving) a fee, commission, or other valuable consideration, enters into a purchase contract for residential real property as either of the following:

- The grantee, and assigns or novates that contract to another person or entity; or
- The grantor, and, without holding legal title to that real property, assigns or novates that contract to another person or entity.

The bill defines "residential real property" as real property containing one to four dwelling units.

Under the bill, a wholesaler must disclose (in writing, on a form prescribed by the Superintendent of Real Estate) specified information before entering into a binding contract that transfers an interest in residential real property.²⁵

If the wholesaler is the grantee (the purchaser of the property), the bill requires the wholesaler (or the wholesaler's representative) to disclose to the owner of the property all of the following:

- That the wholesaler is buying the property intending to make a profit;

²¹ R.C. 4798.01, not in the bill.

²² R.C. 4735.57 and 4735.58, neither in the bill.

²³ R.C. 4735.22, not in the bill.

²⁴ R.C. 4735.55, not in the bill.

²⁵ R.C. 5301.95.

- That the wholesaler may assign the wholesaler's interest in the property to a third party and may collect a fee from the ultimate buyer of the property, separate from any fee included in the contract between the wholesaler and the owner of the property;
- Acknowledgement by the property owner that the purchase price may be less than the actual market value of the property, and that the property owner voluntarily transfers the property to the wholesaler at that price.²⁶

If the wholesaler is the grantor (the seller of the property), the bill requires the wholesaler to disclose to the buyer of the property that the wholesaler holds an equitable interest in the property and may not be able to convey title to it.²⁷

Regardless of whether the wholesaler is the grantee or the grantor, the bill requires the wholesaler to identify themselves as a wholesaler and to disclose all of the following to the owner or the buyer of a property, as applicable:

- Whether the wholesaler holds an active real estate broker or salesperson license;
- If the wholesaler does hold an active real estate broker or salesperson license, that the wholesaler is acting as a principal, is not representing the other party to the transaction, and is not acting as the other party's broker or agent in the transaction;
- That the other party is advised to seek legal advice before entering into an agreement.

Actions under the Consumer Sales Practices Law

The Consumer Sales Practices Law (CSPL) aims to protect consumers by authorizing lawsuits for unfair, deceptive, or unconscionable acts or practices in connection with the transfer of goods or services intended for the home or for personal use.

The state's policy does not provide specific guidance as to when actions under the CSPL are the best means of protecting the health, safety, and welfare of consumers. However, the policy as a whole suggests that those actions are the most preferred method of regulation when market competition, ratings and reviews, private certifications, and specific private causes of action do not provide sufficient protection.²⁸ Whether these mechanisms are a sufficient means of protecting consumers is a policy decision.

Thus, it is somewhat unclear whether the state's CSPL-related policy is satisfied by the bill, which allows a lawsuit to be brought under the CSPL against a wholesaler who violates the bill's disclosure requirements. However, given that selling or buying a home often is one of the most significant financial transactions in an individual's life, it may be argued that this application

²⁶ R.C. 5301.95(B).

²⁷ R.C. 5301.95(B).

²⁸ R.C. 4798.01, not in the bill.

of the CSPL is an appropriate means of protecting home sellers and buyers who have been misled by a wholesaler who failed to make the required disclosures.

Remedies

The bill increases restrictiveness by specifying that a wholesaler's violation of its disclosure requirements constitutes an unfair or deceptive act or practice under the CSPL and that the same relief available to consumers under the CSPL applies.²⁹ Thus, a party injured by the violation may bring a lawsuit under the CSPL against such a wholesaler. Accordingly, the injured party is entitled to pursue a variety of remedies, including recovery of actual economic damages and up to \$5,000 in noneconomic damages and, if the violation was committed knowingly, reasonable attorney's fees.³⁰ In addition, if specified criteria are met, the Ohio Attorney General may bring certain actions for such a violation.³¹

IMPACT STATEMENT

Opportunities for employment

Disclosure requirements that the bill would impose on wholesalers of one to four dwelling units may inhibit the ability of these persons or entities to operate as they have in the past or to generate prior levels of profitability. Notably, a bill requirement that record owners acknowledge that the purchase price from the wholesalers for their properties may be less than market value may curtail these wholesalers' effectiveness in conducting business. By creating a less favorable environment for these residential real estate wholesalers, the bill may reduce opportunities for success in this line of employment.

Consumer choice

As a result of the bill's disclosure provisions, consumers will be better informed to make choices about buying or selling residential real estate.

Market competition

Tighter regulation of market participants operating as real estate wholesalers may tend to reduce demand for one to four family homes that the wholesalers would direct to their buyers. Final demand would be unchanged, though, since the wholesalers perform an intermediary function. Information flows in this market should tend to be improved by the bill's disclosure requirements.

Cost to government

The Ohio Department of Commerce's Division of Real Estate and Professional Licensing would incur costs for a disclosure form that would be required of real estate wholesalers with each transaction. The bill also creates a new category of broker. Costs to the state could be offset

²⁹ R.C. 5301.95(D), by reference to R.C. 5301.95, not in the bill.

³⁰ R.C. 1345.09, not in the bill.

³¹ R.C. 1345.07, not in the bill.

by associated fees. At the local level, whether the bill would result in additional civil proceedings is unclear. Any such increase in caseloads of county common pleas courts is not expected to be large.

SUMMARY OF PROPOSED REGULATIONS

The bill makes other changes in addition to those described under “**Restrictiveness of regulations**,” above. If the wholesaler fails to provide the disclosures required under the bill, the other party may cancel the contract before the close of the escrow without penalty. If the wholesaler is the grantee, the owner of the property may retain any earnest money paid by the wholesaler. If the wholesaler is the grantor, the buyer of the property must be refunded all earnest money paid to the wholesaler.³²

The bill prohibits its disclosure requirements from being modified or waived by any oral or written agreement. It specifies that any such modifications or waivers are void.³³

Under the bill, the Superintendent of Real Estate and Professional Licensing must create and make available forms on which the bill requires wholesaler disclosures to be made. Parties to a contract must sign and date the forms.³⁴

For a detailed description of the bill, please see the [LSC bill analysis \(PDF\)](#).

³² R.C. 5301.95(D).

³³ R.C. 5301.95(D).

³⁴ R.C. 5301.95(C).



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COMPARISON TO OTHER STATES

None of the states surrounding Ohio appear to have enacted laws specifically governing real estate wholesaling. However, certain other states have done so. The table below summarizes the laws of some of those states.

| State | Licensure Required for Wholesaling? | Specific Disclosure Required for Wholesaling? |
|-----------------------|---|--|
| Ohio (under the bill) | Yes Requires a person dealing in residential real estate contracts, regardless of whether those dealings are on behalf of another person, to be licensed as a real estate broker <i>(R.C. 4735.01(A) and R.C. 4735.02, not in the bill)</i> | Yes Requires wholesalers to make specified written disclosures such as their intent to make a profit, that the purchase price may be less than the property's actual market value, that title to the property may not be able to be conveyed, and that the other parties are advised to seek legal advice before entering into the agreement <i>(R.C. 5301.95)</i> |
| Arizona | No ³⁵ | Yes Requires a wholesaler, before the parties enter into any binding agreement, to disclose all of the following in writing: <ul style="list-style-type: none"> ▪ To the seller that the buyer is a wholesale buyer; and |

³⁵ See [Arizona's New Wholesaling Disclosure Requirement](#), which may be accessed by conducting a keyword "wholesaling" search on the Arizona Department of Real Estate website: azre.gov.

| State | Licensure Required for Wholesaling? | Specific Disclosure Required for Wholesaling? |
|----------|---|---|
| | | <ul style="list-style-type: none"> ▪ To the buyer that the seller is a wholesale seller that holds an equitable interest in the real property and may not be able to convey title <p><i>(A.R.S. 44-5101)</i></p> |
| Illinois | <p>Yes</p> <p>Requires licensure as a real estate broker to deal in real estate contracts (for self or others) on two or more occasions in any 12-month period</p> <p><i>(225 Ill. Comp. Stat. 454/1-10(5))</i></p> | <p>No</p> <p>(But some type of disclosure may be required to meet the broker’s fiduciary-like statutory duties)³⁶</p> <p><i>(225 Ill. Comp. Stat. 454/15-15(a))</i></p> |
| Nebraska | <p>Yes</p> <p>Requires a real estate broker’s license for any person who (for compensation and directly or indirectly for another) engages in one or more acts of dealing in options to buy real estate³⁷</p> <p><i>(Neb. Rev. Stat. 81-885.01(2), 81-885.02, and 81-885.03)</i></p> | <p>Yes</p> <p>Requires a licensee who is marketing an equitable interest in real property and who is not representing the owner or buyer of the property to do both of the following:</p> <ul style="list-style-type: none"> ▪ Disclose specified information, including the licensee’s intent to make a profit; and |

³⁶ See [Hot on the Hotline: What is wholesaling and is it legal?](#), which may be accessed by conducting a keyword “wholesaling” search on the Illinois Realtors website: illinoisrealtors.org.

³⁷ See [What’s New!! Commission Adopts Policy and Interpretation on Wholesaling Procedures](#) and [Commission Policies and Interpretations 42: Procedures and Guidelines for Marketing an Equitable Interest in Real Property](#), which may be accessed by conducting a keyword “wholesaling” search on the Nebraska Real Estate Commission website: nrec.nebraska.gov.

| State | Licensure Required for Wholesaling? | Specific Disclosure Required for Wholesaling? |
|----------|--|--|
| | | <ul style="list-style-type: none"> ▪ Obtain the signatures of both the owners and buyers of the property acknowledging their receipt of the disclosure³⁸ <p><i>(Neb. Rev. Stat. 76-2421(1) and 299 Neb. Admin. Code ch. 5, § 003))</i></p> |
| Oklahoma | <p>Yes</p> <p>Requires a real estate license to publicly market for sale an equitable interest in a contract for the purchase of real property between a property owner and a prospective purchaser</p> <p><i>(59 Okla. Stat. 858-301</i></p> | <p>No</p> <p>(But some type of disclosure possibly may be needed to fulfill the broker’s statutory duty to “treat all parties with honesty”)</p> <p><i>(59 Okla. Stat. 858-353)</i></p> |
| Texas | <p>No</p> <p>Does not require a real estate license to acquire an option or an interest in a contract to purchase real property and then to sell or assign (or offer to sell or assign) the contract if the person doing so:</p> <ul style="list-style-type: none"> ▪ Does not use the option or contract to engage in real estate brokerage; and ▪ Discloses in writing the nature of the equitable interest to any seller or potential buyer <p><i>(Texas Occ. Code 1101.0045)</i></p> | <p>Yes</p> <p>Before entering into a contract to sell an option or assign an interest in a contract to purchase real property, requires a person to disclose both of the following in writing:</p> <ul style="list-style-type: none"> ▪ To any potential buyer that the person is selling only an option or assigning an interest in a contract and that the person does not have legal title to the real property; and ▪ To the real property owner that the person intends to sell an option or assign an interest in a contract <p><i>(Texas Prop. Code 5.0205)</i></p> |

³⁸ See [Agency Disclosure Form Instructions 2022 \(Including Wholesaler Addendum\) \(PDF\)](#), which may be accessed by conducting a keyword “agency disclosure form instructions” search on the Nebraska Real Estate Commission website: nrec.nebraska.gov.



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INFORMATION FROM SPONSOR

Sponsors of bills involving occupational regulations are expressly permitted by law to provide LSC with information that may be relevant to this report.³⁹ The information below was submitted by Senator Andrew Brenner. It has been reformatted to fit the structure of the report but is otherwise reproduced in its entirety. Inclusion of sponsor-provided information in this section is not an endorsement or affirmation of accuracy by LSC.

1. Evidence of present, significant, and substantiated harms to Ohio consumers.
 - a. Wholesalers often mislead homeowners into believing their homes' values are lower than what they are, resulting in homeowners losing equity. Wholesalers are targeting senior citizens and other disenfranchised homeowners who are not familiar with contract laws and unsure of the true value of their property.
 - b. There are stories of wholesalers filing code violation claims with municipalities targeting the properties that they intend to purchase. When the homeowners are unable to make the required repairs, they are forced to sell quickly, at which point the wholesaler presents a below-market offer to "solve" their problems.
 - c. Wholesalers typically never disclose their true intention that they plan to assign the contract to a third party for an assignment fee, leading the homeowner to believe that the wholesaler is purchasing the property.
 - d. Wholesalers who are unable to find an end-buyer to transfer the contract to are unable to close, ultimately leading the wholesaler to cancel the contract.
 - e. Wholesaling limits the ways buyers can access available property as only cash buyers can have access to them, which essentially excludes interested lower income homebuyers who would be willing to pay actual market value for the property.
 - f. Transfer taxes are not often paid at the actual transfer price since the fees paid to the wholesaler are not recorded. If the wholesaler's profit is not reported for the sale of the contract, then the sale price isn't accurately reflected, leading to an inaccurate valuation of the property.
 - g. Wholesalers often actively market the property as if they were licensed real estate professionals; however, they could operate under LLCs (hiding their

³⁹ R.C. 103.26(D), not in the bill.

record of involvement) and the Division of Real Estate and Professional Licensing wasn't able to identify them.

2. An explanation of why existing laws and procedures are inadequate to prevent those harms.
 - a. Wholesaling activity is unregulated as it is not defined in statute. The Division of Real Estate and Professional Licensing is unable to monitor this activity and is only made aware of this practice when homeowners file complaints.
 - b. Current law does not require a professional license for publicly marketing an equitable interest in a contract for the purchase of real property.
3. An explanation of why a less restrictive regulation is not proposed?
 - a. A real estate transaction is a significant financial undertaking and there must be accountability and oversight put in place.
 - b. Licensing this activity will ensure wholesalers are educated in ethics and procedures designed to protect the public.
 - c. Requiring a license will also require wholesalers to pass a basic background check.
 - d. Licensing this activity will allow the Division of Real Estate and Professional Licensing to more easily investigate consumer complaints and impose penalties for predatory actions.
 - e. Licensing will require wholesalers to have the same level of competency and accountability as all licensed real estate professionals.
 - f. Provides broker supervision and an added layer of accountability in all real estate transactions.
 - g. It enables the public to search for a wholesaler's license to ensure they are entering into a contract with a legitimate professional who is in good standing.
 - h. The purpose of licensing is to ensure Ohio real estate professionals are properly trained and educated to assist consumers in navigating real estate transactions. They ensure adherence to consistent ethical standards so that Ohioans can trust these professionals to complete tasks which require a high level of honesty and integrity. This is necessary for the stability of our economy to ensure the participants in these industries have the required skills and knowledge, as their services directly affect real property transactions and mortgage financing.
 - i. Purchasing a home is likely the largest investment a person will ever make. The licensing requirements set forth in ORC 4735 make certain that home buyers and sellers are treated fairly, represented responsibly, and give potential homebuyers confidence that any salesperson or broker they engage is knowledgeable, properly trained and adheres to a standard of practice and ethics that is in the public interest.

4. The names of associations, organizations, or other groups representing the occupation and the approximate number of Ohio members in each.
 - a. Ohio REALTORS® - 37,000 members
 - b. Ohio Real Estate Investors Association - ?
5. The functions typically performed by members of the occupation and a list of any other occupations that perform the same or similar functions.
 - a. Licensed real estate professionals include: real estate brokers, salespersons, appraisers, appraisal management companies, foreign real estate dealers and salespeople, manufactured home dealers, brokers, and salespersons, and home inspectors.
 - b. Licensed real estate professionals help buyers and sellers navigate the maze of forms and complexity associated with purchasing or selling a property. They coordinate with lenders, inspectors, other agents, escrow companies, title companies, and appraisers to ensure their clients' interests are well represented.
 - c. A complete list of functions of a licensed real estate broker or salesperson can be found in ORC 4735.01 - [Section 4735.01 - Ohio Revised Code | Ohio Laws](#)
6. An indication of whether specialized training, education or experience is required to engage in the profession and a description of how that training, education, or experience is acquired by any current practitioners.
 - a. The pre-licensing education requirements for real estate brokers can be found in ORC 4735.07 and for real estate salesperson can be found in ORC 4735.09.
7. A description of any way in which the bill would change how practitioners of the occupation acquire necessary specialized training, education, or experience.
 - a. The legislation does not change how practitioners of the occupation acquire the training. Instead, it requires individuals engaged in the practice of wholesaling to first obtain a real estate broker or salesperson license. This is appropriate as wholesalers engage in license activity and have been skirting the law due to lack of clarity in the ORC.
8. An indication of whether current practitioners in Ohio lack necessary training, education or experience and a description of how the bill addresses that deficiency.
 - a. Real estate wholesalers currently are not required to meet any set of minimum standards. They often have no training or experience in the practice of real estate, real estate law, real estate appraisal, or real estate finance.
 - b. Wholesalers market themselves as real estate professionals without receiving any of the training that is required by real estate professionals.

9. An indication of whether new entrants into the occupation or current practitioners would be required to provide evidence of training, education, or experience, or pass an examination.
 - a. Real estate wholesalers engaged in the practice of transferring a property from a seller to a buyer would need to meet the same educational and testing requirements as over 50,000 other real estate professionals licensed under ORC 4735.
10. The expected impact of the bill on the supply of practitioners of the occupation and on the cost of services or goods provided by the occupation.
 - a. Since the full scale of wholesaling activity is undocumented, it is difficult to determine how many practitioners engage in this practice. That said, requiring wholesalers to receive a license under ORC 4735 doesn't prohibit the practice of wholesaling, but instead will establish guardrails and will ensure it is done in an ethical manner that is in the best interest of the consumer.
11. Information from others knowledgeable about the occupational and the related economic factors.
 - a. In addition to Ohio REALTORS® and the Ohio Real Estate Investors Association. Other groups who have expressed interest in the issue are:
 - i. The Ohio State Bar Association
 - ii. Ohio Recordors Association
 - iii. Land Title Association of Ohio