

2024 Legislative Wins

Real Estate Transparency Act

As Iowa navigated the impacts of the class action lawsuits brought by homesellers, IAR proactively introduced and passed the Real Estate Transparency Act to ensure licensees in the state were prepared for the future of real estate. SF2291 will go into effect on July 1, 2024. This legislation:

- Requires that a buyer agreement be signed prior to showing a property or prior to an offer being made if no property is shown. Does not apply to open houses.
- Requires that brokerage agreements conspicuously display a statement that the broker's commission, fees, and compensation are negotiable and not set by law.
- Authorizes sellers to use a portion of the proceeds of the sale of real property or another source to pay a buyer's licensee compensation.
- Maintains agency disclosure requirements to ensure the role of a licensee and their value in a transaction is clearly communicated to clients.
- Provides transparency in the allocation of compensation of brokers in a real estate transaction.

Real Estate Wholesaling Consumer Protection Act

To protect consumers and ensure transparency in transactions involving a wholesaler, IAR introduced and passed HF2394 which will go into effect on July 1, 2024. This legislation:

- Establishes a clear legal definition of real estate wholesaling to distinguish it from other real estate activities.
- Requires a real estate licensee's involvement in the transactions ensuring professionalism.
- Enacts requirements for wholesalers to provide mandatory comprehensive and transparent disclosures to both sellers and buyers involved in a transaction.
- Creates penalties for individuals or entities engaging in fraudulent wholesaling activities.