

CHAPTER 22
WHOLESALE OF RESIDENTIAL PROPERTY

Chapter rescission date pursuant to Iowa Code section 17A.7: 6/18/30

193E—22.1(543B) Real estate wholesaling. A licensed real estate broker may engage in residential real estate wholesaling or represent a nonlicensed wholesaler in a residential real estate transaction provided proper disclosure is made under the guidelines in Iowa Code section 543B.6A.

[ARC 9252C, IAB 5/14/25, effective 6/18/25]

193E—22.2(543B) Disclosure of wholesaling. A real estate wholesaler shall provide disclosure to all parties to the residential real estate wholesaling transaction prior to executing a contract to purchase or conveying an equitable interest to another party, including but not limited to the following:

22.2(1) The legal identities of all parties to the transaction, including the current titleholder for the residential property, the wholesaler, the purchaser of the equitable interest, and any real estate licensee who represents a party in the transaction.

22.2(2) An explanation of the wholesaling process, including but not limited to the following:

- a. A wholesaler holds an equitable interest in the property, not legal title.
- b. A wholesaler is selling its equitable interest in the property to another party.
- c. A wholesaler may earn a profit from the sale of its equitable interest in the property.

22.2(3) Wholesaling disclosure: “This transaction constitutes real estate wholesaling, meaning the wholesaler holds only an equitable interest in the property and may not be able to convey title.”

[ARC 9252C, IAB 5/14/25, effective 6/18/25]

193E—22.3(543B) Penalties. Residential real estate wholesalers who do not comply with the required disclosures or licensing requirements shall be subject to a civil fine of up to \$10,000 or 10 percent of the sale price for each transaction in violation of Iowa Code section 543B.6A, and the seller or buyer may cancel the contract at any time prior to closing without penalty and retain any earnest money paid by the wholesaler. Civil penalties shall be enforced at the discretion of the real estate commission.

[ARC 9252C, IAB 5/14/25, effective 6/18/25]

These rules are intended to implement Iowa Code section 543B.6A.

[Filed ARC 9252C (Notice ARC 8861C, IAB 2/19/25), IAB 5/14/25, effective 6/18/25]