

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 657** Session of  
2023

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INTRODUCED BY BULLOCK, CEPHAS, MADDEN, HILL-EVANS, DELLOSO,  
SMITH-WADE-EL, SANCHEZ, ISAACSON, KENYATTA, KINSEY, KHAN,  
SCHLOSSBERG, PARKER, D. WILLIAMS, CERRATO, KRAJEWSKI, GREEN,  
MULLINS, HANBIDGE AND KAZEEM, MARCH 21, 2023

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SENATOR FARRY, URBAN AFFAIRS AND HOUSING, IN SENATE, AS AMENDED,  
JUNE 25, 2024

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## AN ACT

1 Providing for transparency in realty agreements; prohibiting  
2 unfair real estate service agreements; and imposing  
3 penalties.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Unfair Real  
8 Estate Service Agreements Act.

9 Section 2. Unfair real estate service agreements.

10 (a) Enforceability.--An unfair real estate service agreement  
11 is void and unenforceable as a matter of law.

12 (b) Deceptive act.--An unfair real estate service agreement  
13 entered into with a consumer shall be deemed a deceptive act  
14 under the act of December 17, 1968 (P.L.1224, No.387), known as  
15 the Unfair Trade Practices and Consumer Protection Law.

16 (c) Recording prohibited.--

1           (1) A person may not record or cause to be recorded an  
2 unfair real estate service agreement or notice or memorandum  
3 of an unfair real estate service agreement in this  
4 Commonwealth.

5           (2) A person who violates paragraph (1) shall be guilty  
6 of a misdemeanor of the third degree.

7           ~~(3) A county recorder of deeds may refuse to accept for <--~~  
8 ~~recordation an unfair real estate service agreement.~~

9           ~~(4)~~ (3) If an unfair real estate service agreement is <--  
10 recorded in this Commonwealth, it shall not provide actual or  
11 constructive notice against an otherwise bona fide purchaser  
12 or creditor.

13       (d) Recording of court order.--If an unfair real estate  
14 service agreement or a notice or memorandum of an unfair real  
15 estate service agreement is recorded in this Commonwealth, a  
16 party with an interest in the real property that is the subject  
17 of the agreement may apply to the court of jurisdiction in the  
18 county where the recording exists to record a court order  
19 declaring the agreement unenforceable.

20       (e) Right of recovery.--

21           (1) A consumer with an interest in real property that is  
22 the subject of an unfair real estate service agreement,  
23 whether or not any lien or other notice is filed against the  
24 property in the office of the county recorder of deeds, may  
25 bring a civil action against the real estate service  
26 provider. Relief shall included, but not be limited to:

27           (i) Preliminary and other equitable or declaratory  
28 relief as may be appropriate.

29           (ii) An order that the consumer is not required to  
30 repay or reimburse any money paid to the consumer by the

1 real estate services provider.

2 (iii) Actual damages suffered by the consumer, as  
3 follows:

4 (A) Except as provided under clause (B), damages  
5 shall equal the amount of damages suffered by the  
6 consumer or \$5,000, whichever amount is greater.

7 (B) If the consumer is 60 years of age or older,  
8 damages shall equal the amount of damages suffered by  
9 the consumer or \$15,000, whichever amount is greater.

10 (iv) Reasonable attorney fees and other litigation  
11 costs reasonably incurred.

12 (2) This section shall not replace or supersede any  
13 other remedy at law or equity that the consumer may have.

14 (f) Relationship to other laws.--Nothing in this section  
15 shall alter or amend any part of the act of February 19, 1980  
16 (P.L.15, No.9), known as the Real Estate Licensing and  
17 Registration Act.

18 (g) Definitions.--As used in this section, the following  
19 words and phrases shall have the meanings given to them in this  
20 subsection unless the context clearly indicates otherwise:

21 "Association." As defined under 15 Pa.C.S. § 102 (relating  
22 to definitions).

23 "Consumer." A person who is the recipient or anticipated  
24 recipient of a real estate service.

25 "Person." A natural person, corporation, corporate  
26 fiduciary, partnership, limited partnership, limited liability  
27 company, joint venture or association.

28 "Real estate service." As defined under section 201 of the  
29 Real Estate Licensing and Registration Act.

30 "Real estate service agreement." A contract under which a

1 real estate service provider agrees to provide a real estate  
2 service to a consumer.

3 "Real estate service provider." A person providing or who is  
4 anticipated to provide a real estate service to a consumer  
5 pursuant to a real estate service agreement.

6 "Recording." Presenting a document to a county recorder of  
7 deeds for official placement in the public land records.

8 "Residential real estate." An interest in real property  
9 located within this Commonwealth that consists of not less than  
10 one and not more than four residential dwelling units.

11 "Unfair real estate service agreement." A real estate  
12 service agreement that:

13 (1) purports to run with the land or to be binding on  
14 future owners of interests in the real property;

15 (2) purports to create or allow a lien, encumbrance or  
16 other security interest in the property; or

17 (3) allows for the agreement to be assigned without  
18 timely notification to the owner of the property.

19 Section 3. Penalties.

20 (a) Unenforceability and violation of other State law.--If a  
21 violation of section 2 occurs, the realty agreement shall be  
22 deemed unenforceable and the violation shall constitute an  
23 unfair method of competition and an unfair or deceptive act or  
24 practice under the act of December 17, 1968 (P.L.1224, No.387),  
25 known as the Unfair Trade Practices and Consumer Protection Law.

26 (b) Damages.--In addition to the penalties specified under  
27 the Unfair Trade Practices and Consumer Protection Law, a real  
28 estate professional found to be in violation of this act shall  
29 be subject to actual damages incurred by any person with an  
30 interest in the residential real property that is the subject of

1 the unenforceable realty agreement, including reasonable costs  
2 and attorney fees.

3 Section 4. Effective date.

4 This act shall take effect in 60 days.