

Testimony on Senate Bill 155

Senate Judiciary Committee

May 7th, 2025

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Good morning, Chairman Manning, Vice Chair Reynolds, Ranking Member Hicks-Hudson, and distinguished members of the House Energy Committee.

My name is Ben Webb, and I serve as an Associate State Director for AARP Ohio. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With a nationwide presence, AARP strengthens communities and advocates for what matters most to the more than 100 million Americans 50-plus and their families: health and financial security, and personal fulfillment.

AARP is here today to support Senate Bill 155, which provides consumer protections to the practice of real estate wholesaling. The legislation improves the transparency requirements for those entering into a contract with a real estate wholesaler which will help avoid some nefarious activity.

We've heard from AARP members and partners of predatory wholesalers that have taken advantage of families and jeopardizing the livelihoods of already vulnerable people. To unknowingly lose the rights to often one's most valuable asset is unfathomable. This is where we believe a required disclosure is a step in the right direction.

We have advocated for a few additional provisions to be added further regulate the real estate wholesaling industry.

- The bill does not provide a cooling off period within which a homeowner can void the contract, if they want. For example, there should be like 20-30 days within signing a contract with a wholesaler that the homeowner can void the contract.
- Secondly, once the homeowner signs the disclosure, the wholesaler's responsibility is over. It is a pretty low bar for a practice that relies on providing very few disclosures. Hence, the cooling off period should be allowed.

- Furthermore, one of the predatory ways a wholesaler relies on are pressure tactics of approaching homeowners relentless for a period of time. The contact is in various ways through email, mail, in person, phone calls, postcards, etc. Therefore, we can provide a definition of “contact” and once a homeowner has been contacted, and the homeowner has said no, the wholesaler cannot reach out to the same homeowner for a period of time which can be between 1 month to 6 months.
- Also, as part of the disclosure, the wholesaler should provide public information about the homeowner’s property to the homeowner when they come in contact with the homeowner. This can include public information about the estimated price of the property through Zillow, Redfin, Realtors®, etc. This is important because one of the primary motives of a wholesaler is pressure the homeowners in signing an agreement to sell with the homeowner without informing them of the actual value of the property, thereby resulting in loss of generational equity for the homeowners.

Thank you Senators Brenner and Ingram for leading on this important legislation.

I appreciate the opportunity to provide testimony on behalf of AARP. Thank you for your time, and I welcome any questions.