

26 residential real property that:

27 1. Grants an exclusive right to a person to act as a
28 broker for the disposition of the property.

29 2. Has an effective duration of more than 2 years.

30 3. Requires the person pay compensation to the seller or
31 owner.

32 (c) "Residential real property" means improved residential
33 property of four units or fewer or unimproved residential real
34 property intended for four units or fewer.

35 (2) A residential loan alternative agreement for the
36 disposition of residential real property may not exceed a term
37 of 6 months and may not be renewed.

38 (3) A residential loan alternative agreement may not
39 authorize a person to place a lien or otherwise encumber any
40 residential real property. A residential loan alternative
41 agreement may not constitute a lien, an encumbrance, or a
42 security interest in the residential real property. A court may
43 not enforce a residential loan alternative agreement by a lien
44 or constructive trust in the residential real property or upon
45 the proceeds of the disposition of the residential real
46 property.

47 (4) A residential loan alternative agreement must require
48 notice to and written consent of the seller or owner before the
49 person may assign the residential loan alternative agreement to
50 another person.

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51 (5) As a matter of public policy, a residential loan
52 alternative agreement that does not meet the requirements of
53 this section is unenforceable in law or equity. In addition, a
54 residential loan alternative agreement may not be recorded by
55 the clerk of the circuit court.

56 (6) A violation of this section is deemed an unfair or
57 deceptive trade practice within the meaning of part II of
58 chapter 501, and a person who violates this section is subject
59 to the penalties and remedies provided therein.

60 Section 2. This act shall take effect July 1, 2023.