



PREDATORY LISTING AGREEMENTS



What is Assembly Bill 1345

This Bill will enact the Residential Exclusive Listing Agreements Act, which goes into effect on January 1, 2024. The Bill will prohibit the practice of entering into exclusive residential listing agreements lasting longer than 24 months that could be used to trap unwary consumers into encumbering their homes. This pro-consumer measure will make it unlawful to enter into agreements that unfairly encumber residential homeowners' title and may have an anticompetitive effect on the sale of residential real estate including real property improved with one to four dwelling units, a unit in a residential stock cooperative, condominium, planned unit development, mobilehome, or manufactured home.

The legislation prohibits the recording of exclusive listing agreements of any duration for the sale of residential real estate, including agreements to enter into any such agreement or arrangement. It also declares that an exclusive listing agreement that is made or that is presented for recording is void and unenforceable. A violation of the bill's provisions by a licensed person will constitute a violation of the person's licensing law.

The bill also prohibits exclusive listing agreements from renewing automatically and requires the renewal of an exclusive listing agreement to be in writing and be dated and signed by all parties to the agreement. The bill also makes it unlawful for the renewal of an exclusive listing agreement to last longer than 12 months from the date the renewal was made. The bill will make it unlawful to present for recording or filing, or otherwise attempt to record or file, with a county recorder an exclusive listing agreement of any duration or any memoranda or notice of the agreement.

For more information: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1345



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