COMMON-SENSE SAFEGUARDS ● PROTECTING THE PUBLIC

Virginia Home Purchase Agreements | Legislative Discussion Brief | November 2026

Quick summary

A home seller should know whether the person signing the purchase contract will actually buy the home—or hopes to find someone else who will pay more. Virginia could set a clear rule: no advertising, shopping, or transferring a home purchase before taking ownership unless the seller signs a separate, plain-language permission form and has three business days to cancel. The goal is common-sense safeguards and protecting the public without interfering with ordinary purchases and resales.

Imagine this...

Imagine a widow selling the home she shared with her husband for 40 years. A buyer offers $350,000—more than competing offers—and promises a smooth closing. She accepts, stops talking to other buyers, books moving vans, and makes plans to move in with family or purchase another home. What she does not know is that the buyer is trying to find someone else who will pay more for the deal. Three days before closing, the buyer says the price must drop to $300,000 or the deal is off. She faces an awful choice: lose $50,000, or cancel the move and start over. The delay could cost weeks or months, extra moving and housing expenses, missed offers, and enormous stress. This is an illustrative example of the risk—not a claim that every renegotiation is dishonest. A person who expects to resell the contract may be tempted to make an unusually high offer to secure the seller's signature, then seek a price cut when the seller is most vulnerable.

The same risk can affect an estate, a family facing a deadline, or a homeowner who needs the certainty of a closing date. A buyer responding to an advertisement can also be confused about whether the advertiser owns the home or merely holds a contract.

Why address it now?

Lawmakers across the country have acted recently: Virginia passed HB 917 in 2024; Oregon passed HB 4058 and Pennsylvania passed SB 1173 in 2024; Maryland passed HB 124/SB 160, and Oklahoma and Connecticut enacted measures in 2025. This cluster shows growing legislative concern about risks to sellers, though it does not by itself prove fraud is increasing. Virginia has an opportunity to bring these ideas together in a clear, comprehensive homeowner-protection law.

The basic principle

Buy the home before you market it. The exception: a homeowner may knowingly allow pre-closing marketing or a contract transfer by signing a separate disclosure and receiving three

business days to cancel. The rule should turn on what a buyer actually does—not what they say they originally intended.

Specific acts Virginia could restrict—and how sellers benefit

1. No public or private marketing or solicitation before ownership without separate permission. Before taking title, a buyer may not publicly advertise OR privately solicit another purchaser through calls, texts, emails, direct messages, websites, social media, online listings, buyer lists, deal sheets, or personal outreach. This applies whether the offer is made to one person or thousands. The seller must first sign the separate disclosure, and the three-business-day cancellation period must expire. Benefit: the seller controls whether anyone shops their home or purchase contract to others.

2. No contract transfer without separate permission. A buyer may not assign or sell purchase rights to someone else without the seller's separate written approval. Benefit: the seller knows who is expected to close and can refuse an unexpected substitute buyer.

3. Record ownership before another sale. Before a property can be sold or conveyed to another purchaser, the first purchaser must complete the purchase, obtain financing or use their own available funds, and have their deed recorded in the local land records. A later purchaser's funds may not be used as a substitute for the first purchaser's ability to complete that purchase. Benefit: the seller deals with a buyer who must actually close, and the public record shows ownership before the next sale. This proposed rule would apply to resale of the home itself; any separately permitted transfer of purchase-contract rights would still require the homeowner's signed disclosure and three-business-day cancellation period.

4. Show a real way to pay for the home. Within three days, require evidence of available cash or a genuine financing commitment sufficient to close the purchase, without depending on payment from a later purchaser. Benefit: sellers can better judge whether the buyer can actually complete the deal.

5. Do not keep a seller waiting indefinitely. A model agreement could allow seven days for inspections and require a clear closing date, with any exceptions stated up front. Benefit: the seller can make plans and return to the market promptly if the deal ends.

6. Do not walk away without agreed consequences. Require an earnest-money deposit and clear terms explaining when it becomes nonrefundable, subject to lawful contingencies and seller default. Benefit: sellers may receive compensation for an unjustified failure to close.

7. Do not record papers that improperly tie up the home. Create a fast process to clear an improper recorded claim and impose penalties for misuse. Benefit: sellers can sell or refinance without an unjustified cloud on title.

8. Do not mislead the next buyer. Advertising must clearly state whether the person offering the deal owns the property or only holds a purchase-contract interest. Benefit: the next buyer can understand what is actually being offered.

The proposed Virginia approach: prohibited unless separately disclosed and approved

Virginia could prohibit all public and private marketing or solicitation of another purchaser before ownership, unless the seller signs a separate, prominent disclosure and the three-business-

day cancellation period expires. This includes calls, texts, emails, direct messages, website or social-media posts, online listings, buyer lists, deal sheets, and one-to-one outreach. Calling it a “private conversation” does not create an exception. No such activity is allowed during the cancellation period.

A separate, easy-to-understand seller acknowledgment

The seller should sign a standalone disclosure, separate from the purchase agreement—not a buried clause or a checked box. The buyer should also sign it. The form should state plainly:

"The person signing to buy my home does not yet own it. They are asking permission to advertise it or sell their right to purchase it to another person, possibly for a profit. They might never buy my home themselves. If they cannot find another purchaser at a price that works for them, they may try to cancel or renegotiate; whether they can legally do so depends on our contract. I could face delays, costs, or the need to start over. I may cancel this purchase agreement within three business days after signing this disclosure and the agreement, without penalty. No marketing or transfer is allowed during that period."

Before accepting a transferred purchase contract, the new buyer must obtain and acknowledge the homeowner's signed disclosure and written permission. The settlement company must confirm these documents are present before closing; knowing violations may result in penalties.

The form should give the seller a clear cancellation method and deadline, explain that the seller need not accept a later price reduction, and preserve remedies for breach or deception. Written permission should not excuse the buyer from closing obligations. A seller who does not sign the form would not authorize pre-ownership marketing or transfer.

Practical contract safeguards to discuss

Earnest money. Name the settlement company, state the deposit amount, and spell out when the deposit can be kept if the buyer fails to close. Avoid overlapping penalties that could be unenforceable.

Seven-day inspection period. Give the buyer a short, stated period to inspect and cancel for allowed reasons. After that, the buyer remains bound except for agreed contingencies.

Proof of funds or financing within three days. Require reliable evidence of cash or a genuine loan commitment sufficient to close without relying on proceeds from a prearranged resale. If it is not delivered, give the seller a clear right to end the agreement. Any deposit forfeiture must be consistent with the contract and Virginia law.

No transfer without consent. Require separate written permission before assigning the agreement or directing title into another person's name.

Firm closing date. Set the date in writing and provide a clear process if the buyer misses it. Any daily delay charge should be reasonable and carefully drafted, not an automatic punishment.

What happens if someone ignores the rules?

Proposed enforcement—not current Virginia penalties: allow correction of an innocent paperwork error before any marketing or transfer; impose civil fines up to $5,000 for a first knowing violation, $10,000 for a repeat knowing violation, and $25,000 for deliberate deception or falsified documents. A seller should be able to cancel for unauthorized marketing or

assignment and seek proven losses and reasonable attorney fees where authorized. Provide a prompt process to clear improper recorded claims. Criminal referrals should be reserved for conduct meeting applicable fraud laws.

Protect legitimate home purchases

Someone who buys a home, takes title, pays for it, and later rents, renovates, or resells it should not be covered merely because they later sell at a profit. The rules should also avoid punishing legitimate financing, estates, or ordinary post-closing resales. The target is misleading conduct before ownership—not buying and selling property itself.

What other states have done

Virginia — HB 917 (2024). Expanded the real estate broker definition for certain repeated compensated dealings involving real estate contracts. It provides a starting point but does not settle every question about seller disclosures and remedies.

Oregon — HB 4058 (2024). Established registration and disclosure requirements for covered pre-ownership contract transactions, along with enforcement mechanisms.

Pennsylvania — SB 1173 / Act 52 (2024). Added licensing and disclosure rules and a seller cancellation right for covered transactions.

Maryland — HB 124 / SB 160 (2025). Adopted disclosure requirements and rescission rights when required disclosures are missing. Maryland REALTORS supported the legislation.

Oklahoma — SB 1075 (2025); Connecticut — HB 7287 (2025). Both enacted additional protections addressing disclosures or seller remedies. Their approaches differ; Virginia's proposed default ban with a separately signed exception and three-business-day waiting period would be its own policy choice.

How the safeguards would work—and who enforces them

Permission and timing. The homeowner signs a standalone disclosure with separate choices for (1) public or private marketing and solicitation and (2) assignment. The seller may cancel the purchase agreement by written notice, including email, without penalty until 11:59 p.m. Eastern on the third business day after receiving the fully signed agreement and disclosure. Count from the next business day; exclude Saturdays, Sundays and Virginia legal holidays. No solicitation or transfer may occur during that period. If permission is requested later, a new disclosure and cancellation period apply.

Verification. A person accepting an assignment must receive and acknowledge the signed disclosure. Before closing an assignment, the settlement company checks that the signed form is in the file, the relevant permission was given, and the waiting period ended; it is not required to investigate the seller's private intentions.

Exceptions. A licensed agent acting under the owner's listing authority, ordinary purchase financing, and resale after the first buyer's deed is recorded are not covered solely for those activities.

Oversight. The Virginia Attorney General's Consumer Protection Section would receive complaints and lead enforcement of these new protections, with DPOR and the Real Estate Board handling licensing matters. The bill must expressly grant jurisdiction and remedies: current Virginia consumer-protection law excludes certain private residential home sales and licensed real estate activity. Minor, promptly corrected errors receive warnings; knowing or repeated misconduct faces graduated fines and potential restitution.

Closing message

Most homeowners do not sell houses for a living. They may be settling an estate, moving closer to family, or trying to get through a difficult chapter. They deserve to know whether the person across the table is buying their home—or using their agreement to look for someone else who will.

These are common-sense safeguards: a separate disclosure, three business days to reconsider, no marketing before permission takes effect, honest financial representations, clear deadlines, and real consequences for deliberate violations. The aim is protecting the public while keeping legitimate home purchases possible.

Draft for legislative discussion. Any proposed statutory wording, deposit remedies, and restrictions on closings should be reviewed by Virginia legislative counsel.