

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 743  
**Version:** First engrossment  
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**Subject:** Mortgage flipping  
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### Overview

This bill is designed to make it more difficult for participants in the real estate market to engage in what is known as "flipping." Flipping begins with a legitimate sale of a home to a person who engages in flipping. The home is then quickly resold to an unsuspecting buyer, at an inflated price based upon a fraudulent appraisal. This second sale usually also involves an unsuspecting mortgage lender, which is deceived into making a mortgage loan for more than the house is worth.

### Section

- 1 Criminal penalty.** Makes any violation of the chapter regulating real estate appraisers a gross misdemeanor.
- 2 Appropriation.** Appropriates \$100,000 from the real estate education, research, and recovery fund to the department of commerce for an educational campaign to combat flipping.
- 3 Effective date.** Effective immediately.