

Please be advised S.881 (Prohibition of Unfair Real Estate Service Agreements) was signed by the Governor on May 20, 2024.

[S.881/Act No. 165 - Prohibition of Unfair Real Estate Service Agreements](#)

Effective Date: May 20, 2024 (Signature of the Governor)

The Prohibition of Unfair Real Estate Service Agreements Act (“the Act”), found at newly-added S.C. Code Ann. § 27-28-10 et seq., prohibits the use of real estate service agreements that are unfair to an owner of residential real estate or to other persons who may become owners of that real estate in the future. The Act also prohibits the recording of such residential real estate service agreements so that the public records will not be clouded by them and provides remedies for owners who are inconvenienced or damaged by the recording of such agreements.

The Act defines a “real estate service agreement” as “a written contract between a service provider and the owner or potential buyer of residential real estate to provide services, current or future, in connection with the maintenance, purchase, or sale of residential real estate.”

Importantly, licensees of the Commission are included in the definition of a “service provider,” and should review the Act closely, as it details which real estate service agreements are unfair. Additionally, the Act provides a list of agreements that are not prohibited by the Act. The full text of the Act can be found at the following link: https://www.scstatehouse.gov/sess125_2023-2024/bills/881.htm

The Act became effective upon the approval of the Governor, which was May 20, 2024. It applies to any unfair real estate service agreements that are recorded on May 20, 2024, or that are executed, modified, extended, or amended on or after May 20, 2024.