

# NEW YORK CITY FAIRNESS IN APARTMENT RENTAL EXPENSES (FARE) ACT

## Scope & Applicability

- Applies to all residential rentals and leases in New York City starting June 11, 2025.
- Does not apply to the rest of New York State.

## Broker Compensation Rules

- Landlord's agents cannot collect compensation from tenants.
- Compensation agreement with the landlord must provide fees to be paid directly by the landlord.
- Broker's agents are also prohibited from collecting fees from tenants.

## Co-Broke Restrictions

- No co-broke arrangements allowed where a tenant's agent shares their compensation with a landlord's agent.

## Tenant's Agents

- Brokers can collect fees from tenants if they are hired by and acting in the interest of the tenant.
- Agreements can be exclusive or non-exclusive.

## Dual Agency Allowed, but:

- Landlord must still pay their agent.
- Consent required from both landlord and tenant under 19 NYCRR 175.7 if broker is paid by both.

## Fee Disclosure Requirements

- Listings must clearly disclose any tenant fees.
- Before lease signing, landlords or their agents must provide the tenant an itemized written disclosure of all fees that includes a short description of each fee.
- This disclosure must be signed by the tenant prior to signing a lease, retained for 3 years, and copy must be given to the tenant.

## Enforcement & Penalties

- Enforced by the Department of Consumer and Worker Protection.
- Penalties:
  1. Landlord's agent collecting tenant fees: Up to \$1,000 for first violation; up to \$2,000 for subsequent violations within 2 years.
  2. Failure to provide itemized disclosure: Up to \$500 for first violation; up to \$1,000 for subsequent violations within 2 years.
  3. Civil action can be brought by any person alleging a violation.