July 2026
LIBOR Legal Update

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Patrick Fife, LIBOR General Counsel

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New York's New Restrictions on Institutional Purchases of Homes: What Real Estate Licensees Need to Know

Feb 25, 2026 · 2 min read

New York recently enacted a law that limits how institutional and other large-scale buyers ("covered entities")

What Real Estate Licensees Should Know About the New FinCEN Rule

Feb 18, 2026 · 2 min read

Starting March 1, 2026, the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the...

Using Standardized Intake Forms to Reduce the Risk of Fair Housing Violations

Feb 11, 2026 · 2 min read

Real estate brokerage firms should regularly review their and sales intake forms to ensure they comply with...

👋 Hi there, I'm MILO, LIBOR's RoboPup.

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What's Trending in Real Estate

Join Matt Christopherson, Director of Business and Consumer Research for the National Association of REALTORS®, for an insightful look at the trends shaping today's real estate market.

August 06, 2026 @ 01:45 PM

LIBOR’s Melville HQ

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Access to Legal Tips

Documents on Demand with Required Disclosures & Notices

Dispute Resolution Center

Educational Materials for You and Your Clients

LIBOR Legal Support Center

- LIBOR's Legal Support Center offers members exclusive access to a qualified attorney who can provide information on real estate matters. It is available from 9 a.m. to 5 p.m., Monday through Friday, excluding holidays.
- **To access, dial 631-661-4800 x335.**

Some Recent Questions to the Legal Support Center

Are Cold Calls Finally Allowed?

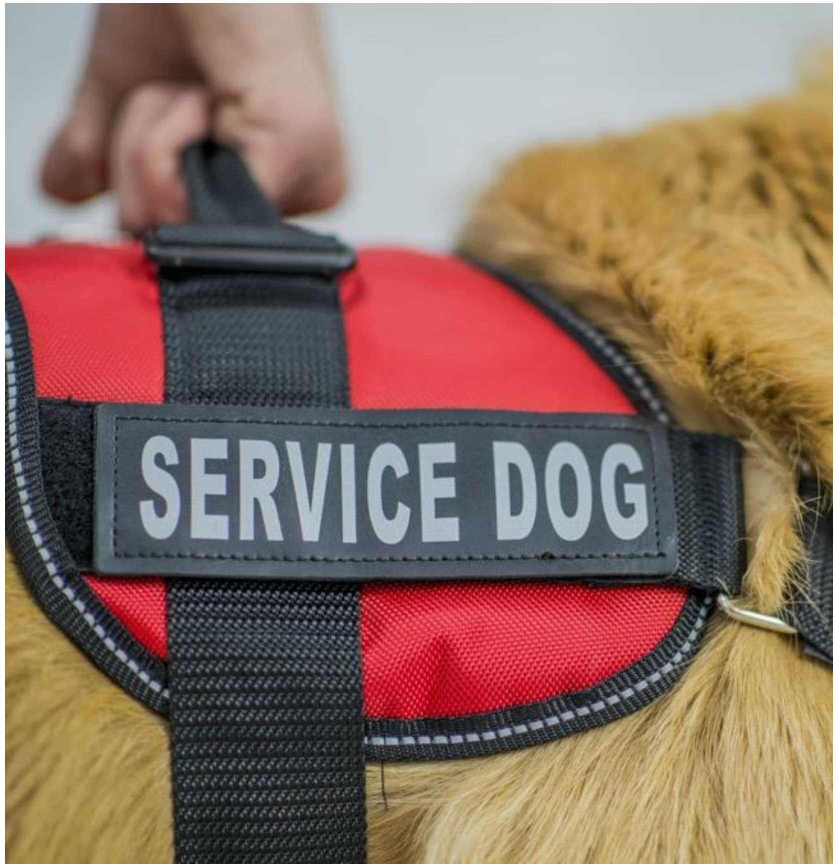
- No. General Business Law §399-z(5)(a) prohibits unsolicited telemarketing sales calls during a declared state of emergency.
- EO 47.20: Public Order at Correctional Facilities (Originally declared February 19, 2025). Until **at least August 16, 2026**.
- May be extended.
- Real estate licensees may not make any unsolicited phone calls or text messages to a member of the public who they do not have an Established Business Relationship with during a State of Emergency.
- All other types of marketing such as mailers, billboards, social media, internet etc., are permitted.

Can an Apartment Refuse an Emotional Support Animal if it's Not a Service Animal (ESA)?

- No. Not under NY law.
- Landlords can have a "no pet" policy. However, ESA's are not pets.
- Landlords with a "no pet" policy must make reasonable accommodations to allow a person with a disability to keep an ESA.
- If the disability of a person with an ESA is not apparent, you can ask for a letter from a physician, mental health professional, social worker, or psychiatrist stating that the person requires an ESA. However, you cannot request to see the medical records of the individual or ask the individual to define the emotional support issue or explain their disability.

But Wasn't There Recently a HUD Memo that Said Something Different?

- On May 22, 2026, HUD issued new enforcement guidance rescinding its prior ESA guidance and adopting a much narrower approach.
- HUD stated that it will generally pursue Fair Housing Act animal-accommodation cases only when the animal is individually trained to perform work or tasks related to a disability, effectively aligning its enforcement position more closely with ADA-style service animals.
- However, New York State's Human Rights Law and local fair housing laws still require reasonable accommodations for assistance animals in circumstances beyond HUD's current enforcement approach.
- The key question is whether the animal is a reasonable accommodation for a person with a disability.



Can a Landlord Charge an Extra Pet Deposit?

- Not if they are taking 1-month security.
- The total sum of all deposits required by a landlord cannot exceed 1 month's rent.
- If landlord already requires 1-month security, they can charge higher monthly rent (i.e. "pet rent").
- Pet rent or extra security cannot be charged for service or emotional support animals.

Can I Take an "Office Exclusive" Listing?

- Yes. **But the decision to use an office-exclusive listing belongs to the seller, not the broker.**
- An office exclusive listing is appropriate when a property owner chooses to limit marketing of the property exclusively to agents within the listing brokerage and withhold the listing from being disseminated through the MLS to other participants.
- Before moving forward, the listing broker should explain all options to seller and how each option may affect the seller's objectives, marketing exposure, and opportunity to attract competing offers.

Do I Have an Issue if I "Accidentally" Solicited Another Agent's Buyer?

- Maybe.
- Before providing substantive services or entering into a representation agreement with a prospective buyer, you must ask a clear question such as: **"Are you currently working with a REALTOR® under a buyer representation agreement?"**
- Failing to confirm that the buyer does not have an exclusive agreement with another broker may result in a violation of Article 16 of the Code of Ethics, even where there was no intent to interfere with another broker's relationship.

Can a Seller Instruct a Listing Broker to Deny Access to a Specific Buyer's Agent?

- DOS has been clear that a buyer has the right to whatever brokerage and agent they choose.
- If the buyer's agent is licensed by the DOS, the listing brokerage cannot honor the sellers request to preclude a certain agent or brokerage absent a documented dispute between the seller and agent/brokerage.

Website Privacy Demand Letters Targeting Real Estate Brokerages

A Growing Litigation Risk for REALTORS® and Real Estate Firms

- Real estate brokerages nationwide are receiving demand letters alleging violations of the California Invasion of Privacy Act (CIPA).
- Claims typically focus on website tracking technologies such as:
    - Cookies
    - Pixels
    - Tags
    - Beacons
    - Analytics and marketing tools
- Demand letters often threaten litigation unless a settlement is reached.

Why it Matters

- Plaintiffs' attorneys argue that website visitors are being tracked without proper notice and consent.
- Common marketing and analytics tools that many brokerages use every day may create legal exposure if privacy disclosures and consent practices are not properly implemented.
- Even brokerages located outside California may receive these claims if California residents visit their websites.
- Not clear on how it will be handled by Courts.
- Defense alone can be a major expense.

What Should Brokers Do If They Get a Demand Letter?

- If You Receive a Demand Letter or Lawsuit:
  - Notify your insurance carrier immediately
  - Consult qualified legal counsel
  - Preserve relevant website and vendor information
  - Evaluate the claims before responding

What Else Should Brokers Do?

- Now is a good time to review:
  - Website privacy policies
  - Cookie consent banners
  - Third-party tracking technologies
  - Website vendor agreements
  - Digital marketing practices
- Under New York law, brokers are responsible for supervising and approving the advertising conducted by affiliated licensees.

NYS Website Requirements

NYS Housing and Anti-Discrimination Notice: A link to this notice must be prominently and conspicuously displayed on the homepage of all websites created and maintained by real estate brokers, real estate associate brokers, real estate salespersons, and any real estate team.

Reasonable Accommodation & Modification Notice: A link to a Reasonable Modification and Accommodation Notice for “housing accommodations” must be prominently and conspicuously displayed on the homepage of all websites the broker creates and maintains.

Broker Standard Operating Procedures: Brokers must also post their legally required SOP’s on any publicly available website and mobile device application they maintain. Any website or mobile device application maintained by a team or a real estate salesperson must also have the broker’s SOP’s posted or have a direct link from such website or mobile device application to the broker’s website or mobile device application.

Correct Licensed Name & Title: Accurate licensee names and titles throughout site.

NYS DOS Real Estate Advertising Checklist

- DOS has prepared a checklist to help you advertise properly so that you can comply with state laws and regulations relating to advertising.
- DOS says "Following these rules may help you avoid fines or other discipline and help protect the public from misleading or inappropriate advertising."
- DOS recommends you evaluate your advertising periodically.

DOS Is Looking at Use of AI in Advertising

- DOS does not yet have a formal policy on the use of AI by licensees.
- Dishonest and misleading advertisements are prohibited and could subject the real estate broker or salesperson to disciplinary action (Real Property Law § 441-c).
- All advertisements must include an honest and accurate depiction of the property being sold or leased (19 NYCRR § 175.25(c)(9)).
- General Business Law §§349, 350 and 350-a also prohibit deceptive acts and false advertising, and could subject any business or person engaged in the misleading advertising to substantial monetary penalties.

NYS DOS November 2025 Alert on the Use of AI in Real Estate

- DOS issued a warning to homebuyers and real estate professionals about a significant rise in artificially generated pictures on real estate listings.
- "As the real estate market continues to evolve, this new trend is being used to enhance the marketing of a property; however, it also raises important concerns about accuracy, authenticity and the potential for false advertising."

Consider Having an AI Use Policy

- NAR Has Created an AI Policy **Template** for brokers that provides a starting point for establishing clear standards around the responsible use of artificial intelligence within your brokerage.

- Customize it to reflect your company's operations, technology platforms and policies.

Fake Zoom/Teams Link Scam

Legal Alert - Fake Zoom/Teams Link Scam

- Targeting Long Island REALTORS®
  - Sophisticated phishing scam using fake Zoom, Teams, and video meeting links
  - Part of a growing nationwide fraud trend
  - Designed to access confidential business and personal information.
- Scammers use real listing details to appear legitimate.

How the Scam Works

- Scammer poses as a prospective buyer.
- Asks realistic, informed questions about your listing.
- Requests a quick meeting—but sends their own link.
- If you click the link, you may:
  - Install malware (access to email, files, passwords).
  - Land on fake login pages (credential theft).
  - Download “updates” that are actually malicious.
  - Be recorded for future impersonation scams.

Red Flags to Watch Out For

- New contact pushes for immediate video meeting.
- Insists on using their link (not yours).
- Avoids phone verification.
- Claims to be out of state / unavailable locally.
- Creates urgency or pressure
  Prompts downloads or “updates”
  Email/link looks slightly off.

Best Practices

- Control the meeting – always send your own link.
- Do not click unknown links.
- Verify identity by phone first.
- Never install software from a link.
- Use only trusted platforms & accounts.

If You Are a Victim:

- Notify broker, IT and cyber insurance immediately.
- Preserve all communications.
- Report to FBI IC3 (www.ic3.gov).
- Alert colleagues.

NYC’s New Co-op Application Timeline Law Takes Effect July 28, 2026

What Is the Law?

- Local Law 58 of 2026 establishes mandatory deadlines for reviewing and acting on co-op purchase applications.
- Effective July 28, 2026, co-op boards in most New York City buildings are subject to mandatory deadlines for reviewing and acting on purchase applications.
- The new law is intended to bring greater predictability and transparency to a process that has historically been plagued by delays and uncertainty.

Acknowledgment Within 15 Days

- Co-op must confirm an application is complete or identify missing items.
- Response required within 15 days of receipt.
- Important: If no response is provided within 15 days, the application is deemed complete by operation of law.

Decision Within 45 Days

- Once an application is complete (or deemed complete), the board must approve, conditionally approve, or deny the application within 45 days.
- One 14-day extension without the consent of the purchaser is allowed, if the board notifies the purchaser via email.
- Additional extensions generally require purchaser consent.

No Requirement to State a Reason for Denial

- The law imposes timelines but does not require NYC co-op boards to explain why an applicant was denied.
- Boards retain discretion to reject applicants, provided they comply with fair housing and anti-discrimination laws.

Impact on Co-op Transactions

- Greater certainty for contract parties.
- Reduced risk of mortgage rate-lock expirations.
- More accurate closing projections.
- Fewer delays while awaiting board action.

The law does not create automatic approval if a deadline is missed.

Long Island Co-Op Application Laws

Nassau County:

- 15-day acknowledgment
- 45-day decision deadline
- No reason for denial required

Suffolk County:

- 10-day acknowledgment
- 45-day decision deadline
- **Written explanation required for denial**

Practice Tips For Co-Op Applications

- Remind clients that board approval remains a critical contingency.
- Encourage complete board packages.
- Maintain records of submission dates.
- Monitor statutory deadlines.
- A complete and well-documented application package remains as important as ever.


Managing the Risks:
Navigating the Hazards
of Rental Transactions

Rentals: The Regulation, Enforcement, Fair Housing & Liability Hot Zone

- Rentals are the biggest area of undercover testing in NY.
- Heavy fair housing enforcement focus.
- Highest volume of consumer complaints.
- Complex overlapping regulations (state, city, federal).
- Commission regulation in New York City: FARE Act
- Major target for scammers.

Large Majority of Fair Housing Related Complaints Come From Rentals

- **Fair Housing Justice Center: 2025 Fair Housing Trends Report:** Found rental-related housing discrimination complaints were the most prevalent of any complaint.
- 27,007 complaints related to rentals nationwide accounted for 83.56 percent of all transaction types reported.
- **Majority of Fair Housing Complaints in Rentals Relate to Disability:** Discrimination based on disability accounted for the majority (54.59 percent) of complaints filed with FHOs, HUD, FHAP agencies, and the DOJ.

Most Common Rental Violations

- **Disability Discrimination:** Treating service or emotional support animals like pets.
- **Lawful Source of Income Discrimination:** Refusing, ghosting or frosting vouchers holders
- **Illegal Fees:** Charging application fees above $20 cap, non-refundable commission deposits or a fee before being allowed to view the property.
- **NYC FARE Act:** Since last year, NYC Department of Consumer and Worker Protection has fielded well over 1,000 complaints.
- **Mishandling Security Deposits:** Brokers illegally retaining or misplacing security deposits or charging the approved tenant more than 1-month security.
- **Failure to Disclose Agency Status:** Brokers failing to clarify who they represent in a transaction (e.g., acting as a landlord’s agent but leading a prospective tenant to believe they are working on the tenant's behalf).

Tenant Screening: Proptech and Algorithmic Exclusion

- Proliferation of many AI-enabled tenant screening tools represents another fair housing risk.
- Recent research from California, Georgia and North Carolina found that almost 2/3 of landlords received tenant-screening reports containing AI-generated scores or recommendations.
- Black and Latino applicants were almost half as likely to have their applications accepted as white applicants.
- Algorithms are trained on existing credit, criminal, and eviction data that already contain embedded racial and socioeconomic disparities.
- Because of these discriminatory impacts, regulators have warned that about liability for disparate impacts on protected classes.

Brokers Should Have Policies for Rental Supervision

- **Implement Standardized Operating Procedures:** Require agents to follow consistent, written protocols for showings, tenant screening, and application processing to ensure every prospect is treated equally.
- **Mandate Specialized Rental Training or Experience:** Ensure agents understand the specific rules of the local rental market (i.e. FARE Act).
- **Conduct Transactional Audits:** Routinely review rental transactions to ensure agents are following law and office policy.
- **Appoint Experienced Office Managers:** Delegate active oversight duties to licensed associate real estate brokers who have experience with rentals.

Make Sure Your NYC Residential Rentals Are in Compliance with the FARE Act

- New York City's Fairness in Apartment Rental Expenses (FARE) Act prohibits NYC residential landlords from passing the fees of brokers they hire onto prospective tenants.
- It applies only to residential apartments located in New York City.

The FARE Act Prohibits Landlord's Agent From Passing on "Any Fee" to the Tenant

§ 20-699.21 Payment of certain fees imposed in relation to the rental of residential real property. a. Except as expressly provided by subdivision 1 of section 238-a of the real property law:

1. a landlord's agent shall not impose any fee on, or collect any fee from, a tenant related to the rental of residential real property; and

2. any agent who publishes a listing for a rental of residential real property with the permission or authorization of the landlord for such property shall not impose any fee on, or collect any fee from, a tenant related to the rental of such property.

Make Sure Your Listings Aren’t Seeking Illegal Excessive Deposits or Application Fees

- Pursuant to the New York State Housing Stability and Tenant Protection Act of 2019 (HSTPA), the landlord can charge only up to one month of rent for a security deposit or advance payment.
- Landlords may charge no more than $20 for a background/credit check. The fee must be waived if an applicant provides their own background or credit check that was conducted within the past 30 days.
- No other application fees permitted.

Remember that MLS Clear Cooperation Rule Applies to Rentals

- OneKey MLS Rule 302.2 - NAR Clear Cooperation Policy: Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing is engaging in any one or more of the following: flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts, e.g.), multi-brokerage listing sharing networks, applications available to the general public, cooperating with other brokerages, or any substantively similar activity.

- All residential property classes are subject to this rule, including the following: (1) residential one-to four (1-4) family homes (but not residential properties with five (5) or more units, AND (2) residential cooperative apartments, condominiums, units in a home owner's association (HOA), townhouses, mobile homes, AND (3) **residential rentals**, AND (4) vacant land that is zoned only for residential development.

Have Procedures to Prevent Lawful Source of Income Discrimination

- Have standard procedures for ALL prospects regardless of their source of income.
- Ask the same questions you would ask any other prospective tenant:
  - What area are you looking in?
  - How many bedrooms are you looking for?
  - What is your price range?
- Don't turn away prospects because they receive financial assistance.
- When meeting prospects, tell them about all vacancies that meet their needs, regardless of their source of income.
- Show voucher holders the same apartments that you would any other prospective tenant regardless of their source of income
- Ask voucher holders for (1) copy of voucher, (2) name of caseworker; and (3) educate yourself to the details of the program.

Make Sure You Provide Reasonable Accommodation and Modification Notice to All Prospective Tenants

- This notice informs prospective tenants of their rights to request reasonable modifications and accommodations.
- The notice must be given to all prospective tenants at first substantive contact.

Can a Brokerage or Individual Agent Have a "No Rentals" Policy?

- Yes. Offices or individual agents may choose not to handle rentals.
- Policy must be applied consistently.
- Selective application creates discrimination risk.
- Policy should be documented and must be enforced uniformly.

News vs Reality – The Truth About Fair Housing Enforcement

The News Says...
NY Landlords Can Refuse Section 8

Gothamist

New York judges add new obstacle for low-income tenants with housing vouchers

A panel of judges said a law banning discrimination against Section 8 recipients actually violates landlord rights.

Mar 5, 2026

Spectrum News

Section 8 voucher ruling shocks housing community

New York's state Supreme Court Appellate Division released a ruling Thursday that could further complicate the state's affordability crisis.

Mar 5, 2026

MARCA

Section 8 Blow: New York landlords can now legally refuse vouchers after Court ruling

A major shift in New York's housing landscape is underway after a state appellate court struck down a key law that had protected tenants...

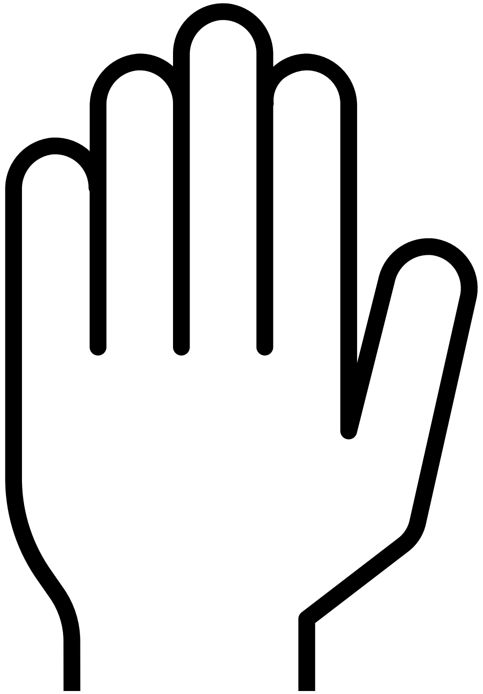
1 month ago

Recent Third Department Court Ruling

- In March, the New York State Supreme Court, Appellate Division (Third Department), issued a decision holding that New York's lawful source of income protections cannot be used to require property owners to participate in the federal Section 8 program.

- The court found the law unconstitutional in situations where it would force owners to consent to warrantless inspections and provide access to records.

REALITY… For Now, the Ruling Does Not Change Anything!



- The New York State Attorney General has appealed the decision.
- In NY, when the state appeals, the ruling is automatically stayed.
- As a result, all NY State and local lawful source of income protections remain fully in effect, including protections for Section 8 voucher holders.
- Even if the Court of Appeals upholds the decision, it will only have a limited impact on Section 8, and program may then make an adjustment.

So You MUST Continue Following ALL Lawful Source of Income Laws

- All lawful source of income laws remain in full force and effect.
- The ruling does not pause or prevent enforcement.

The News Says… REALTORS® Can Talk About Crime & Schools

New York Post

HUD urges real estate industry to share neighborhood school and crime data after listing platforms stopped under Biden

The Department of Housing and Urban Development (HUD) on Friday urged real estate professionals to share neighborhood school and crime data...

2 weeks ago

Hoodline

Feds Greenlight Realtors to Talk Crime and Schools Again

Real estate agents across the country just got the federal OK to talk openly about neighborhood crime rates and school quality again,...

2 weeks ago

HUD’s Recent “Dear Colleague” Letter

- On April 24, 2026, the U.S. Department of Housing and Urban Development (HUD) issued a “Dear Colleague” letter stating that real estate professionals may lawfully discuss neighborhood crime rates and school quality with clients without violating federal fair housing laws.

- Letter could be over-read as permission to discuss crime and schools without regard to state law.

- The letter signals a broader move by the administration away from enforcement based on disparate impact (where a neutral policy unintentionally affects one group more) and toward a standard of "intentional discrimination.”

REALITY…

New York Imposes Obligations that Exceed Federal Guidance and Risk Remains When Discussing Schools & Crime

- New York State fair housing laws are separate, broader in certain respects, and remain fully enforceable regardless of HUD's position.
- Consumers should have access to accurate, complete information about neighborhood schools and crime.
- Since the 1980s, NAR has encouraged providing objective, factual information about schools and crime from reliable third-party sources.
- Subjective opinions, commentary, or hearsay about schools or crime may be viewed as evidence of discriminatory intent or steering in fair housing cases.
- You need to continue to use caution in how these topics are discussed.

HUD’s Potentially Misinterpreted Quotes

“Real estate agents and brokers do not violate the Fair Housing Act merely by discussing… crime or the quality of schools.”

- Risk: Can be read too broadly as a green light to freely discuss anything about these topics.

“Providing… information about school quality and crime data is not a violation when it is shared consistently without discriminatory intent.”

- Risk: Doesn’t discuss what information should be provided. “Consistently” and “without discriminatory intent” are fact-intensive standards—easy to misapply in practice.

“Answering… questions about crime and schools is lawful…”

- Risk: Doesn’t highlight limitations on subjective commentary or framing.

Practical Guidance for Discussing School Districts & Crime

- The risk is not necessarily the topics of crime and schools.
- The risk is how the information is selected, framed, and delivered such as using subjective language (“safe,” “good school,” “bad area”)
- Your role is to direct clients to objective resources so they can make a decision, not to decide for them.
- Agent should not interpret the information or provide their own opinions about it.
- LIBOR Legal Tip: Best Practices for Handling Client Questions About Schools