

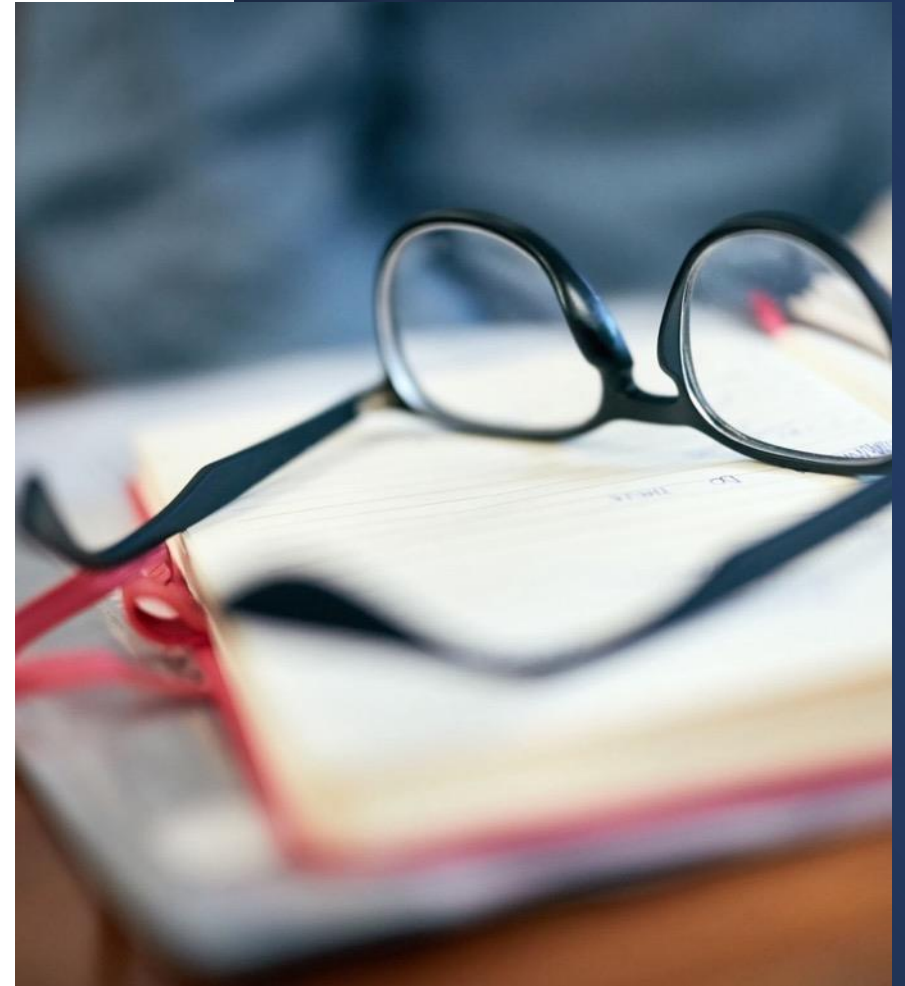


June 2026 LIBOR Legal Update

Patrick Fife, LIBOR General Counsel

LIBOR Is Your Reliable Source for Staying Updated on Legal Changes & Risks

- Thursday LIBOR Email -- Free Weekly Legal Tips
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Resources & Education LIBOR's Website



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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Dispute Resolution
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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 47.19: Public Order at Correctional Facilities (Originally declared February 19, 2025). Until at least July 18, 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.

If My Seller Is Going Away and Doesn't Want their Property Shown, Can I Keep it Active?

- No. Not under MLS Rules.
- If a Listing cannot be shown for three (3) or more days, its status must be changed to “Temporarily Off the Market” (otherwise known as “TOM”), which is not an “Active” status.
- This includes listings where there is an “Acceptable Offer, with No More Showings,” or there are “no more showings” for any other reason unless the listing is Pending, Sold, Cancelled, or Withdrawn

Is there a New Law in NY that Regulates the Sale of Residential Properties to Institutional Investors?

- Yes. The law went into effect in 2025 and establishes a 90-day waiting period for the sale of one- and two-family homes to certain "covered entities" (institutional investors).
- Licensees representing investors covered under this law must make sure not to make offers on their behalf on 1-2 family homes where the property has not been on the market for at least 90 days or the price was changed within 90 days or less.
- Licensees must also make sure their real estate investor clients submit the form required or that they receive the form if an investor client purchases one of their listings.

Could it Be an Issue if I “Accidentally” Solicited a Buyer Who Already Had an Exclusive Buyer Representation Agreement with Another Broker?

- Yes. If a buyer is subject to an existing exclusive agreement with another broker, Standard of Practice 16-5 prohibits solicitation of that buyer.
- Standard of Practice 16-9 requires REALTORS® to make reasonable efforts to determine whether a prospective buyer is already subject to a current exclusive buyer representation agreement before entering into a new one.
- Before providing substantive services or entering into a representation agreement with a prospective buyer, ask: “Are you currently working with a REALTOR® under a buyer representation agreement?”



What Are the Requirements to Serve as a Real Estate Office Manager in New York?

- Under New York Real Property Law § 440(6), an “office manager” is a specifically defined role, not merely a functional title.
- To serve as an office manager, an individual must be a licensed associate real estate broker who has been active as an associate real estate broker for at least two of the four years immediately preceding appointment.

Who Signs the Agency Disclosure Form in the Case of Dual Agency?

- When dual agency occurs in New York, both the buyer (or tenant) and the seller (or landlord) must sign the New York State Agency Disclosure Form.
- Because dual agency means one broker represents conflicting interests in a single transaction, the law requires "informed, written consent" from all principals.
- Must provide the form at first substantive contact.

Invisible Threats: Fake Zoom Links & Vacant Land Scams



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.



zoom

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.

Vacant Land Sale Scams Continue to Rise



- Growing problem on a national and local level.
- According to a 2025 NAR survey, a staggering 62% of fraudulent real estate transactions involved vacant land.
- The FBI reported a 500% increase in vacant land fraud cases over a recent four-year period.
- Scammers are taking advantage of low inventory - hoping brokers rush into listings.
- Targeting properties without mortgages.

What Are the Red Flags of the Scam?

- Looking to list the property for significantly below market value and wants cash buyers.
- Seller often claims to be out of the state or country.
- Emphasizes an urgency to sell QUICKLY!
- Will never communicates in person or on video, preferring to text or email.
- They respond and want you to move QUICKLY!



The Real Consequences of a Scam

Giannone v. Silvestri

Supreme Court, Tioga County (2026)

- Plaintiff claimed he owned property and never transferred title.
- Sued defendant, who recorded a deed for property after paying \$80K for it.
- Transaction allegedly involved an unknown impersonator posing as the seller and a forged deed and notarization (linked to a compromised Texas notary stamp).
- The closing proceeded even though the “seller” never appeared because the deed was pre-signed and later found to be fraudulent.
- Plaintiff filed a quiet title action against the buyers.
- The buyers, in turn, brought third-party claims against the broker, attorneys, and title company for fraud, negligence, unjust enrichment and breach of contract.

The Broker's Defense: I Was Tricked Too!

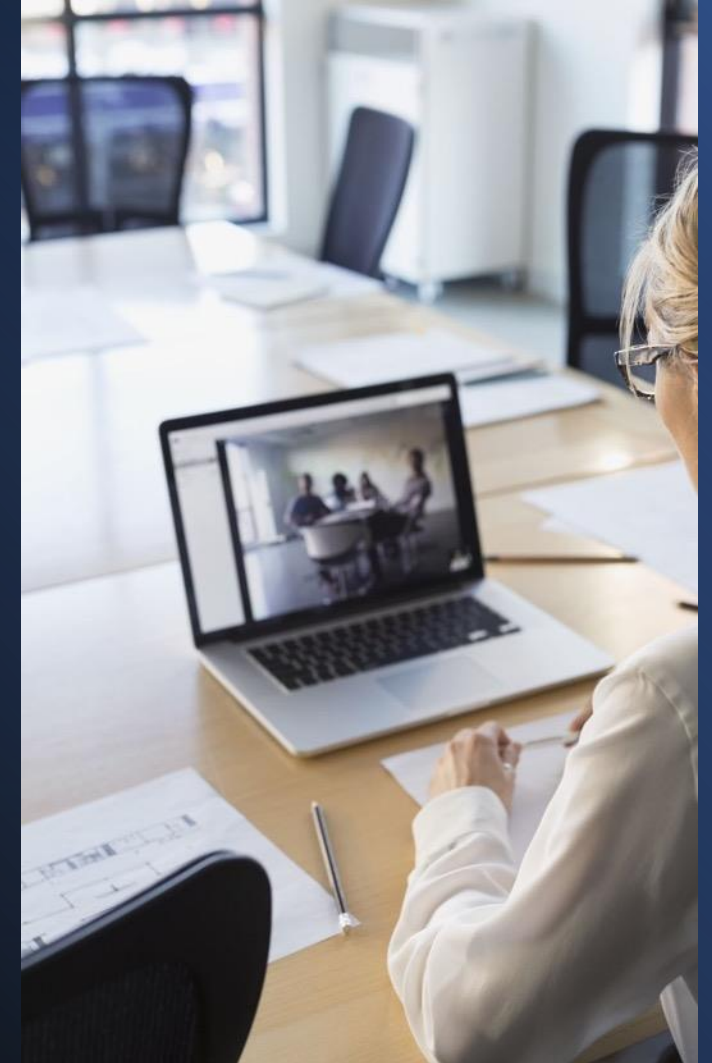
- **Fraud claim allowed to proceed:** Broker allegedly failed to verify that the person who listed the property with them actually owned the property.
- Court held allegations were sufficient that broker 'made a misrepresentation when they listed the property for sale.'
- Broker's claim that it lacked "actual knowledge" of the true facts is not sufficient to grant dismissal.
- Was sufficient that plaintiff alleged broker should have known of the falsity of the alleged owner's statements.
- **Negligence allowed to proceed:** Broker owed a duty to provide accurate information about the property.

Possible Consequences of Taking an Invalid Listing

- **Potential Legal Complications:** The cost of defense alone can easily run into the tens of thousands of dollars and beyond.
- **Licensure Issues:** It is possible DOS might find that failure to conduct due diligence as to a seller's alleged identity constitutes incompetence.
- **Code of Ethics Violations:** Possible violations of Article 2, 11 and 12 of the Code of Ethics.
- **Lost time and resources:** Investment of hours to marketing, scheduling showings, and coordinating transactions for properties that cannot legally be sold or rented.
- **Reputational damage:** Advertising or falling victim to a fraudulent property can undermine trust with clients and damage broker's professional credibility.

What Can You Do To Avoid the Scam?

- **SLOW DOWN!!**
- Requires an in-person or zoom meeting (USING YOUR LINK) before taking any vacant land listing.
- Require seller to provide details about the land (e.g., surrounding trees, access roads, tax bills)
- Require multiple forms of identification.
- Independently search the Internet for a recent picture of the seller.
- Check public records to verify owner's phone number and email.





**Advertising Risk Reduction:
You Mean It's Not Just One
\$500 Fine?**

Advertising Exposure

- DOS reviews ALL advertising when a complaint is received.
- Unfounded complaints can trigger full audit.
- Review includes website, social media, and agent profiles
- Small technical violations can result in significant penalties.



NYS Website Requirements

NYS Housing and Anti-Discrimination Notice: A link to this notice must be prominently and conspicuously display 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.

Brokers Are Responsible for Advertising

- Legally, associated licensees cannot advertise without the broker's permission.
- The broker is required to supervise and approve all advertising before it goes live.
- Salespersons often do not understand that it is the principal broker who must authorize advertising.



Best Practices for Advertising

Brokers should implement specific office policies that govern how associate brokers, licensed real estate salespersons and teams engage in advertising.

Associated salespersons should always get pre-approval for all advertising.

Brokers should offer centralized templates and branding with checklists for different types of advertising.

Licensees should conduct periodic website and social media audits of their advertising.

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.”



Now is the Time for Brokers to Create 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.





**Trust Has No Off Switch:
Accountability 24/7**

Can Your Conduct Outside of Your Real Estate Activity Put You at Risk?

NAR Code of Ethics & Arbitration Manual Statements of Professional Standards Policy

Effective June 5, 2025:

29. Applicability of the Code of Ethics

While REALTORS® are encouraged to follow the principles of the Code of Ethics in all of their activities, a REALTOR® shall be subject to disciplinary action under the Code of Ethics only with respect to their capacity as real estate professionals, in association with their real estate businesses, or in their real estate-related activities. (Revised and effective November 13, 2020. Additionally revised June 5, 2025.)

NY Law Goes Further Than The REALTOR® Code of Ethics

- “Off-Duty” conduct has been found by DOS and the Courts to support findings of untrustworthiness.
- Fogel vs. Department of State (2d Dep’t 1994):
 - “Real Property Law 441-c does not specially limit untrustworthiness to only situations where the underlying acts or conduct are related to real estate transactions.”

Recent Case Example: 226 DOS 25

- Licensee made vulgar and racist comments in a text thread to a member of the public outside of a real estate transaction.
- Salesperson's license was suspended by DOS.
- DOS said that, even though recipient of comments was not a client at the time licensee's comments were made his comments that "does not negate his responsibilities as a Licensed real estate salesperson to act with professionalism, respect and within the bounds of the law."



Recent Case Example: 256 DOS 25

- Licensee directed racist and abusive epithets to health club employee that were recorded on video.
- Salesperson's license was not granted.
- DOS said that “the video footage of the applicant's display of hostility and his use of racist and abusive epithets...firmly prove his inability to treat certain members of a protected class fairly.”



Best Practice: Follow and Promote NAR's Pathways to Professionalism

- This list of suggested professional courtesies is meant to complement the Code of Ethics
- “Be aware of and respect cultural differences. Show courtesy and respect to everyone.”
- “Avoid the inappropriate use of endearments or other denigrating language.”
- “Real estate is a reputation business. What you do today may affect your reputation—and business—for years to come.”



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.



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 You're 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.



Be Careful if Landlord Wants to Charge an Extra Pet Deposit

- 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 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.



The background of the image is a stack of rolled-up newspapers. The papers are slightly out of focus, showing various colors and patterns from the newsprint. A white horizontal line is positioned below the main text, extending across the width of the page.

News vs Reality - The Truth About Fair Housing Enforcement

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

G 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



S 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



M 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...

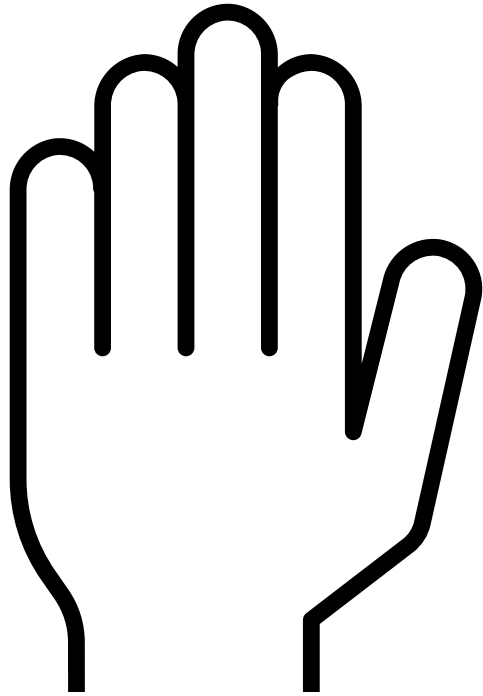
1 month ago



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**

