

What Do You See? Banning Brokers Fees Ain't Law, Experts Argue

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Leni Cummins is quoted in *Real Estate Weekly* on The New York Department of State's legal guidance on tenant-paid broker fees. As a part of the Housing Stability and Tenant Protection Act that was passed last summer, landlords are now prohibited from charging tenants for broker fees. The real estate industry is challenging the legality of the guidance.

Leni noted that "the DOS guidance expands on the definition of application fees to now includes broker fees."

"Interestingly, the latest guidance document outright leaves whether the broker fee will be part of the \$20 cap to the courts or local jurisdiction. However, it does say that it will not subject a broker to discipline for collecting a broker fee in connection with a lease of a condominium or cooperative unit, when the board is not the owner of the rental unit. I expect there will be a rash of litigation brought on by this new change," said Leni.

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