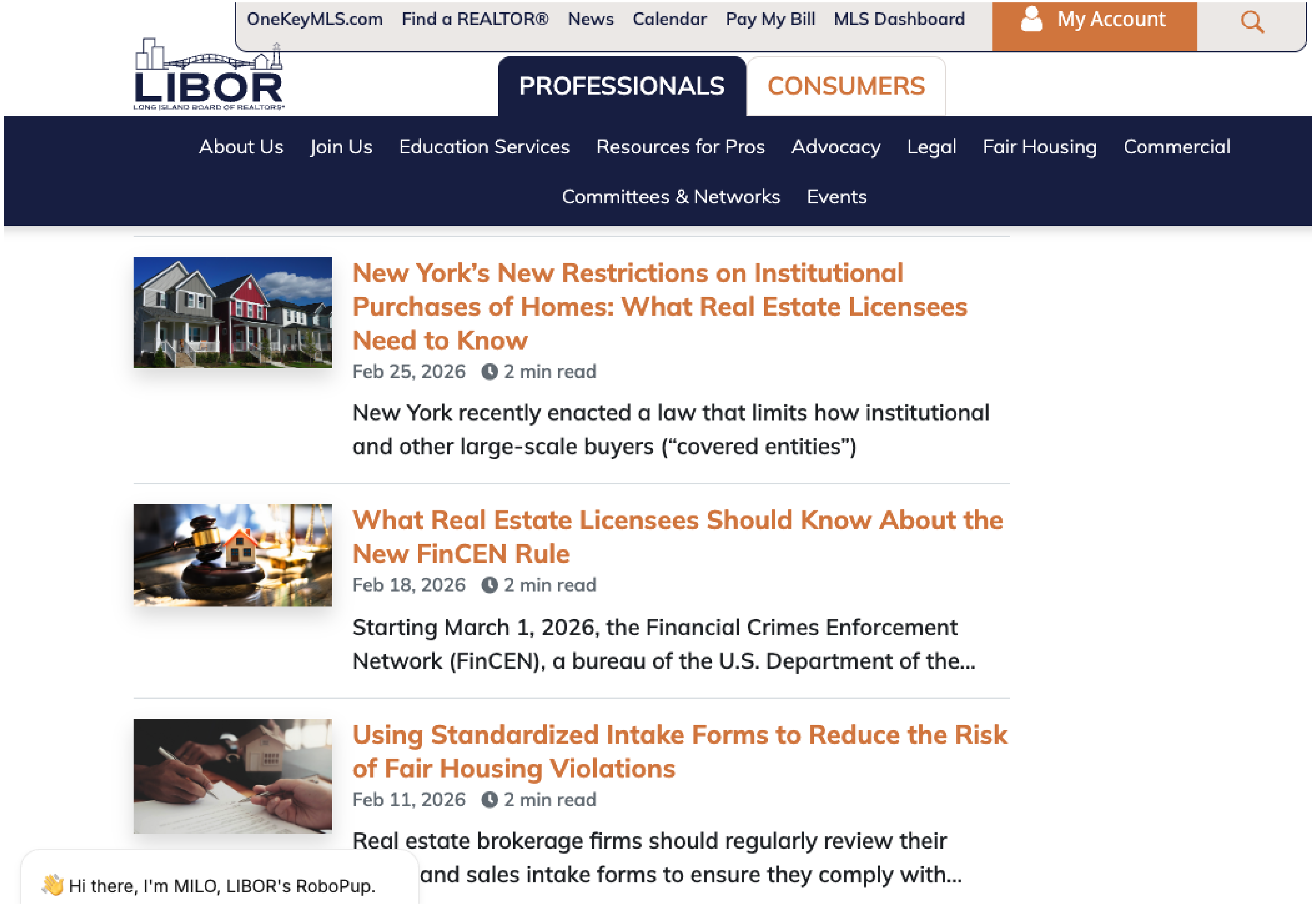
August 2026
LIBOR Legal Update

Patrick Fife, LIBOR General Counsel

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

- Thursday LIBOR Email -- Free Weekly Legal Tips
- Webinars
- Broker Portal with Monthly Newsletter and Resource Deck
- LIBOR Events
- Free Monthly LIBOR Legal Update CE Class

Resources & Education LIBOR's Website



LIRealtor.com

LIBOR ANNUAL GENERAL MEMBERSHIP MEETING 2026

Thursday, September 10, 2026
starting at 9:45 AM.

FREE NYS CE Live Virtual Session “AI & Automation for Real Estate – Work Smarter – Serve Better”

Voting for LIBOR Board of Directors

LIRealtor.com

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 47.21: Public Order at Correctional Facilities (Originally declared February 19, 2025). Until **at least September 13, 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.

I’m Renting My Daughter's Apartment, Do I Need to Disclose that She is the Owner?

- Yes.
- Article 4 states that “REALTORS® who have a present ownership interest in property for sale or lease, or contemplated interest to purchase or lease property, must disclose in writing the existence of such interest to all parties to the transaction prior to a party signing any agreement.”
- Standard of Practice 4-1 defines “a present ownership interest in property” to include transactions in which REALTORS® represent a member of their immediate family.
- "Immediate Family" includes, but is not limited to, the REALTOR® and the REALTOR®'s spouse and their siblings, parents, grandparents, children (by birth or adoption), grandchildren, and other descendants.

What’s the Difference Between a Withdrawal and a Release of a Listing?

- Withdrawing a listing pauses active marketing but keeps the legally binding listing agreement in effect.
- The Exclusive Right to Sell contract stays legally valid until its original expiration date.
- Granting a release permanently terminates the listing contract and dissolves the legal relationship between the broker and the seller.

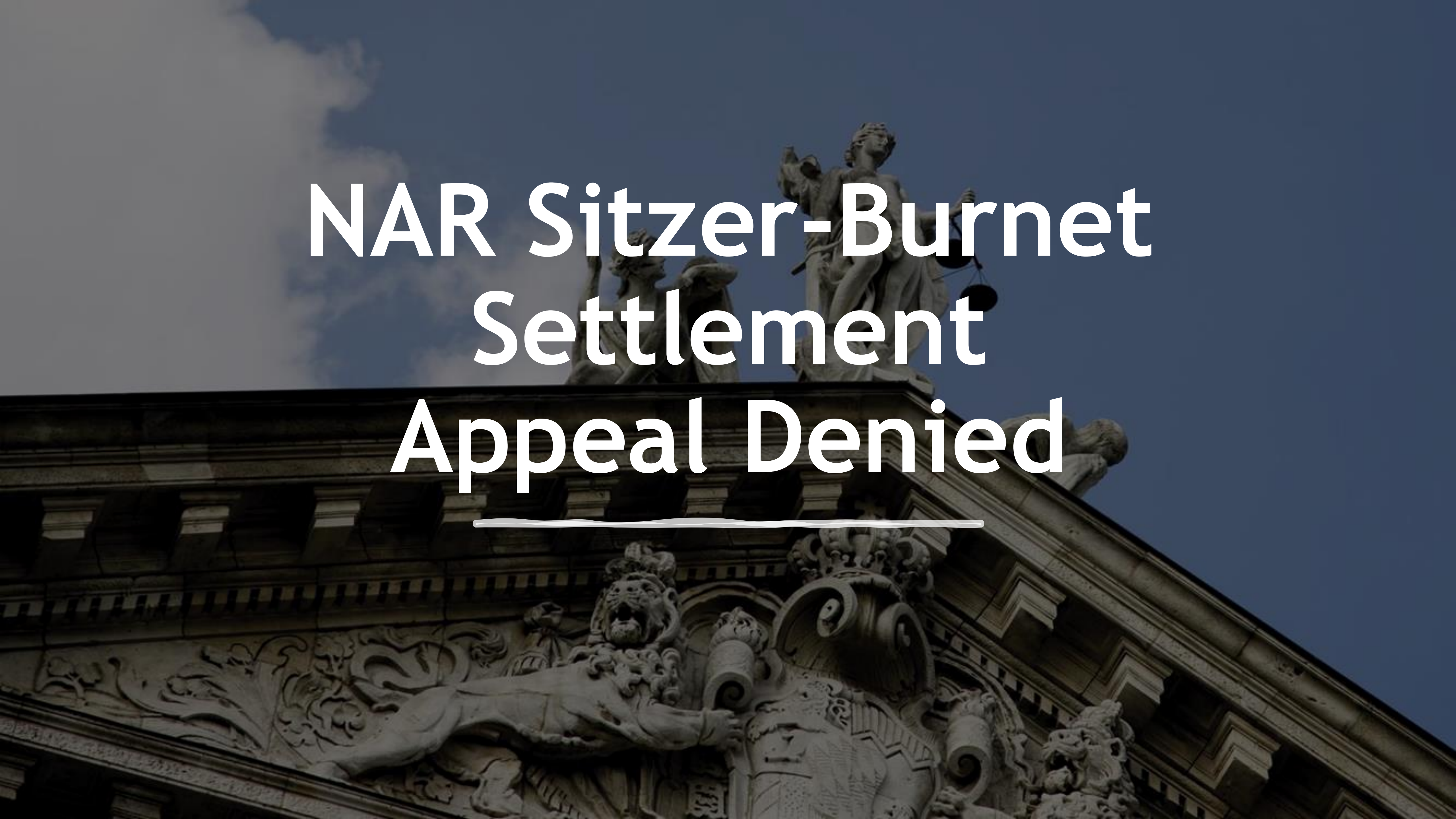
What's the Difference Between a Conditional and Unconditional Release?

- When a broker grants a release, they are completely severing the contractual ties.
- **Unconditional Release:** The contract is 100% canceled. Neither party owes the other anything further, and the broker waives any future right to a commission. The seller is free to hire a new agent immediately.
- **Conditional Release:** The broker agrees to cancel the contract, but only under specific terms. For example, the broker may include a "safety clause" stating that if the home sells within the next 90 to 180 days to a buyer who toured the home while it was active, the original broker is still owed a commission.

Is There an Official List of Advertising Terms I Should Not Use?

- No.
- But LIBOR has Fair Housing Word & Phrase Guidelines to help to comply with federal, state and local fair housing laws and nondiscriminatory practices.
- This list is not all-inclusive, but is a Fair Housing reminder of words that are prohibited in most instances when writing any advertisements or listing descriptions.
- A general list cannot cover every situation or question. Each word must be considered in context.
- If you have questions you should consult with your broker or your brokerage's legal counsel.

NAR Sitzer-Burnet Settlement Appeal Denied



What the Appeal Was About

- A panel of Eighth Circuit Court of Appeals judges upheld the Sitzer-Burnet class-action settlement last week, tossing out several arguments aimed at overturning the deal's November 2024 final approval.
- Those objecting to the settlement argued, among other things, that the district court erred when it approved the settlement because plaintiffs lacked legal standing, the settlement payout and the proposed distribution were not adequate, and the settlement inappropriately included home buyers.
- This means the 2024 Settlement terms remain in force and aren't going to be subject to change.

Sitzer Burnett Settlement Reminder
MLS & Compensation Practice Changes

- **No offers of compensation in the MLS:** Buyer-broker compensation may not be advertised, displayed, or set in MLS listings or fields.
- **No indirect compensation signaling:** MLS listings may not include language, codes, or remarks that signal compensation outside the MLS.
- **Compensation is fully negotiable and off-MLS:** Any buyer-broker compensation must be negotiated separately between brokers and/or with consumers.
- **Prohibition on steering tied to compensation:** Agents may not filter, select, or recommend properties based on whether compensation is offered.

Sitzer Burnett Settlement Reminder
Buyer Representation & Transparency Requirements

- Prior to touring a home with a buyer, an MLS participant or its agents must have a written buyer agreement.
- The agreement must state the amount or rate of compensation the REALTOR® will receive or how this amount will be determined.
- The amount must be objectively ascertainable and not open ended (e.g. cannot say "buyer broker compensation shall be whatever amount the seller is offering to buyer"). No ranges or sliding scales.
- REALTOR® cannot receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the buyer agreement.

Is There a Set Timeframe that a Written Buyer Agreement Needs to Cover? Can I Have a Written Buyer Agreement for Just One Home?

- A buyer agreement can be for any duration (e.g., one day, one week, one month, one year).

- A written buyer agreement can be for one home or multiple homes.

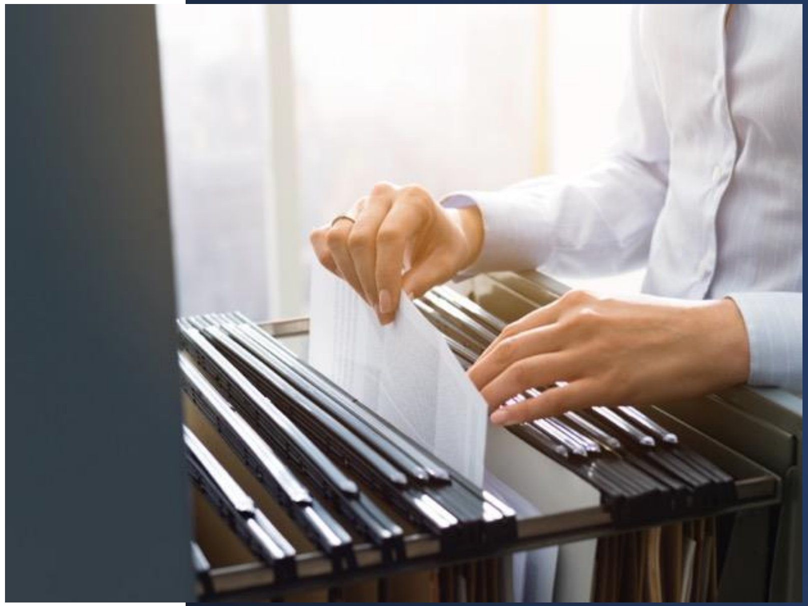
- You can tailor an agreement to suit your business needs and the needs of your client.

Can a Buyer Representation Agreement Be Amended?

- Yes, but only under certain circumstances.
- Amendments should have a business justification. For example, an amendment might be justified if the nature, scope, or duration of the services you were providing has changed.
- You should never amend an agreement to match the compensation that a listing broker or seller may be offering so you can receive more than you originally agreed to with your buyer.
- The buyer must also agree to any proposed amendments, and any amendment should be explained to the buyer so that they understand what they are being asked to agree to and what their rights are.

Does Buyers' Agents Need to Provide Their Written Buyer Agreement to the Listing Broker?

- No. If the listing broker asks you to provide a copy of your written buyer agreement, you should not provide it.
- The listing broker does not need to confirm what the buyer agreed to pay you to determine what, if anything their seller is willing to offer for compensation.
- The seller and listing broker should be independently basing their decisions about how to address compensation offers based on what is best for the seller, and not what the buyer agreed to with their broker.



Do NOT Try Any of These NAR Settlement "Workarounds"

- Accepting Seller-Paid Bonuses
- Supplementing Touring or Showing Agreements for a Property Already Shown with a Buyer Representation Agreement
- Including Ranges of Compensation in a Buyer Representation Agreement
- Tailoring a Buyer Representation Agreement to Seller-Offered Compensation or Leaving Compensation Open-Ended to be Filled in Based on Whatever Compensation the Seller or Listing Broker May be Offering

News vs Reality – The Truth About Fair Housing Enforcement

The News Says… Emotional Support Animals Are No Longer Allowed in Apartments

The New York Times

HUD Moves to Limit Assistance Animals for Disabled Tenants

Housing officials were told to exclude emotional support animals and tighten the definition of a service animal when granting accommodations...

May 22, 2026

La Voce di New York

Trump's HUD Strips Protections for Emotional Support Animals in Housing

The Trump administration has moved to drastically narrow the definition of qualifying assistance animals in federally regulated housing,...

May 23, 2026

Animals 24-7

"Emotional assistance" pit bulls are no longer protected from eviction

Fair Housing Act no longer shields pit bull owners who claim mental illness.

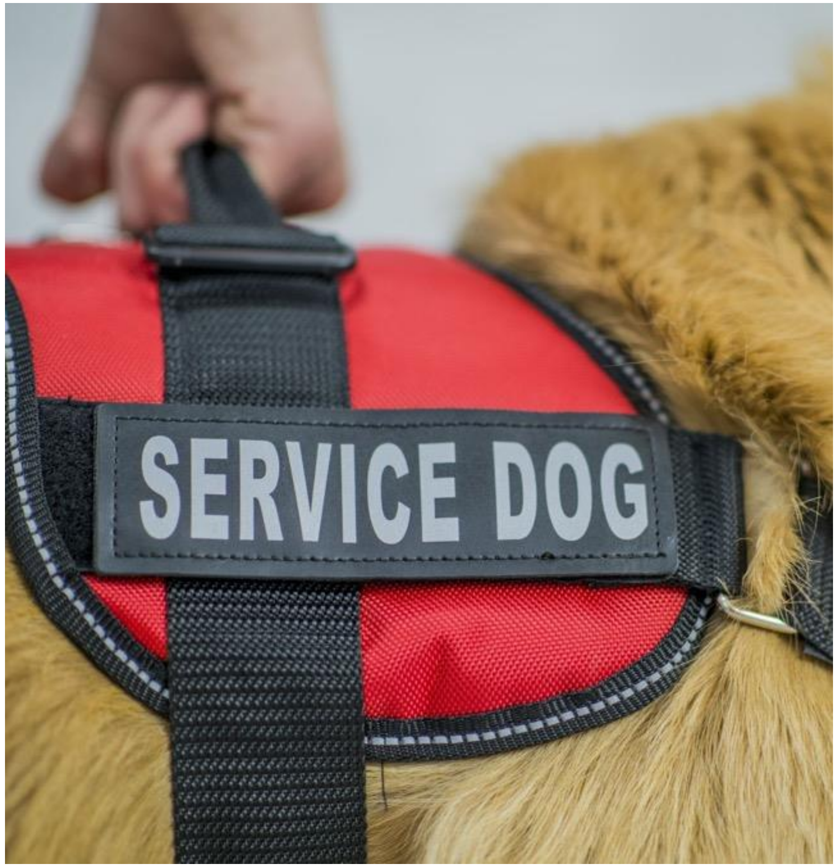
May 26, 2026

Upgraded Points

Ultimate Guide to Service Dogs on Planes [2026 Airline Rules]

There Was a Recent HUD Memo on Emotional Support Animals (ESA's)

- 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.



REALITY… In NY, an Apartment Cannot Deny a Reasonable Accommodation for an Emotional Support Animal

- 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.

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

- NYS required **Notice Disclosing Tenants' Rights to Reasonable Accommodations for Persons with Disabilities** 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.
- It states "If your healthcare provider provides documentation that having an animal will assist with your disability, you should be permitted to have the animal in your home despite a "no pet" rule."

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...

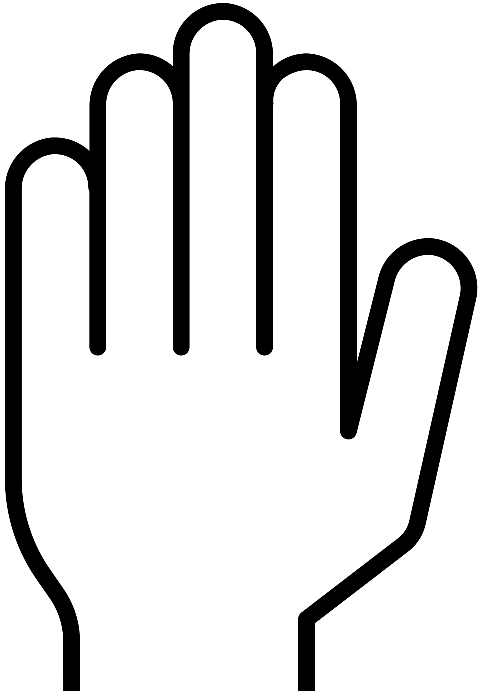
1 month ago

There Was a 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.

You Should Continue to 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.

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

There Wasa Recent HUD "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.

You Should Continue to Follow 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

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.

<u>If You Are a Victim</u>:

- 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 Took 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.