

Table of Contents

Chapter 1: License Required to Provide Real Estate	
Brokerage Services.....	1
1-1 General.....	1
1-2 Real Estate Brokers.....	2
1-3 Real Estate Salespersons.....	4
1-4 Real Estate Broker-Salespersons.....	5
1-5 Real Estate Salespersons Licensed With a Real Estate Referral Company.....	6
1-5:1 General.....	6
1-5:2 Lawsuits.....	6
1-5:3 General Restrictions.....	7
1-5:4 Real Estate Referral Companies.....	9
1-5:5 Residential Rental Referral Agencies.....	10
1-6 Non-Resident Licensees.....	12
1-6:1 Licensure in New Jersey.....	12
1-6:2 Payment of Referral Fees to Out-of-State Brokers.....	13
1-7 Exceptions to License Requirement.....	14
1-7:1 General.....	14
1-7:2 Property Owners and their Employees.....	15
1-7:3 Attorneys.....	15
1-7:4 Comprehensive Employment and Training Act.....	17
1-7:5 Equitable Exception.....	17
1-8 Locating Rental Housing.....	18
1-9 Mobile and Manufactured Homes.....	18
Chapter 2: The Relationship Between Brokers and	
Salespersons.....	21
2-1 Broker Supervision and Oversight of Individual Licensees.....	21
2-2 The Broker-Salesperson Agreement.....	22
2-3 Salespersons as Independent Contractors Versus Employees.....	31
2-3:1 The Applicable Tests.....	31
2-3:2 Workers' Compensation.....	34
2-3:3 Law Against Discrimination.....	38

Table of Contents

2-3:4	Wrongful Termination	41
2-3:5	Unemployment Compensation Law.....	44
2-3:6	Internal Revenue Service.....	44
2-3:7	Conscientious Employee Protection Act	45
2-4	Deposit and Payment of Commissions by Brokers	46
2-4:1	Deposit of Commissions Received by Brokers	46
2-4:2	Payment of Commissions by Brokers to Salespersons.....	47
2-5	Lawsuits for Commissions	48
2-6	Use of a License for the Benefit of Others.....	50
2-7	Commissions to be Paid Solely by Broker.....	51
2-8	Teams	51
2-8:1	Payment of a Commissions to an Unlicensed LLC.....	51
2-8:2	Compliance with Applicable Laws	52
Chapter 3: Agency		55
3-1	Broker as a Fiduciary.....	55
3-1:1	Duty to Principal	55
3-1:2	Duty to the Other Party in the Transaction.....	60
3-2	Subagency.....	62
3-3	Creation of Additional Real Estate Brokerage Agency Relationships	63
3-4	Consumer Information Statements	64
3-4:1	General.....	64
3-4:2	Applicable Transactions.....	65
3-4:3	Definitions	65
3-4:4	Timing to Deliver Consumer Information Statement and Disclose Agency Relationships.....	67
3-4:5	Mandatory Text.....	69
3-4:6	Acknowledgement of Receipt in Brokerage Agreements	74
3-4:7	Acknowledgment of Receipt in Offers, Contracts and Leases	75
3-4:8	Broker as Property Owner	76
3-4:9	Optional Provisions	78
3-5	Seller's Agent	79
3-6	Buyer's Agent	81
3-7	Disclosed Dual Agent	91
3-8	Transaction Broker	92
3-9	Conflicts of Interest	93
3-9:1	Statutory Prohibitions	93

Table of Contents

3-9:2	Regulatory Prohibitions.....	94
3-9:3	Mortgage Transactions.....	95
3-9:4	Placement of Insurance.....	97
3-9:5	Effect of Failure to Disclose Conflict.....	97
3-10	Legal Advice for Buyers and Sellers.....	98
Chapter 4: Disclosures to Consumers.....		99
4-1	Information Concerning the Physical Condition of the Property.....	99
4-1:1	Regulations.....	99
4-1:2	Caselaw.....	100
4-2	The Consumer Fraud Act.....	102
4-3	Social Conditions and Psychological Impairments of a Property.....	104
4-4	Law Against Discrimination.....	106
4-4:1	Provisions Applicable to Real Estate Licensees.....	106
4-4:2	Commission's Implementing Regulations.....	108
4-4:3	Attorney General's Required Housing Discrimination Notice.....	109
4-5	Megan's Law.....	115
4-5:1	Background.....	115
4-5:2	Classifications of Sex Offenders.....	115
4-5:3	Statutory Prohibition Against Disclosure About Sex Offenders.....	116
4-5:4	The State Police Website.....	116
4-5:5	Restrictions on the Use of Information About Sex Offenders.....	117
4-5:6	Commission's Regulations.....	117
4-6	Contracts of Sale and Leases.....	119
4-7	Listing Agreements.....	121
4-8	Consumer Information Statements.....	122
4-9	Mortgage Financing Services.....	123
4-9:1	General.....	123
4-9:2	Written Disclosure to Buyers.....	123
4-9:3	Disclosure by Seller's Agent and Subagent to Seller.....	124
4-9:4	Disclosure by Seller's Agent to Buyer.....	125
4-9:5	Maintaining Copies of Disclosure Statements.....	126
4-10	Affiliation With Mortgage Lender or Broker.....	126
4-10:1	Written Disclosure Required.....	126
4-10:2	Definition of Affiliated Relationship.....	127
4-10:3	Individual or Corporate Affiliation With Lender or Mortgage Broker.....	128

Table of Contents

4-10:4	Combining Commission and RESPA Disclosures	128
4-10:5	Maintaining Copies of the Disclosures	128
4-11	Fairness Foreclosure Act.....	129
4-12	Short Sales.....	129
4-13	Air Safety and Zoning Act.....	135
4-14	Lead-Based Paint.....	137
4-15	Child-Protection Window Guards	138
4-16	Rebates to Buyers	142
4-17	Private Well Testing	142
4-18	Off-Site Conditions.....	143
4-19	Fair Credit Reporting Act.....	144
4-20	Truth-In-Renting Act.....	147
4-21	Fair Chance in Housing Act	148
4-22	Steam Radiators	148
Chapter 5: The Unauthorized Practice of Law		151
5-1	General.....	151
5-2	Residential Real Estate Transactions	152
5-2:1	The Attorney-Review Clause	152
5-2:2	Opinion 26.....	153
5-2:3	Opinion 26 Is Inapplicable to Personal Transactions of Licensees	161
5-2:4	Opinion 716/45	162
5-3	Preparation of Commercial Real Estate Contracts	164
5-4	Real Estate Commissions.....	165
5-5	Other Acts That Constitute the Unauthorized Practice of Law.....	166
5-5:1	The Plain Language Act	166
5-5:2	Appearance Before a Planning Board or Other Quasi-Judicial Body	167
5-6	Penalties.....	168
Chapter 6: The Attorney-Review Clause.....		171
6-1	The Reason Attorney Review was Created	171
6-2	Essential Terms of the Attorney-Review Clause	172
6-3	Interpretation of Attorney Review by the Courts	174
6-4	Offers Received During and After Attorney Review	177
6-5	When Attorney Review Begins to Run.....	177
6-6	Shortening the Attorney-Review Period	179
6-7	Attorney Approval of Partially Signed Contracts.....	179
6-8	Effect of Cancellation Clause in the Planned Real Estate Development Full Disclosure Act.....	180

Table of Contents

6-9	Effect of Disapproval on a Broker's Commission	183
6-10	Inapplicable to Auctions	183
6-11	Applicability to Title or Settlement Services Company	187
Chapter 7: Listing Agreements.....		189
7-1	General.....	189
7-2	Types of Listing Agreements	190
7-2:1	General.....	190
7-2:2	Open Listing Agreement.....	190
7-2:3	Exclusive Agency Listing Agreement	191
7-2:4	Exclusive Right to Sell Listing Agreement	192
7-2:5	Multiple Listing Agreement.....	193
7-2:6	Option Listing Agreement	194
7-2:7	Net Listing Agreement.....	194
7-3	Regulations Regarding Listing Agreements	195
7-3:1	Predetermined Fees or Commissions	195
7-3:2	Required Provision Concerning Negotiable Commissions	195
7-3:3	Net Listings Prohibited.....	196
7-3:4	Identity of Multiple Listing Service	196
7-3:5	Termination Date	196
7-3:6	Commission Splits	196
7-3:6.1	Broker's Obligation to Cooperate With Other Brokers	196
7-3:6.2	Mandatory Commission Split Provision...	197
7-3:7	Waiver of Broker Cooperation.....	199
7-3:8	Law Against Discrimination	201
7-3:9	Delivery of Listing Agreement to Seller.....	202
7-3:10	Mortgage Financing Services.....	202
7-4	Unilateral Brokerage Contracts	202
7-5	Invalid Listing Agreements	203
7-5:1	Listing Agreements Voidable	203
7-5:1.1	Statutory Violations	203
7-5:1.2	Public Policy Violations	204
7-5:2	License Required to Enforce Listing Agreement	205
7-6	Interpretation of Listing Agreements	206
7-6:1	Agreements Strictly Construed	206
7-7	Seller's Right to Withdraw Property From the Market.....	207
7-8	The Statute of Frauds.....	208
7-8:1	The Statutory Requirements.....	208
7-8:2	Non-Contractual Theories to Avoid the Statute of Frauds.....	211

Table of Contents

7-8:3	Independent Tort Theories Are Not Barred.....	214
7-8:4	Strict Compliance Generally Is Required.....	215
7-9	Effect of Specific Provisions.....	217
7-9:1	Contingency in Listing Agreement	217
7-9:2	Effect of Selling Price in the Listing Agreement	220
7-9:3	Express Right to Terminate the Listing Agreement	221
7-10	Listing Agreements With Counties or Municipalities	223

Chapter 8: Broker's Recovery of Commissions and Other

	Compensation	225
8-1	Real Estate License as a Requirement to Collect a Commission	225
8-1:1	Statutory Requirement	225
8-1:2	Interpretation by Courts	226
8-1:3	Exceptions to the License Requirement	230
8-1:3.1	Statutory Exceptions	230
8-1:3.2	The <i>Sammarone</i> Case	231
8-2	General Requirements for a Commission Claim	232
8-3	Alleged Buyer Default	235
8-4	Alleged Seller Default or Wrongdoing	238
8-5	Tortious Interference With Broker's Right to a Commission.....	241
8-6	Quantum Meruit for Value of Services.....	247
8-6:1	Standard for a Quantum Meruit Claim	247
8-6:2	Seller Withdrawing Property From the Market.....	248
8-6:3	Recovery Where the Statute of Frauds Is Not Satisfied	249
8-7	When a Purchase Contract Differs From the Listing Agreement or Terms Negotiated by the Broker.....	250
8-8	Broker Misconduct or Noncompliance With Regulations or Statutes.....	251
8-9	Corporate Shareholder and Officer Liability.....	251
8-10	Options to Purchase.....	252
8-11	Lapse of Time.....	254
8-12	Equitable Liens	255
8-12:1	Lien for the Sale of Property	255
8-12:2	Lien for Leasing Property	257
8-12:2.1	The <i>VRG</i> Decision.....	257
8-12:2.2	The <i>Pagano</i> Decision	260
8-12:2.3	Other Decisions.....	262

Table of Contents

8-12:3	Recording Equitable Liens.....	263
8-12:4	Priority of Equitable Liens	265
8-12:5	Effect of Seller Filing Bankruptcy	265
8-13	Co-Brokerage.....	266
8-14	Short Sales.....	267
8-15	Right of first Refusal	267
 Chapter 9: Bases for Broker Liability.....		271
9-1	Breach of Fiduciary Duty.....	271
9-2	Common Law Fraud or Misrepresentation.....	276
9-3	The Consumer Fraud Act	278
9-3:1	General.....	278
9-3:2	Amendment to Include Real Estate Licensees.....	280
9-3:3	Liability for Innocent Misrepresentations	281
9-3:4	Liability for Intentional Misrepresentations.....	285
9-3:5	Liability for Failing to Disclose Information.....	285
9-3:6	Penalties for Violating the Act	286
9-3:7	Exception to Treble Damages and Attorneys' Fees	288
9-3:7.1	Reliance on Certified or Licensed Professionals.....	290
9-3:7.2	Reliance on Government Officials	290
9-3:7.3	Use of Seller Property Condition Disclosure Statements.....	290
9-3:8	Inapplicable to Personal Transactions of Licensees.....	304
9-4	The Condition or Use of the Property	305
9-4:1	Open Houses	305
9-4:2	Short-Term Rentals	308
9-4:3	Inspections.....	314
9-5	Other Potential Bases for Liability	316
9-5:1	Violation of Tenants' Rights in Foreclosures	316
9-5:1.1	Scope of the Foreclosure Fairness Act.....	316
9-5:1.2	Form of the Required Notice	316
9-5:1.3	Delivery of the Required Notice.....	318
9-5:1.4	Cash for Keys	319
9-5:1.5	Prohibited Activities	320
9-5:1.6	Penalties	321
9-5:2	Recommending Lenders and Other Professionals	321
9-5:3	Presenting Offers During and After Attorney Review	324
9-5:4	Invasion of Privacy	324

Table of Contents

9-6	Punitive Damages and Attorneys' Fees	324
9-7	Successor Liability for Brokers.....	325
Chapter 10: The New Jersey Real Estate Commission		329
10-1	Membership of the Commission.....	329
10-2	Personnel of the Commission	330
10-3	Organization of the Commission	331
10-4	Commission Records	332
10-4:1	Public Records Maintained by the Commission.....	332
10-4:2	Commission Records Not Available to the Public.....	333
10-4:3	Sealed Records as Evidence	333
10-5	Implementation of the Real Estate Sales Full Disclosure Act	334
10-5:1	General.....	334
10-5:2	New Jersey Brokers Representing Applicants and Registrants	335
10-6	Implementation of the Real Estate Timeshare Act	337
10-7	Rulemaking and Petitions for Rulemaking.....	340
10-7:1	Notice of Proposed Adoption of New Rule or Amendment or Repeal of Existing Rule	340
10-7:2	Comments Concerning Proposed Rule Changes	341
10-7:3	Public Hearings Concerning Rule Changes.....	341
10-7:4	Procedure for Submitting Petitions for Rulemaking	342
10-7:5	Procedure to Consider and Dispose of Rulemaking Petitions	343
10-8	Procedures for Disciplinary Actions, Contested Applications and Declaratory Ruling Requests	345
10-8:1	Types of Pleadings	345
10-8:2	Notice of Proposed License Suspension or Revocation	346
10-8:3	Answers	347
10-8:4	Adversarial Hearing	347
10-8:5	Motions	348
10-8:6	Emergent Hearing Procedures	349
10-8:7	Sanctions for Failure to Appear or Comply With an Order	350
10-8:8	Settlements	350
10-8:9	Motions for Reconsideration	350
10-8:10	Decisions in Enforcement Actions	351
10-8:11	Applications to Temporarily Suspend a Licensee	351

Table of Contents

10-8:12	Procedure to Appeal Initial Denial of a Licensing Application	354
10-8:13	Appeal of License Suspension of Revocation	356

Chapter 11: Education and Licensing Requirements for Brokers, Salespersons and Salespersons Licensed With a Real Estate

	Referral Company.....	359
11-1	Education	359
11-1:1	General Education Requirements	359
11-1:2	Salesperson's and Salesperson Licensed With a Real Estate Referral Company's License Education Requirements.....	360
11-1:3	Broker's License Education Requirements	362
11-1:3.1	The 90-Hour General Prelicensure Course	362
11-1:3.2	The Two 30-Hour Prelicensure Courses....	363
11-1:4	Continuing Education.....	364
11-1:4.1	Generally	364
11-1:4.1a	Basic Requirements.....	364
11-1:4.1b	Definitions	366
11-1:4.2	The Volunteer Advisory Committee	367
11-1:4.3	Schools and Instructors	368
11-1:4.3a	Qualified Providers	368
11-1:4.3b	The Approval Application for Providers.....	369
11-1:4.3c	Responsibilities of Providers...	370
11-1:4.3d	Recordkeeping and Reporting Requirements for Providers.....	371
11-1:4.3e	Advertising by Providers.....	373
11-1:4.3f	The Approval Application for Instructors	373
11-1:4.4	Required Courses	375
11-1:4.4a	Application for Courses	375
11-1:4.4b	Core Courses	376
11-1:4.4c	Elective Courses.....	376
11-1:4.4d	Distance Learning and Correspondence Courses	377
11-1:4.4e	Courses Not Approved for Continuing Education.....	377
11-1:4.5	Credit for Teaching and Unaccredited Courses Taken	378
11-1:4.6	Out-of-State Courses	378
11-1:4.7	Waiver of Continuing Education	378

Table of Contents

	11-1:4.8	Methods of Providing Courses	380
	11-1:4.9	Time to Complete Courses	381
	11-1:4.10	Fees	381
	11-1:4.11	Denials, Suspensions or Revocations of Approvals and Applications	382
	11-1:4.12	Appeal of a Denial of an Application for a Course, Instructor, Provider or Waiver...	383
11-2	Licensing		384
	11-2:1	General Requirements	384
	11-2:1.1	Age and Education	384
	11-2:1.2	Term of Licenses	384
	11-2:1.3	Applicable Fees.....	385
	11-2:1.4	Nonresidents	385
	11-2:1.5	Background Checks.....	385
	11-2:1.6	Individual Broker’s License Required for Corporate and Other Entities	387
	11-2:1.7	Temporary Licenses for Corporate and Other Entities	387
	11-2:1.8	Salesperson Licensed With a Real Estate Referral Company.....	388
	11-2:1.9	Social Security Numbers	389
	11-2:1.10	Bases to Deny License	389
	11-2:2	Examination Rules.....	391
	11-2:3	Salesperson’s and Salesperson Licensed With a Real Estate Referral Company’s License	392
	11-2:4	Broker and Broker-Salesperson License.....	393
	11-2:4.1	Experience Requirement and Application.....	393
	11-2:4.2	Return of Licenses, Office Closing and Change of Broker of Record	394
	11-2:4.3	Transfer or Termination of Broker’s License	398
	11-2:4.4	Out of State Main and Branch Offices.....	398
	11-2:4.5	Sponsoring of License Applications	399
	11-2:4.6	Transfer of Licenses	399
	11-2:4.7	Custody of Licenses	400
	11-2:4.8	Termination or Resignation of Broker-Salesperson, Salesperson or Salesperson Licensed With a Real Estate Referral Company.....	401
	11-2:4.9	Revocation or Suspension of Licenses	403

Table of Contents

11-2:5	Salesperson Licensed With a Real Estate Referral Company Obtaining a Broker’s or Salesperson’s License	404
11-2:6	Failure to Maintain or Renew a License	407
11-2:7	Licensure Forms	409
11-2:8	License Application and Other Deadlines	412
11-2:9	Applicable Fees for Licensure	413
 Chapter 12: Real Estate Schools		417
12-1	Introduction	417
12-2	Licensing Requirements for Schools	418
12-2:1	General	418
12-2:2	Applications, Fees and Background Checks	419
12-2:3	School’s Name	420
12-2:4	Offices and Teaching Facilities	420
12-2:5	School Policy and Regulations	421
12-2:6	Director of the School	422
12-3	Licensing Requirements for Instructors	423
12-3:1	Applications, Fees and Background Checks	423
12-4	Instructors and Guest Lecturers	426
12-5	Recruitment of Students by Brokers at Schools	427
12-5:1	Written Notice of Nonsolicitation Required	427
12-5:2	School Personnel Prohibited From Soliciting Students	429
12-5:3	Promises of Reduced Tuition or Employment	429
12-5:4	Advertisements	430
12-5:5	Schools in a Broker’s Office	430
12-6	Brokerage or Related Activities by Students	431
12-7	Tuition	431
12-8	Disabled and Transfer Students	431
12-9	Recordkeeping	432
12-10	Standard for Students to Pass Courses	432
12-11	Advertisements	432
12-12	Closing of School	433
12-13	Revocation or Suspension of Real Estate School or Instructor Licenses	433
12-14	Role of Commission’s Education Bureau	435
12-14:1	General	435
12-14:2	Forms	436
12-14:3	Fees	437
12-15	Americans With Disabilities Act	438

Table of Contents

Chapter 13: Maintaining Brokerage Offices	441
13-1 Place of Business	441
13-2 Supervision of Office	442
13-3 Offices in Residences	443
13-4 Sole Proprietors	443
13-5 Branch Offices	443
Chapter 14: Broker's Trust Accounts and Recordkeeping	445
14-1 Accounts for Funds of Others	445
14-1:1 Special Accounts.....	445
14-1:2 Commingling Funds	446
14-1:3 Deposit of Funds.....	447
14-1:4 Signatories on Escrow and Trust Accounts	447
14-1:5 Payments to be Held in Escrow or Trust	447
14-1:6 Credit Card Payments.....	448
14-1:7 Adequate Safeguards for Funds.....	450
14-1:8 Advanced Fees for Brokers	450
14-2 Maintaining Records	451
14-2:1 Timeframe for Keeping Records	451
14-2:2 Deposits and Withdrawals	451
14-2:3 Cash Receipts	452
14-2:4 Ledger and Other Documents.....	452
14-2:4.1 Ledgers.....	452
14-2:4.2 Credit Card Records.....	452
14-2:4.3 Bank Statements.....	453
14-2:4.4 Contracts and Other Transaction- Related Documents	453
14-2:4.5 Location for Maintaining Documents	454
14-2:4.6 Unaccepted Offers and Expired Listing Agreements.....	454
14-2:5 Production of Documents to the Commission.....	455
14-2:6 Storing Documents on Disks or Tapes	455
Chapter 15: Trade Associations and Multiple Listing Services	457
15-1 Regulatory Restrictions on Membership.....	457
15-2 Trade Associations.....	458
15-2:1 The National Association of REALTORS®	458
15-2:1.1 NAR's Code of Ethics	462
15-2:1.2 NAR's Arbitration Requirement	472

Table of Contents

15-2:2	The New Jersey REALTORS®	475
15-2:3	Local Boards/Associations of REALTORS®	477
15-2:4	Other Trade Associations.....	480
15-3	Multiple Listing Services	480
15-3:1	General.....	480
15-3:2	Advertising	482
15-3:3	Antitrust	482
Chapter 16: Real Estate Commission and Other Advertising Rules		487
16-1	Broker's Place of Business.....	487
16-1:1	Signs at the Broker's Office	487
16-1:2	References in Advertising to the Broker's Office.....	488
16-2	Proper Use of Names	488
16-3	Webpages	489
16-4	Telephone Numbers.....	490
16-5	Franchises.....	490
16-6	Membership in Multiple Listing Services.....	491
16-7	Home Warranty Offers	491
16-8	Free, Discounted, or Other Services or Products.....	492
16-9	Properties Listed With Another Broker	494
16-10	Properties "Sold" or "Under Contract"	495
16-11	Commissions Rates.....	495
16-12	Business Cards.....	495
16-13	Loan Information	496
16-14	Location of the Property for Sale or Lease	496
16-15	Discriminatory Language	497
16-16	Licensure by the Commission	497
16-17	False, Misleading or Deceptive Claims	497
16-18	Lotteries, Contests and the Like	498
16-19	Rebates	498
16-20	Real Estate Sales Full Disclosure Act	499
16-21	Real Estate Timeshare Act.....	502
16-22	Market Analyses and Price Opinions.....	503
16-22:1	Comparative Market Analyses/Broker Price Opinions....	503
16-22:2	Appraisals.....	508
16-22:3	NAR's Code of Ethics Regarding Price Opinions	510
16-23	Charitable Contributions.....	511
16-24	Social Media.....	511
16-25	Additional Regulations for Salespersons Licensed With a Real Estate Referral Company.....	513

Table of Contents

Chapter 17: Commission Regulations and Other Requirements
Regarding Contracts of Sale and Leases.....515

17-1 Memorializing Offers and Counter-Offer in Writing 515

17-2 Predetermined Fees or Commissions 517

17-3 Required Provisions in Contracts of Sale and Leases..... 518

 17-3:1 Attorney Review 518

 17-3:2 Off-Site Conditions..... 518

 17-3:3 Megan’s Law 519

 17-3:4 Opinion 26..... 519

 17-3:5 Licensee’s Disclosure of Interest as Seller or Buyer.... 519

 17-3:6 Real Estate Sales Full Disclosure Act 520

 17-3:7 Private Well Testing 521

 17-3:8 Lead-Based Paint..... 522

 17-3:9 Rent Control Exemption for Multiple
 Dwelling Units..... 522

17-4 Duty to Submit Offers 523

17-5 Back-Up Offers..... 525

17-6 A Broker’s Declaration of Business Relationship..... 526

17-7 Americans With Disabilities Act 528

17-8 Bulk Sales Law 532

Chapter 18: Prohibited Activities537

18-1 Section 17 of the Real Estate License Act 537

 18-1:1 False Promises 538

 18-1:2 Representing Multiple Parties..... 538

 18-1:3 Flagrant Misrepresentations 538

 18-1:4 Failure to Account for Money 538

 18-1:5 Conduct Demonstrating Unworthiness,
 Incompetency, Bad Faith or Dishonesty 539

 18-1:6 Providing Listing Agreements to Clients..... 539

 18-1:7 Lotteries, Contests, Games, Etc. 541

 18-1:8 Criminal Convictions..... 542

 18-1:9 Collecting a Commission While Being
 Paid by Another Party 542

 18-1:10 Use of Trade Names 542

 18-1:11 Paying Rebates or Compensation to Unlicensed
 Persons 542

 18-1:11.1 General Prohibitions 542

 18-1:11.2 Rebates 543

 18-1:11.3 Rebate Agreement 545

 18-1:12 Other Fraudulent Acts..... 546

 18-1:13 Accepting Payment From Any Person Other
 Than a Broker..... 546

Table of Contents

18-1:14	Fraudulent Procurement of a License	546
18-1:15	Commingling Funds	546
18-1:16	Disclosure of Interest in Property to be Sold	547
18-1:17	Disclosure of Interest in Property to be Purchased ..	547
18-1:18	Referral Fees for Rental Housing.....	547
18-1:19	Notifying the Commission About a Criminal Charge or Conviction or a License Suspension or Revocation.....	548
18-1:20	Violation of Statute or Commission Regulations.....	548
18-1:21	Procedural Issues	548
18-1:22	Penalties.....	549
18-2	Kickbacks.....	550
18-2:1	Real Estate Commission Regulations.....	550
18-2:2	Real Estate Settlement Procedures Act	551
18-3	Dual Compensation.....	552
18-4	In-House Mortgage Services.....	557
18-5	Blockbusting.....	558
18-6	Discriminatory Commission Splits	559
18-7	Pressuring Media	562
18-8	Fixing Commissions	562
18-8:1	Real Estate Commission Prohibition	562
18-8:2	Antitrust Implications.....	563
18-9	Acting as a Debt Adjuster.....	564
18-10	Sale of Mobile or Manufactured Homes	566
18-11	Mortgage Assistance Relief Services Rule.....	566
Chapter 19: Discipline of Real Estate Licensees		571
19-1	Section 17 of the Real Estate License Act	571
19-2	Real Estate Commission Sanctions Imposed	573
19-3	Procedural Issues	573
19-4	Freezing a Broker's Assets and Paying Funds into Court.....	574
19-5	Conviction of Certain Offenses.....	575
19-6	Suspension of License.....	575
19-7	Effect of Revocation of Salesperson or Broker-Salesperson License on Broker	576
19-8	Real Estate Guaranty Fund	576
19-9	Rehabilitation Convicted Offenders Act	580
Chapter 20: Disclosure of Off-Site Conditions		583
20-1	Early Duty to Disclose Off-Site Conditions	583
20-2	The New Residential Construction Off-Site Conditions Disclosure Act.....	593

Table of Contents

20-3	Regulations Regarding New and Other Construction	598
20-4	Varying the Notice Language in the Act	600
Chapter 21: The Real Estate Settlement Procedures Act		605
21-1	General	605
21-2	Covered Transactions.....	605
21-2:1	Loans Secured by a Lien	606
21-2:2	One to Four Family Dwellings	606
21-2:3	Federally Related Lenders.....	606
21-2:4	Federally Related Loans	607
21-2:5	Lender as a Creditor	607
21-2:6	Transactions That Are Exempt	608
21-2:6.1	Business, Commercial or Agricultural Loans	608
21-2:6.2	Temporary Loans	608
21-2:6.3	Vacant Property.....	609
21-2:6.4	Loan Assumptions Without Lender Approval.....	609
21-2:6.5	Conversion of Loans	610
21-2:6.6	Secondary Market Transactions	610
21-2:6.7	Loans to Government Agencies.....	610
21-2:6.8	Partial Requirement for Loans Covered by Disclosure Requirements of Regulation Z.....	611
21-3	Referral Fees and Unearned Fees Prohibited	611
21-3:1	Referral Fees.....	611
21-3:1.1	Payments or Things of Value	611
21-3:1.2	Agreements to Refer Business.....	612
21-3:1.3	Referrals	612
21-3:1.4	Examples of Permitted Payments	613
21-3:2	Unearned Fees.....	614
21-3:2.1	Unearned Mark-Ups	618
21-3:3	Excluded Transactions	620
21-3:4	Affiliated Business Arrangements	620
21-3:4.1	Disclosure Requirements	622
21-3:4.2	Required Use of a Settlement Service Provider	624
21-3:4.3	Return on Ownership Interest	625
21-3:5	Recordkeeping.....	627
21-3:6	Sanctions	627
21-4	Requiring a Specific Title Company.....	628
21-5	Enforcement Actions	628

Table of Contents

21-5:1	Jurisdiction of Courts.....	628
21-5:2	The Statute of Limitations.....	628
21-5:3	Defenses	629
21-5:4	Liens.....	630
Chapter 22: The Fair Housing Act		631
22-1	General.....	631
22-2	Protected Classes	632
22-2:1	Race, Color or National Origin	632
22-2:2	Sex.....	633
22-2:3	Religion	634
22-2:4	Familial Status.....	634
22-2:5	Handicap.....	635
22-2:6	Persons Providing Assistance.....	637
22-2:7	Additional Protected Classes in New Jersey.....	637
22-3	Exceptions	639
22-3:1	Single-Family Houses	639
22-3:2	Mrs. Murphy	640
22-3:3	Private Clubs and Religious Organizations	641
22-3:4	Maximum Occupancy Requirements	642
22-3:5	Housing for Older Persons.....	642
22-4	Discriminatory Activities.....	644
22-4:1	Steering.....	644
22-4:2	Redlining	644
22-4:3	Misrepresenting Unavailability	645
22-4:4	Contract Terms.....	645
22-4:5	Blockbusting.....	646
22-4:6	Applicability of the Disparate Impact Test	647
22-4:7	Use of Criminal Records by Landlords in New Jersey.....	649
22-5	Advertising	652
22-6	Membership in Trade and Other Organizations.....	656
22-7	Enforcement	657
22-7:1	The Department of Housing and Urban Development	657
22-7:2	Private Persons	659
22-7:3	Private Organizations.....	660
22-8	Penalties.....	661
Chapter 23: Lead-Based Paint Disclosures		665
23-1	Enactment of the Residential Lead-Based Paint Hazardous Reduction Act	665

Table of Contents

23-2 Types of Housing Affected by the Act 666
23-3 Responsibilities of Real Estate Agents 667
23-4 Sellers’ and Lessors’ Responsibilities..... 669
23-5 Mandatory Warning Statements 671
 23-5:1 Contracts of Sale 671
 23-5:2 Leases 671
 23-5:3 Acknowledgement of the Disclosure 672
23-6 Penalties..... 675
23-7 Renovations to Properties With Lead-Based Paint..... 677
 23-7:1 Information Distribution Requirements 678
23-8 New Jersey Law 679

Table of Cases..... 683
Table of Statutes and Codes 695
Index 725