



Comments Received by the Department of
Consumer and Worker Protection on

Proposed Rules related to Penalties for Violation of Prohibition of
Certain Fees Charged to Tenants by Landlords and Real Estate
Agents

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From: [Julien Mellon](#)
To: [rulecomments \(DCWP\)](#)
Subject: [EXTERNAL] Comment
Date: Monday, April 21, 2025 9:29:52 AM

You don't often get email from mellon.julien@gmail.com. [Learn why this is important](#)

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Hello

I am writing to comment on:

https://rules.cityofnewyork.us/wp-content/uploads/2025/04/DCWP_Proposed-Penalties-for-Violation-of-Prohibition-of-Certain-Fees-Charged-to-Tenants-by-Landlords.pdf

I strongly believe that the does not impose penalties that are commensurate to the violation. I would like to see penalties that have their amounts tied to the value of the rental in a progressive fashion. I also feel that tying the penalty to the value of the residential rental allows the rule to “future proof” in the sense that the dollar value of the penalty will increase or decrease along with the natural rise and fall of the residential rental.

I would propose the penalty be equivalent to 30% of the annual rent - or twice the customary fee charged by brokers at the time the rule was originally proposed.

Thank you

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From: [Arturo Fernandez](#)
To: [rulecomments \(DCWP\)](#)
Subject: [EXTERNAL] Stronger Violations and Consequences for Landlords and Brokers who Violate the FARE Act
Date: Wednesday, May 14, 2025 10:07:56 AM

You don't often get email from arturo.fernandez.cal@gmail.com. [Learn why this is important](#)

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Hello,

I'm writing in strong support of **setting and enforcing a FARE Act violation fine—699.21(a)-(d)—that is the greater of \$2,000 or two times the publicized rent, starting with the first violation.**

I have been a resident of the West Village (Community Board 2, City Council District 3) for almost six years now, and it's completely unethical what brokers and landlords regularly get away with to rip off tenants—both new and long-standing. From "No Fee" bait-and-switches to silent auctions that drive up rent prices, to the broker fees (historically) that tenants have had to pay for the *privilege* of covering a landlord's mortgage—it's **all deeply exploitative**.

The reality is that brokers and landlords have long operated in the shadows, often conducting deals over the phone to avoid leaving a paper trail. Violating FARE should come with serious consequences. **If the penalties aren't significant, they won't take the law seriously—and they will skirt it every chance they get.**

I strongly urge DCWP to adopt **a penalty structure that escalates for repeat violators:** increasing the fine **1.5x for each subsequent violation** (including the multiple for higher rents). Additionally, **real estate brokerages with a clear pattern of noncompliance**—such as multiple brokers from the same firm violating the law—**should face steeper organizational penalties**. This isn't just about holding individuals accountable; it's about addressing systemic abuse.

Furthermore, the lookback window should be extended to at least four years to account for the lag in discovering and reporting these violations. Why would anyone tolerate this behavior repeating after two years?

NYC tenants, current and future, have been through enough! **Please ensure the fines are strong enough to compel compliance.**

Thank you for your time.

Best,
Arturo Fernandez

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Arturo Fernandez

Online comments: 5

- **Alex Ahmed**

As a tenant and working New Yorker, these proposed changes would be extremely beneficial to me. It makes no sense for prospective tenants to pay broker fees. One time, I saw an apartment. The broker was late, and all he did was open the door for me. He couldn't answer any of my questions, and when I pointed out the roach carcasses I was seeing all over the apartment, he shrugged his shoulders and said "yes, there are roaches." I asked how much the broker fee was, and he said 12% of the annual rent, which came out to over \$3,000. This is absolutely absurd. These rule changes would add much needed transparency and fairness to the rental process.

Landlords and their lobbying groups often state that "the broker fees which were previously being paid by the tenant will simply get incorporated into the rent." This is faulty logic, because in the worst case scenario, *tenants will still be paying the same amount of money*. However, this doesn't happen in other cities in which exorbitant, tenant-paid broker fees are not a standard practice. Why should it be the case here in New York?

If *some* landlords try to raise the price of rent over \$3,000 (for example) suddenly year-over-year, it's true that we cannot stop them. However, there is a reason rent stabilization exists – to protect tenants from just this situation. The Rent Guidelines Board should continue to do its job and keep the rent increases on rent stabilized units *as stable and low as possible*, and this "problem" will solve itself.

In short, these regulations going through would be a godsend for the average NYC resident like myself. Thank you for your time.

Comment added April 23, 2025 11:23am

- **S. A.**

Good idea. If the landlord hires these realtors then the landlord should pay the fee.

Comment added May 2, 2025 1:11pm

- **Carl Hum**

Please see the attached comment.

[Comment attachment](#)

REBNY-Comment-on-Proposed-FARE-Act-Rule-5.12.25.pdf

Comment added May 13, 2025 10:09pm

REBNY Comment | May 12, 2025

REBNY Comment on The Department of Consumer and Worker Protection’s Proposed Rule Implementing a Penalty Schedule for Local Law 119 of 2024 (“FARE Act”)

The Real Estate Board of New York (“REBNY”) is the City’s leading real estate trade association. Founded in 1896, REBNY represents commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople and other organizations and individuals active in New York City real estate. On behalf of over 10,000 residential brokerage members, REBNY appreciates the opportunity to comment on the Department of Consumer and Worker Protection’s (“DCWP”) rules implementing a penalty schedule for Local Law 119 of 2024 (“FARE Act”).

As of this writing, there is a motion in federal court to block enforcement of the FARE Act during the pendency of litigation. The case is *Real Estate Board of New York, New York State Association of Realtors, et al. v The City of New York et al.*, 24-cv-09678. REBNY is confident that the Court will rule in its favor, granting the preliminary injunction and finding that the FARE Act infringes upon commercial free speech, violates the Contracts Clause of the US Constitution, and is pre-empted by New York State statute.

Nonetheless, in the unlikely event that the FARE Act survives constitutional scrutiny, REBNY requests DCWP to engage in future rulemaking to address concerns outlined at the end of this comment. For now, REBNY offers the following in connection with the rulemaking of penalties for violations of the FARE Act.

For violations of §20-699.21, the FARE Act imposes fines of “no more than \$1,000 for the first violation and not more than \$2,000 for each subsequent violation occurring within a two-year period.” The proposed rules establish fines of \$750 for the first violation, and \$1,800 for the second violation; and \$1,000 for the first default, and \$2,000 for subsequent defaults.

For violations of §20-699.22, the FARE Act imposes fines of “no more than \$500 for the first violation and not more than \$1,000 for each subsequent violation occurring within a two-year period.” The proposed rules establish fines of \$375 for the first violation, and \$900 for the second violation; and \$500 for the first default, and \$1,000 for subsequent defaults.

Most agents are independent contractors. Moreover, most agents are middle-class earners, paying for their own professional costs, health insurance and taxes. The proposed rules establish fines that almost reach the maximum statutory amounts. These fines are excessively high and should be set at more reasonable amounts. This reduction would allow DCWP to further increase the fines if there is widespread non-compliance. Moreover, fines do not need to be set near the statutory maximum given the Fare Act's grant of a private cause of action. The potential for initiating complaints against landlords, brokers and agents is increased by this language and is a serious financial concern—because such actions would also necessitate the incurring of attorneys' fees and other costs, even if there is a finding that no violation occurred.

REBNY also highlights the following topics for DCWP to address in future rulemaking if the FARE Act or any portion thereof goes into effect:

Limiting Landlord Liability – Because the FARE Act codifies a rebuttable presumption that a broker is acting with the landlord's permission upon publishing a listing of the landlord's rental property, landlords are concerned about liability for violations by brokers who are not, in fact, acting with the landlord's permission. Landlords need DCWP's help in creating a rule that could limit such liability where the landlord has not granted any permission or authority to the publishing broker. Appearing in court to rebut the presumption is overly burdensome, and also incurs attorneys' fees and other costs. Landlords have inquired whether listings could include disclaimers stating, in effect, "Only Brokers [Firms and names to be inserted] are authorized to publish or advertise this listing." However, REBNY recognizes that such a practice could lead to claims of anti-competitive behavior. Perhaps DCWP could issue an affidavit form for the landlord to rebut the presumption which would obviate the need for the landlord's personal appearance in a court proceeding.

Clarifying Fees Disclosure – The FARE Act states that prior to executing a lease, the landlord or her agent shall provide to the tenant "an itemized written disclosure of any fees that the tenant must pay to the landlord or to any other person at the direction of the landlord in connection with such rental." There needs to be more clarity as to what fees would qualify for such disclosure. Should prospective fees such as lost key or move-in fees be included? Should fees for damaging common space property be included? Or City-imposed penalties for illegal short-term subletting where the landlord has no authority to enforce? In cases where the rental unit is a cooperative or condominium, should the association or cooperative fees be included? DCWP needs to provide an exhaustive list of such fees to guard against any unnecessary penalties and private right of action.

Thank you again for this opportunity to comment on the draft rules.

CONTACT:

Carl Hum

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- **Anani Fleur**

I no longer see the fines for when a landlord posts a listing it is assumed the landlord gave permission to post the listing and the landlord hired the agent. My question is this: if the tenant hires the agent, the agent calls the landlord to ask if there are units available, then the agent posts the landlord's listing to get more clients, is this a violation? The clients hire the agent, the landlord did not hire the agent. The landlord posts their own listings and shows the apt to any person who asks the landlord directly and to any agent and their client who asks the landlord to see the apt. Are agents now allowed to post listings for clients to contact the agents without the landlord or agent being fined? The landlord posts their own listings. Many times the agents scarf up the listing the landlord posted or makes listings with fake addresses using the landlord's pictures from the landlord's listings.

Comment added May 14, 2025 12:21pm

- **Anani Fleur**

There are two different scenarios involved. Both need to be considered fairly. Scenario 1.) In some cases a landlord will require potential tenants to go through a specific broker or will hire an exclusive broker. In this case the broker/agent posts the listings and it is fair for the landlord to pay the fee. Most likely, this will result in rent increases to cover the cost, but that is how it is. Added expenses result in increased rents. Landlords need to cover the costs of maintaining buildings and following regulations. More regulations means more costs, which means higher rents. Scenario 2.) However, many landlords do not hire a broker or use a specific or exclusive broker. Potential tenants can contact the landlord directly or a broker/agent can bring their clients. In these cases, the landlord posts the listings and sometimes the broker/agent also posts listings to pull in clients. For this case, since the client hired the broker, the broker shows the client many possible apts, the client should pay the fees. The landlord and broker/agent should not be held liable if the

broker/agent also posts the listing – if the broker/agent doesn't post a listing, how would they bring in clients? So I propose an amendment to the "rebuttable assumption the landlord hired a broker if the broker posts a listing" clause such that if the landlord posts the listing first and a broker/agent posts a duplicate listing after the landlord posts their listing, the landlord is not presumed to have hired the broker. There is no point in dragging down the courts with "rebuttable assumptions". Also, please make a form for landlords to have brokers/agents sign that clearly specifies that the tenant hired the broker/agent and the landlord did not hire the broker/agent. Landlords who do not hire brokers/agents need legal protections.

Comment added May 14, 2025 12:49pm