New York State Association of REALTORS®, Inc.

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MEMORANDUM IN SUPPORT

A.5886-C by Assemblymember Catalina Cruz
Status: Passed Assembly on 6/16/25

S.6361-B by Senator Jamaal Bailey
Status: Passed Senate on 6/10/25

Date: June 2025
Contact: Mike Kelly

The New York State Association of REALTORS®, Inc. **strongly supports A.5886-C(Cruz)/S.6361-B (Bailey)**, which would amend the general business law to prohibit unfair residential real estate service agreements, including certain residential real estate listing agreements.

NYSAR supports this legislation due to concerns around the practice of unscrupulous real estate licensees looking to deceive and fraudulently lock consumers and property owners into lengthy residential listing agreements. There are documented cases where companies have sought to have property owners sign listing agreements of up to 40 years, during which the property owner could not utilize a different real estate professional or company to market and sell their property until the agreement expires. This unfair and anti-competitive practice often occurs without the property owner being aware of the restrictions in the agreement. Furthermore, exceedingly long real estate service agreements restrict consumer choice by tying the hands of the property owner and their descendants, often for decades.

While most residential listing agreements are not obtained fraudulently, nor are they excessively long, this bill would provide reasonable protections to consumers and property owners, increasing the likelihood that they will not be deceived into signing these agreements. The legislation also contains enforcement mechanisms designed to deter bad actors from pursuing these agreements. Capping the length of a residential real estate service agreement at two years provides ample time for the services performed under these agreements to be completed. If the 2-year period is not enough time, there is nothing in the legislation precluding a residential real estate service agreement from being extended, if mutually agreed upon by both parties.

According to the American Land Title Association (ALTA), at least 30 states have laws limiting or banning the practice of submitting non-title recorded agreements for personal services (NTRAPS) for inclusion in property records. While these laws vary, each law seeks to limit or prohibit a consumer from being forced to compensate the company, if the consumer seeks to use a different company for its real estate services prior to the expiration of the unfair agreement.

Given the presence of lengthy, restrictive and unfair residential listing agreements in New York, NYSAR believes this consumer protection legislation is warranted. For these reasons, the New York State Association of REALTORS® supports **A.5886-C/S.6361-B** and urges its passage.

The New York State Association of REALTORS® is a not-for-profit trade organization representing more than 61,000 of New York State's real estate professionals. The term REALTOR® is a registered trademark, which identifies real estate professionals who subscribe to a strict code of ethics as members of the National Association of REALTORS®. These REALTORS® are also members of the New York State Association of REALTORS® as well as their local board or association of REALTORS®.

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