

# RESPA - By Jurisdiction

## Executive Summary

### RESPA

#### ANNUAL REPORT EXECUTIVE SUMMARY

October 2016

#### Overview

The 51 surveyed states and three surveyed territories each have legislative and regulatory systems concerning real estate settlement procedures. Most jurisdictions achieved their current legislative and regulatory stance during the 1990s, with additions and amendments into the new century; a few, however, maintain rules dating back as far as the 1960s.

Most states have changed their settlement laws and rules since 2000. Among the more common changes are alterations related to referral fees, fee-splitting, and license-based consequences for noncompliance. Since the previous update in June 2015, 22 jurisdictions revised their statutes or regulations concerning real estate settlement procedures, but most of those amendments consisted of minor changes, technical or conforming amendments, or changes not specifically relevant to the topics addressed in this survey.

#### Referral Fees

All jurisdictions address referral fees. The vast majority bar the payment of fees to unlicensed persons and provide license-based consequences for violations; states such as Connecticut and Maryland present this general model. Some states, including Delaware and Georgia, impose disclosure requirements for referral fees. Others, such as Colorado, allow referral fees under strict guidelines. Seventeen jurisdictions revised their relevant provisions since June 2015, but most of those changes were minor, technical in nature, or not relevant to the topics addressed by this survey. The most significant changes were as follows:

- New Hampshire revised its provisions related to directing transactions to a lending institution, an escrow company, or a title company;

- South Carolina significantly revised its real estate licensee laws, including those related to referral fees; and
- Vermont amended its regulatory provisions related to referral fees.

### **Fee-Splitting**

All surveyed jurisdictions regulate fee-splitting by real estate agents and brokers. These provisions generally prohibit any split of compensation from a transaction with an unlicensed person and provide that a real estate licensee can be fined or have his or her license suspended or revoked for splitting fees with a person who is not licensed as a real estate broker or salesperson but is performing real estate acts. Some states, such as Alaska, expand on this prohibition; that state forbids not only straight fee-splitting, but also splitting with another licensee if it is known that the other licensee intends to pay all or a portion of the fee to an unlicensed person.

Since June 2015, 17 jurisdictions revised their fee-splitting laws. The most significant changes were in Utah, which revised its regulations regarding inducements, and in Vermont, which significantly amended its regulations related to improper brokerage commissions.

### **Relationships Between or Common Ownership of Related Businesses**

Approximately 30 percent of the surveyed jurisdictions have no laws or regulations specifically addressing relationships between or common ownership of related businesses. Of the other jurisdictions, the most common rule is that all relationships and common ownership must be disclosed in writing, and if adequate disclosure is made, the relationship or common ownership will not bar a transaction. For example, Connecticut requires that “written disclosure [be] made prior to the contract,” but other states are less specific. Violators generally risk license suspension or revocation.

Since June 2015, nine jurisdictions revised their statutes or regulations that address common ownership. All of those recent amendments were minor, conforming, or not specifically relevant to this survey.

## **Cost Disclosures**

Approximately 41 percent of the jurisdictions surveyed have no *state* legislation or regulations specifically addressing a real estate licensee's obligations regarding cost disclosures or good faith cost estimates. Of the remaining states, the overwhelmingly common model requires delivery of a statement at closing that details the costs involved. Typical is North Dakota, which mandates that brokers deliver a "complete, detailed closing statement, showing all of the receipts and disbursements handled by the broker." Arizona requires retention of such documents by the broker, while Iowa utilizes a unique "on demand" provision, allowing any party to receive a statement at any point during the transaction.

Since the last update in 2015, only six jurisdictions revised their cost-disclosure laws, but many of the changes were technical or minor. Most significantly, Georgia revised its provision that previously required a broker to deliver specified statements to a buyer and a seller at closing and replaced it with the requirement that a broker must ensure that his or her client or customer receives a statement.

## **Unearned Fees**

Unearned fee prohibitions relate to rebates or kick-backs from mortgage lenders, escrow and title companies, or other transactional entities. All but five of the surveyed jurisdictions have provisions in place that, at least generally, regulate unearned fees. Some jurisdictions, such as Virginia and North Carolina, completely bar the receipt of unearned fees of more than a nominal amount. Other states, including Florida and Washington, ban such compensation only in cases of non-disclosure.

Nine jurisdictions revised their statutes or regulations that address unearned fees since June 2015. However, all of those changes were minor, technical, or not relevant to the topics addressed in this report.

## **Alabama**

### **Alabama, Cost Disclosure/Good Faith Estimates of Closing Costs**

Generally, a licensee must inform the buyer or seller at the time an offer is presented that he or she will be expected to pay certain closing costs and the approximate amount of those costs. A licensee who procures a written offer from a buyer in a single family residential transaction must furnish the buyer with a complete estimated closing statement at the time he or she signs the offer. The statement must contain the licensee's best

estimates of all costs the buyer is expected to have at closing. The licensee must also furnish the buyer at closing with an actual, detailed closing statement showing all receipts and disbursements. The buyer must sign both the estimated and the actual closing statements.

A licensee who presents a written offer to a seller in a single family residential transaction must prepare and furnish to the seller a complete estimated closing statement at the time buyer presents the offer. The statement must contain the licensee's best estimates of all costs the seller is expected to incur at closing. The licensee must also furnish the seller at closing with an actual, detailed closing statement that shows all receipts and disbursements. The seller must sign both the estimated and the actual closing statements.

Statutory section amended 2009. Regulation amended 1992.

[Ala. Code § 34-27-36\(a\)\(22\) \(2015\); Ala. Admin. Code r. 790-X-3-.04 \(Supp. 2008\)](#)

### Alabama, Fee Splitting

Real estate agents and brokers may not pay any profit, compensation, commission, or fee to, or divide any profit, compensation, commission, or fee with, anyone other than a licensee or multiple listing service. However, an associate broker or salesperson may own a lawfully constituted business organization for the purpose of receiving payments. The business organization need not be licensed, but may not engage in any other activity requiring a real estate license.

Agents and brokers are also prohibited from paying or receiving rebates from any person in a real estate transaction.

Statutory section amended 2009.

[Ala. Code § 34-27-36\(a\)\(11\), \(12\) \(2015\)](#)

### Alabama, Referral Fees

It is unlawful for any person, entity, or business organization to act as a real estate agent or broker for a fee, commission, or other valuable consideration without a license.

Real estate agents and brokers may not pay any profit, compensation, commission, or fee to, or divide any profit, compensation, commission, or fee with, anyone other than a licensee or multiple listing service. However, an associate broker or salesperson may own a lawfully constituted business organization for the purpose of receiving payments. The business organization is not required to be licensed, and may not engage in any other activity requiring a real estate license.

Agents and brokers are also prohibited from paying or receiving rebates from any person in a real estate transaction.

Real estate agents and brokers are also prohibited from establishing an association with an unlicensed person who is expected or required to act as a licensee, or from aiding, abetting, or conspiring with a person to circumvent the requirements of chapter 34-28.

Statutory section 34-27-36 amended 2009; § 34-27-30 amended 2008.

[Ala. Code §§ 34-27-30; -36\(a\)\(11\), \(12\), \(17\) \(2015\)](#)

### Alabama, Relationships Between or Common Ownership of Related Businesses

An associate broker or salesperson may own a lawfully constituted business organization for the purpose of receiving payments. The business organization need not be licensed, but may not engage in any other activity requiring a real estate license.

Statutory section amended 2009.

[Ala. Code § 34-27-36\(a\)\(11\) \(2015\)](#)

### Alabama, Unearned Fees

Real estate agents and brokers may not pay any profit, compensation, commission, or fee to, or divide any profit, compensation, commission, or fee with, anyone other than a licensee or multiple listing service. However, an associate broker or salesperson may own a lawfully constituted business organization for the purpose of receiving payments.

Agents and brokers are also prohibited from paying or receiving rebates from any person in connection with a real estate transaction.

Statutory section amended 2009.

[Ala. Code § 34-27-36\(a\)\(11\), \(12\) \(2015\)](#)

## Alaska

### Alaska, Cost Disclosure/Good Faith Estimates of Closing Costs

It is grounds for revocation or suspension of a license if a licensee fails to provide the following information in connection with a real estate sale:

- rebates, compensation or fees paid to another broker;
- the listing contract; and
- the settlement statement.

Regulation amended 2014.

[Alaska Admin. Code tit. 12, § 64.130\(4\) \(2015\)](#)

## Alaska, Fee Splitting

A licensed real estate broker may not knowingly pay any part of a fee, commission or other compensation received in buying, selling, exchanging, leasing, auctioning or renting real estate to:

- a person who is not licensed;
- another licensee, except through the licensee's responsible broker; or

- another licensee, knowing that licensee intends to pay all or a portion of that which is received to an unlicensed person.

It is grounds for revocation or suspension of a license for a licensee to share commissions with or otherwise compensate a person who is prohibited from receiving compensation.

A real estate broker may be compensated by:

- any party to a real estate transaction;
- a third party; or
- one or more of the parties splitting or sharing the compensation.

A broker must disclose in writing to the broker's principal the amount of any rebate, compensation, or fee paid to another broker in connection with the transaction. This disclosure must be made when:

- the listing contract is signed; and
- the settlement statement is signed.

Statutory section 08.88.401 amended 2012; § 08.88.655 enacted 2004. Regulation 64.940 amended 2009; r. 64.130 amended 2014.

[Alaska Stat. §§ 08.88.401\(d\)\(1\)-\(3\), .655\(a\) \(2015\); Alaska Admin. Code tit. 12, §§ 64.130\(7\), .940 \(2015\)](#)

## Alaska, Referral Fees

A person who is not a real estate broker licensed in Alaska may not accept a fee or commission for performing an act for which a license is required. A licensed real estate broker may not knowingly pay any part of a fee, commission or other compensation received in buying, selling, exchanging, leasing, auctioning or renting real estate to:

- a person who is not licensed;
- another licensee, except through the licensee's responsible broker; or
- another licensee, knowing that licensee intends to pay all or a portion of that which is received to an unlicensed person.

Alaska does not directly prohibit brokers from giving or receiving rebates. However, a broker's license can be revoked or suspended for "fraudulent or dishonest" conduct. It is grounds for revocation or suspension of a license for a licensee to pay referral fees or otherwise compensate a person who is prohibited from receiving compensation. Brokers are prohibited from establishing associations with persons who are not licensed as a broker but who would be expected to act as a licensed person.

Statutory sections amended 2012. Regulation amended 2014.

[Alaska Stat. §§ 08.88.071\(3\)\(A\)\(iv\), \(G\); .401\(b\)\(1\), \(d\)\(1\)-\(3\) \(2015\); Alaska Admin. Code tit. 12, § 64.130\(7\) \(2015\)](#)

## Alaska, Relationships Between or Common Ownership of Related Businesses

A broker must disclose in writing and verbally advise the parties to a real estate transaction of any conflicts of interest he or she may have, including the receipt of compensation from someone other than a party to the real estate contract or another person having a financial interest in the transaction. It is grounds for license revocation or suspension if a licensee employs or uses a third party purchaser, purchases through entities, or works through



associates in a way that profits the licensee with the effect of concealing the profit and the name of the interested licensee.

Statutory section 08.88.396 amended 2004; § 08.88.391 amended 2008. Regulation amended 2014.

[Alaska Stat. §§ 08.88.391\(c\)\(4\), .396 \(2015\); Alaska Admin. Code tit. 12, § 64.130\(10\) \(2015\)](#)

### Alaska, Unearned Fees

A licensed real estate broker may not knowingly pay any part of a fee, commission or other compensation received in buying, selling, exchanging, leasing, auctioning or renting real estate to:

- a person who is not licensed;
- another licensee, except through the licensee's responsible broker; or
- another licensee, knowing that the licensee intends to pay all or a portion of that which is received to an unlicensed person.

Alaska does not directly prohibit brokers from giving or receiving rebates. However, a broker's license can be revoked or suspended for "fraudulent or dishonest" conduct. It is also grounds for revocation or suspension of a license if licensee pays fees or otherwise compensates a person who is prohibited by statute from receiving compensation.

Statutory sections amended 2012. Regulation amended 2014.

[Alaska Stat. §§ 08.88.071\(a\)\(3\)\(A\)\(iv\), .401\(d\)\(1\)-\(3\) \(2015\); Alaska Admin. Code tit. 12, § 64.130\(7\) \(2015\)](#)

## Arizona

### Arizona, Cost Disclosure/Good Faith Estimates of Closing Costs

Real estate brokers are required to retain copies of all executed and delivered escrow closing statements that evidence all receipts and disbursements in a transaction.

Regulation amended 2002.

[Ariz. Admin. Code § R4-28-802\(C\) \(Supp. 2013\)](#)

### Arizona, Fee Splitting

It is a violation of Arizona law for a broker or salesperson to employ or pay an unlicensed salesperson or associate broker or accept compensation for the performance of services from any person other than a licensed broker.

Real estate brokers are required to disclose to all parties to a transaction, in writing before closing, the name of each employing broker who represents a party to the transaction and who will receive compensation from the transaction.

Statutory section enacted 1997. Regulation amended 2002.

[Ariz. Rev. Stat. § 32-2155\(A\) \(2016\)](#); [Ariz. Admin. Code § R4-28-701 \(Supp. 2013\)](#)

### Arizona, Referral Fees

It is unlawful for a person to engage in real estate brokerage without first obtaining a license.

Only a licensed real estate broker or salesperson may maintain an action for the collection of compensation for real estate brokerage services.

A real estate broker's or real estate salesperson's license can be revoked or suspended should the broker or salesperson pay or receive any rebate, profit, compensation or commission in violation of Arizona law.

It is a violation of Arizona law for a broker or salesperson to employ or pay an unlicensed salesperson or associate broker or accept compensation for the performance of services from any person other than a licensed broker.

Statutory sections 32-2122, 32-2152, and 32-2155 enacted 1997; § 32-2153 amended 2007.

[Ariz. Rev. Stat. §§ 32-2122\(B\), -2152, -2153, -2155 \(2016\)](#)

### Arizona, Relationships Between or Common Ownership of Related Businesses

It is unlawful for a broker or salesperson to collect compensation for rendering services in negotiating loans secured by real property unless the broker or salesperson discloses that he or she is receiving both for real estate brokerage and for mortgage broker services.

A real estate broker or salesperson shall not act directly or indirectly in a transaction without informing the other parties, in writing and before the parties enter into a binding agreement, of a present or prospective interest or conflict in the transaction, including that the broker or salesperson or a member of his or her immediate family has a financial interest in the transaction other than his or her receipt of compensation for real estate services. Further, a broker or salesperson shall not accept compensation for goods or services provided relating to a real estate transaction without the payer's prior written acknowledgement of the compensation.

Statutory section enacted 1997. Regulation amended 2005.

[Ariz. Rev. Stat. § 32-2155\(C\) \(2016\); Ariz. Admin. Code R4-28-1101\(E\), \(G\) \(Supp. 2013\)](#)

### Arizona, Unearned Fees

A real estate broker's or salesperson's license may be revoked or suspended if the broker or salesperson pays or receives any rebate, profit, compensation or commission in violation of Arizona law.

Real estate brokers must disclose to all parties to a transaction, in writing before closing, the name of each employing broker who represents a party to the transaction and who will receive compensation from the transaction.

Statutory section amended 2007. Regulation amended 2002.

[Ariz. Rev. Stat. § 32-2153\(A\)\(6\), \(7\), \(10\) \(2016\); Ariz. Admin. Code § R4-28-701 \(Supp. 2013\)](#)

## Arkansas

### Arkansas, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Arkansas, Fee Splitting

The provision or Arkansas law that prohibits a real estate broker or salesperson from paying a commission or other valuable consideration to an unlicensed person prohibits the splitting of fees with an unlicensed person.

Statutoruy section amended 2007.

Ark. Code § 17-42-311 (LexisNexis 2016)

### Arkansas, Referral Fees

It is illegal for a person to engage in "unlicensed real estate activity."

An action or suit may not be brought by any person or entity for compensation for real estate brokerage acts unless at the time of offering to perform and performing any such act the person held an active license.

It is illegal for a person to act as a real estate broker or salesperson without a license.

No action or suit shall be instituted, nor recovery be had, by any person for compensation for real estate brokerage acts unless at the time of offering to perform and performing any such act the person held an active license.

A real estate broker or salesperson is prohibited from paying a commission or other valuable consideration to any person for acts or services that are in violation of the Arkansas Real Estate License Law. This would include paying a commission or other consideration to an unlicensed person.

In every real estate transaction, a real estate broker or real estate salesperson is required to disclose to all parties which party or parties he or she is representing and cannot accept a commission or valuable consideration for the performance for any acts specified in the Real Estate License Law from any person other than the licensed principal broker under whom he or she is licensed.

Statutory section 17-42-108 amended 1995; § 17-42-311 amended 2007; §§ 17-42-105, 17-42-107, and 17-42-301 amended 2011.

Ark. Code §§ 17-42-105, -107, -108, -301, -311 (LexisNexis 2016)

### [Arkansas, Relationships Between or Common Ownership of Related Businesses](#)

No specifically relevant provisions were located. Generally, in every real estate transaction, a real estate broker or real estate salesperson is required to clearly disclose to all parties which party or parties he or she is representing and cannot accept a commission or valuable consideration for the performance for any acts specified in the Real Estate License Law from any person other than the licensed principal broker under whom he or she is licensed.

Statutory section 17-42-108 amended 1995; § 17-42-311 amended 2007.

Ark. Code §§ 17-42-108(a)(1), -311(a)(8) (LexisNexis 2016)

## Arkansas, Unearned Fees

When acting as an agent in the sale or management of property, a real estate licensee may not "accept any commission, rebate, profit, payment, compensation or other valuable consideration from any source in connection with the property without full written disclosure to the party represented by the licensee."

Regulation amended 1997.

[8 Ark. Code R. § 8.5\(c\) \(2015\) \(076-00 Ark. Code R. 001 § 8.5\(c\)\)](#)

## California

### California, Cost Disclosure/Good Faith Estimates of Closing Costs

Any real estate broker who negotiates a loan which is to be secured by real estate is required to deliver a written statement to the borrower containing the following information, among other things:

- estimated maximum costs and expenses of making the loan;
- total of the brokerage or commissions received by the broker;
- the amount and description of any liens against the property;
- estimated amounts to be paid for fire insurance, prior liens, amounts due other creditors, assumption, transfer, forwarding and beneficiary statement fees;
- balance of loan funds to be paid to the borrower;
- principal amount of the loan, interest rate, term of the loan;
- a statement containing the name, address and license number of the real estate broker negotiating the loan;

- and if the loan will be made from broker-controlled funds, a statement to that effect;
- any prepayment privileges and penalties.

Compliance with the Real Estate Settlement Procedures Act of 1974 satisfies this requirement of California law provided additional California-required disclosures are also made.

It is prohibited for a real estate broker, in connection with handling an escrow, upon closing an escrow transaction, to fail to render to each principal in the transaction a written statement of all receipts and disbursements together with the name of the person to whom any such disbursement is made.

Regulation 2840 provides that Forms RE 882 and RE 883 contain the approved format and content for the disclosure statements required by § 10240(a) and § 10241. Publication of the forms is to aid real estate licensees "in providing the disclosure of material information to prospective borrowers in a uniform and effective manner." A real estate broker must obtain the Commissioner's prior written approval if he or she wishes to use different forms. The Commissioner will not approve forms that do not adequately provide the required information and that are not in a format that the Bureau can easily use.

Regulation 2842 provides that Form RE 885 is for the purpose of aiding real estate licensees "in providing the disclosure of material information in a uniform and effective manner to prospective borrowers relating to home loans on one-to-four unit single-family residences whose loans involve a 'nontraditional mortgage product.'" In this context, a "nontraditional mortgage product" is a loan that allows borrowers to defer repayment of principal or interest. A real estate broker must obtain the Commissioner's prior written approval if he or she wishes to use a different form with a nontraditional mortgage product. The Commissioner will not approve forms that do not adequately provide the required information and that are not in a format that the Bureau can easily use.

Statutory sections 10240 and 10241 enacted 2001; § 10177 amended 2012. Regulation 2950 amended 2003; rr. 2840 and 2842 amended 2014.

[Cal. Bus. & Prof. Code §§ 10177, 10240, 10241 \(2016\); Cal. Code Regs. tit. 10, §§ 2840, 2842, 2950\(i\) \(West 2016\)](#)

## California, Fee Splitting

It is unlawful for a licensed real estate broker to compensate any person for performing real estate acts who is not a licensed real estate broker, or a real estate salesperson licensed under the broker employing or compensating him or her. A broker also may not compensate a licensee for engaging in any activity for which a mortgage loan originator license endorsement is required, unless the licensee holds a mortgage loan originator license endorsement. However, a licensed real estate broker may pay a commission to a broker of another state.

No real estate salesperson may accept compensation for an activity requiring a real estate license from any person other than the broker under whom he or she is licensed. Also, a licensed real estate salesperson may not pay any compensation for performing real estate acts to any real estate licensee except through the broker under whom he or she is licensed.

A licensee's license can be revoked or suspended if the licensee claims or takes any secret or undisclosed amount of compensation, commission or profit, or fails to reveal to the licensee's employer the full amount of his or her compensation, commission or profit. This restriction presumably applies to a licensee engaging in secret or undisclosed fee splitting.

Statutory section 10176 amended 2011; § 10137 amended 2016.

[Cal. Bus. & Prof. Code §§ 10137](#) (as amended by [2016 Cal. Stat. ch. 685](#)), [10176 \(2016\)](#)

## California, Referral Fees

No person engaged in the business or acting in the capacity of a real estate broker or salesperson in California may bring or maintain an action in California courts to collect compensation for performing real estate acts without alleging and proving that he or she was licensed at the time the cause of action arose.

It is unlawful for a licensed real estate broker to compensate any person for performing any acts within the scope of the California Real Estate Law who is not a licensed real estate broker, or a real estate salesperson licensed under the broker employing or compensating him or her. No real estate salesperson may be employed by or accept compensation for activity requiring a real estate license from any person other than the broker under whom he or she is licensed. Also, a licensed real estate salesperson may not pay any compensation for performing real estate acts to any real estate licensee, except through the broker under whom he or she is licensed.



A real estate licensee's license can be revoked or suspended if the licensee:

- claims or takes any secret or undisclosed amount of compensation, commission or profit or the failure of a licensee to reveal to the employer of such licensee the full amount of his or her compensation, commission or profit; or
- claims, demands or receives a commission, fee or other consideration as compensation or inducement for referral of customers to any escrow agent, structural pest control firm, home protection company, title insurer, controlled escrow company, or underwritten title company.

Unless a real estate broker possesses written permission from the client, it is unlawful for the broker to receive, directly or indirectly, a commission, compensation, or other consideration from a person or institution other than the client as an inducement for the placement of a trust fund account. Actual placement of the account is not a precondition to a violation of this provision.

Statutory section 10176 amended 2011; § 10177.4 amended 1997; §§ 10136 and 10137 amended 2016. Regulation adopted 2011.

[Cal. Bus. & Prof. Code §§ 10136](#) (as amended by [2016 Cal. Stat. ch. 685](#)), [10137](#) (as amended by [2016 Cal. Stat. ch. 685](#)), [10176](#), [10177.4 \(2016\)](#); [Cal. Code Regs. tit. 10, § 2830 \(West 2016\)](#)

## California, Relationships Between or Common Ownership of Related Businesses

If a real estate broker negotiates a real estate loan and the loan will be made from broker-controlled funds, the broker must disclose this fact in writing.

A real estate licensee's license can be revoked or suspended if the licensee claims, demands or receives a commission, fee or other consideration as compensation or inducement for

referral of customers to any escrow agent, structural pest control firm, home protection company, title insurer, controlled escrow company, or underwritten title company.

Real estate developers are prohibited from requiring a buyer to use an escrow agent in which the developer has a financial interest.

It is prohibited for a real estate broker, in connection with handling an escrow, to fail to advise all parties in writing if he or she has knowledge that any licensee acting as such in a transaction has any interest as a stockholder, officer, partner or owner of the agency holding the escrow.

Statutory section 10241 enacted 1989; § 10177.4 amended 1997; § 2995 enacted 1978. Regulation amended 2003.

[Cal. Bus. & Prof. Code §§ 10177.4, 10241; Civ. Code § 2995 \(2016\); Cal. Code Regs. tit. 10, § 2950\(h\) \(West 2016\)](#)

## California, Unearned Fees

A licensee's license may be revoked or suspended if the licensee:

- claims or takes any secret or undisclosed amount of compensation, commission, or profit; or
- fails to reveal to his or her employer the full amount of his or her compensation, commission, or profit.

Statutory section amended 2011.

[Cal. Bus. & Prof. Code § 10176 \(2016\)](#)

Colorado

## Colorado, Cost Disclosure/Good Faith Estimates of Closing Costs

At closing, a licensee who establishes a broker relationship with a buyer or seller, or who works with the buyer or seller as a customer, is responsible for providing an accurate, complete, and detailed closing statement as it applies to the party with whom the brokerage relationship has been established. Credits and debits concerning a preowned home warranty service contract must be disclosed on the closing statement.

A manager or his or her agent may not enforce a fee or charge against an HOA, or against any buyer or seller of property served by the HOA, unless the fee or charge is:

- explicitly disclosed in the manager's contract with the HOA; or
- "documented by a clearly identified line item on a real estate closing settlement statement."

A mortgage loan originator's disclosures must comply with the federal Real Estate Settlement Procedures Act of 1974.

Statutory section 12-61-1004.5 enacted 2014; § 12-61-914 amended 2016. Regulation amended 2007.

Colo. Rev. Stat. § 12-61-914, -1004.5 (LexisNexis 2016); [4 Colo. Code Regs. § 725-1 \(E-5\) \(2016\)](#)

## Colorado, Fee Splitting

In a real estate transaction, a broker's compensation may be paid by the sharing or splitting of a commission or compensation between licensed brokers as long as the buyer or seller consents in writing.

It is unlawful for a real estate broker to pay a commission or other valuable consideration to an unlicensed person, so a broker may not split a commission with an unlicensed person.

Statutory section 12-61-113 amended 2013; § 12-61-810 amended 2003.

Colo. Rev. Stat. §§ 12-61-113(j); -810 (LexisNexis 2016)

## Colorado, Referral Fees

It is unlawful for a person to engage in the business or capacity of real estate broker without first obtaining a license from the Colorado Real Estate Commission. It is also unlawful for a real estate broker employed by another broker to accept a commission or valuable consideration from any person except the broker's employer, who must be a licensed real estate broker, or for a real estate broker to pay a commission or other valuable consideration to an unlicensed person.

It is unlawful to pay a referral fee unless reasonable cause for payment of the referral fee exists. A reasonable cause for payment means:

- an actual introduction of business has been made;
- a contractual referral fee relationship exists; or
- a contractual cooperative brokerage relationship exists.

Statutory sections 12-61-102, 12-61-117, and 12-61-203.5 amended 2008; § 12-61-113 amended 2013.

Colo. Rev. Stat. §§ 12-61-102, -113, -117, -203.5 (LexisNexis 2016)

## Colorado, Relationships Between or Common Ownership of Related Businesses

An affiliated business arrangement is permitted if:

- the person referring business to the affiliated business arrangement "receives payment only in the form of a return on an investment"; and
- it does not violate the provisions of § 12-61-113.

In this context, an "affiliated business arrangement" is an arrangement in which a settlement services provider or its associate:

- has either an affiliate relationship with or a direct beneficial ownership interest of more than one percent in another settlement services provider; and
- directly or indirectly refers settlement service business to another settlement services provider or affirmatively influences the selection of another provider.

If a licensee or his or her employing broker is part of an affiliated business arrangement when a purchase offer is executed, the licensee must disclose the arrangement's existence to all parties. The disclosure must:

- be in writing;
- be signed by all parties; and
- comply with the federal "Real Estate Settlement Procedures Act."

Colorado regulations also address affiliated business arrangement disclosures. Pursuant to the regulations, a broker must:

- disclose in writing the existence of an affiliated business arrangement to the party they are referring at the time the referral is made;
- at the time the contract to buy and sell is executed, disclose to all parties the existence of an affiliated business arrangement with the broker; and
- make specified disclosures to the Commission.

At the time a broker enters into or changes an affiliated business arrangement, the broker must disclose all affiliated business arrangements to which the broker is a party. The disclosure must include the affiliated businesses' physical locations.

A licensee may not:

- require the use of an affiliated business arrangement or a particular settlement services provider as a condition of obtaining any settlement services from that licensee; or
- give or accept any fee, kickback, or other value pursuant to an agreement that business incident to or part of a settlement service involving an affiliated business arrangement must be referred to any settlement services provider.

Nothing in these provisions prohibits paying:

- a fee to an attorney for services rendered;
- a fee to a title insurance company for services performed in issuing a title insurance policy;
- a fee to a lender for services performed making a loan;
- a salary, compensation, or other payment for goods or facilities furnished or for services performed; or
- a fee "pursuant to cooperative brokerage and referral arrangements or agreements between real estate brokers."

The commission may discipline a licensee for violating the above provisions.

Colorado regulations also provide that no licensed real estate broker, whether or not engaged in an affiliated business arrangement, may accept or give any incentive, commission, fee, or other thing of value to or from a settlement service provider for the referral of business in a real estate transaction involving a federally related mortgage loan.

Statutory section 12-61-113.2 amended 2007; § 12-61-113 amended 2013. Regulations amended 2012.

Colo. Rev. Stat. §§ 12-61-113, -113.2 (LexisNexis 2016); [4 Colo. Code Regs. § 725-1 \(E-22, -46\) \(2016\)](#)

## Colorado, Unearned Fees

A real estate licensee may not accept, directly or indirectly, a placement fee, commission, or other valuable consideration for placing a loan with a mortgage lender in any real estate transaction in which the licensee receives or is entitled to receive a commission unless the licensee fully informs any party with whom he or she has established a brokerage relationship, or worked with as a customer, and obtains prior written consent of such party.

A real estate licensee may not accept a commission, fee, or other valuable consideration for an abstract or title insurance company in any real estate transaction in which the licensee receives or is entitled to receive a real estate commission.

If a written agreement entitles a broker to a commission on a sale or purchase made after the agreement expires, the provision must refer "only to those persons or properties with whom or on which the broker negotiated during the term of the agreement, and whose names or addresses were submitted in writing to the seller or buyer during the term of the agreement, including any extension."

Regulations E-12 and E-19 amended 2007; r. E-18 amended 2012.

[4 Colo. Code Regs. § 725-1 \(E-12, -18, -19\) \(2016\)](#)

## Connecticut

## Connecticut, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

## Connecticut, Fee Splitting

Real estate brokers and salespersons are prohibited from splitting fees with any attorney, mortgage broker or lender, or any person affiliated therewith.

Mortgage brokers and lenders are prohibited from splitting fees with real estate brokers and salespersons.

Title insurers and title insurance agents are prohibited from splitting fees with real estate brokers and salespersons.

No real estate licensee shall offer, promise, allow, give or rebate, directly or indirectly, any part or share of his or her commission or compensation arising from a real estate transaction to any unlicensed person.

Statutory section 20-320a amended 2004; § 49-7f amended 2003; § 38a-414 enacted 1990. Regulation amended 1995.

[Conn. Gen. Stat. Ann. §§ 20-320a\(a\)](#) (as amended by [2016 Conn. Acts ch. 16-185](#)); [49-7f\(a\)](#); [38a-414 \(2016\)](#); [Conn. Agencies Regs. § 20-328-8a\(e\) \(2015\)](#)

## Connecticut, Referral Fees

No person shall act as a real estate broker or salesperson without a license issued by the Connecticut Real Estate Commission or the Commissioner of Consumer Protection.

No person who is not licensed and was not licensed at the time the person performed real estate brokerage acts shall commence or bring any action to recover any commission, compensation or other payment with respect to any act done or service rendered by that person.



Real estate brokers and salespersons are prohibited from receiving a fee, commission, or other form of referral fee for the referral of any buyer of real property to any attorney, mortgage broker or lender, or any person affiliated therewith.

Mortgage brokers and lenders are prohibited from receiving a fee, commission, or other form of referral fee for the referral of business to real estate brokers and salespersons.

Title insurers and title insurance agents are prohibited from paying fees for the referral of business.

No real estate licensee may demand compensation unless reasonable cause for payment of compensation exists.

A real estate licensee may not accept any commission, rebate, or profit on expenditures made for the licensee's principal without the principal's knowledge and consent.

A real estate licensee may not offer, promise, allow, give, or rebate, directly or indirectly, any part of his or her commission or compensation arising from a real estate transaction to an unlicensed person.

Statutory section 49-7f amended 2003; § 38a-414 enacted 1990; §§ 20-312 and 20-320a amended 2016. Regulation amended 1995.

[Conn. Gen. Stat. Ann. §§ 38a-414; 49-7f\(a\); 20-320a](#) (as amended by [2016 Conn. Acts ch. 16-185](#)), - [325a, -312 \(2016\)](#) (as amended by [2016 Conn. Acts chs. 16-97, -185](#)); [Conn. Agencies Regs. § 20-328-8a\(e\) \(2015\)](#)

## Connecticut, Relationships Between or Common Ownership of Related Businesses

Real estate brokers and salespersons who receive a fee, commission or other valuable consideration for the sale of residential real property, and persons affiliated therewith, are prohibited from receiving a fee, commission or other valuable consideration for negotiating, soliciting, arranging, placing or finding a first mortgage loan for the buyer unless written disclosure is made prior to the contract for mortgage brokering services is signed. Any such fee, commission or other consideration shall:

- relate to services actually performed;
- not be imposed for the referral of the buyer to the mortgage lender by such broker or salesperson; and
- be paid directly to the broker or salesperson by the buyer rather than from the mortgage loan proceeds at the time of closing.

Title insurers and title insurance agents are prohibited from receiving referrals from an entity in which the insurer or agent has a financial interest without disclosing the interest. A real estate licensee may not accept a commission, rebate, or profit on expenditures made for the licensee's principal without the principal's knowledge and consent.

Statutory section 20-325c amended 2003; § 38a-416 amended 2014. Regulation amended 1995.

[Conn. Gen. Stat. Ann. §§ 20-325c, 38a-416 \(2016\); Conn. Agencies Regs. § 20-328-8a\(e\) \(2015\)](#)

## Connecticut, Unearned Fees

Real estate brokers and salespersons who receive a fee, commission or other valuable consideration for the sale of residential real property, and persons affiliated therewith, are prohibited from receiving a fee, commission or other valuable consideration for negotiating, soliciting, arranging, placing or finding a first mortgage loan for the buyer unless written disclosure is made prior to the contract for mortgage brokering services is signed. Any such fee, commission or other consideration must relate to services actually performed.

A real estate licensee may not accept any commission, rebate, or profit on expenditures made for the licensee's principal without the principal's knowledge and consent.

Statutory section amended 2003. Regulation amended 1995.

## Delaware

### Delaware, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Delaware, Fee Splitting

Nothing in Delaware's real estate laws requires a buyer or seller to pay compensation to a broker or brokerage organization unless the buyer or seller has entered into a written brokerage agreement with the broker or brokerage organization that sets forth the compensation terms. However, the compensation agreement *may* specify that the licensee may cooperate with other licensees, and brokers or brokerage organizations may compensate other participating brokers or brokerage organizations without the buyer's or seller's further permission. (This provision also applies to landlords and tenants.)

Generally, a licensee is subject to disciplinary sanctions if he or she:

- has paid a commission or valuable consideration to any person for acts or services performed in violation of chapter 29; or
- has received, directly or indirectly, any form of valuable consideration for products or services relating to a real estate services transaction without prior written disclosure to the licensee's customer or client and the payor for the product or service.

Although a licensee must cooperate with all other licensees involved in a transaction (unless cooperation is not in the customer's or the client's best interest), "[t]he obligation to cooperate does not include any obligation to share commissions or to otherwise compensate" another real estate licensee.

A licensee may not accept compensation from more than one party to a transaction without timely disclosure to all parties.

Statutory sections amended 2011. Regulation amended and renumbered 2015.

[Del. Code tit. 24, §§ 2912, 2913, 2930, 2935 \(2016\); 24-2900 Del. Code Regs. 8.7.4 \(2015\)](#)

## Delaware, Referral Fees

A person may not engage in the practice of providing real estate services unless he or she is duly licensed. Also, no person may directly or indirectly provide real estate services through a Delaware licensee without having a Delaware license.

A licensee is subject to disciplinary sanctions if he or she:

- has paid a commission or valuable consideration to any person for acts or services performed in violation of chapter 29; or
- has received, directly or indirectly, any form of valuable consideration for products or services relating to a real estate services transaction without prior written disclosure to the licensee's customer or client and the payor.

A licensee may not "use commissions or income received from commissions as rebates or compensation paid to or given to non-licensed persons, partnerships or corporations as inducements to do or secure business, or as a finder's fee," unless those fees are paid pursuant to a written cooperation or affiliation agreement signed by all parties as permitted. A licensee may pay a referral fee to a real estate broker licensed in another jurisdiction.

Statutory sections amended 2011.Regulations 8.7.1 and 8.7.6 amended and renumbered 2015.

[Del. Code tit. 24, §§ 2901, 2912 \(2016\); 24-2900 Del. Code Regs. 8.7.1, .6 \(2015\)](#)

## Delaware, Relationships Between or Common Ownership of Related Businesses

No relevant provisions were located.

## Delaware, Unearned Fees

No specifically relevant provisions were located. However, all compensation relating to a real estate service that is to be paid to a licensee must be paid through his or her broker or brokerage organization. The broker or brokerage organization must have entered into a brokerage agreement that specifies compensation terms.

Statutory section amended 2011.

[Del. Code tit. 24, § 2930 \(2016\)](#)

## District of Columbia

### District Of Columbia, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically applicable provisions were located. However, a licensee may not prepare (or be a party to the preparation of) any written agreement for the sale, purchase, rental, lease, or exchange of real property that "falsely recites the purchase price."

Regulatory chapter amended 2016.

[D.C. Mun. Regs., tit. 17, § 2609.8 \(2016\)](#)

### District Of Columbia, Fee Splitting

Before entering into any brokerage relationship, a licensee must advise the prospective client of the type of relationship, the broker's compensation, and whether the broker will share his or her salary or compensation with another broker who may have a brokerage relationship with another party to the transaction.

A licensee may not accept compensation from more than one party without the other party's "full knowledge and consent."

Statutory section amended 1998. Regulatory chapter amended 2016.

[D.C. Code § 42-1703\(f\) \(2016\)](#); [D.C. Mun. Regs., tit. 17, §§ 2609.12 \(2016\)](#)

### District Of Columbia, Referral Fees

Before entering into any brokerage relationship, a licensee must advise the prospective client of the type of relationship, the broker's compensation, and whether the broker will share his or her salary or compensation with another broker who may have a brokerage relationship with another party to the transaction.

Statutory section enacted 1998.

[D.C. Code § 42-1703\(f\) \(2016\)](#)

### District Of Columbia, Relationships Between or Common Ownership of Related Businesses

A mortgage broker may not receive compensation for negotiating, placing, or finding a mortgage loan if the mortgage broker or any affiliated person has otherwise acted as a real estate broker, agent or salesperson in connection with the transaction unless the borrower is given written notice of the arrangement at the time the mortgage broker's services are first offered to the borrower.

Statutory section amended 2009.

[D.C. Code § 26-1114\(b\)\(3\)\(A\) \(2016\)](#)

### District Of Columbia, Unearned Fees

Prior to entering into any brokerage relationship, a real estate broker must advise the prospective client of the type of relationship, the broker's compensation, and whether the broker will share his or her salary or compensation with another broker who may have a brokerage relationship with another party to the transaction.

A real estate licensee who manages property on behalf of the owner may not accept any commission, rebate, profit or other valuable consideration on expenditures made for the owner without the owner's knowledge and consent.

Statutory section amended 1998. Regulatory chapter amended 2016.

[D.C. Code § 42-1703\(f\) \(2016\)](#); [D.C. Mun. Regs., tit. 17, § 2609.14 \(2016\)](#)

## Florida

### Florida, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Florida, Fee Splitting

No contract for splitting a commission or compensation for any act or service requiring a real estate license is valid unless the person to receive the commission or compensation under the fee splitting arrangement has a real estate license.

It is unlawful for a real estate broker or salesperson to share a commission with, or pay a fee or other compensation to, a person not properly licensed as a broker or salesperson for the referral of real estate business, clients, prospects or customers. However, a licensee may share compensation with a party to the real estate transaction with full disclosure to all interested parties.

Statutory section 475.25 amended 2010; § 475.41 amended 2003. Regulation amended 1997.

[Fla. Stat. Ann. §§ 475.25\(1\)\(h\), .41 \(2016\)](#); [Fla. Admin. Code Ann. r. 61J2-10.028\(2\) \(2016\)](#)

### Florida, Referral Fees

No contract for a commission or compensation for a real estate brokerage act is valid unless the broker or salesperson had a license at the time the act or service was performed, and no person may operate as a real estate broker or salesperson without holding a valid and current active license.

It is unlawful for a real estate broker or salesperson to share a commission with, or pay a fee or other compensation to, a person not properly licensed as a broker or salesperson for the referral of real estate business, clients, prospects or customers. However, a broker licensed in Florida may pay a referral fee or share a commission with a broker licensed or registered in another state as long as the foreign broker does not violate any Florida law.

Section 475.42 amended 2006; § 475.41 amended 2003; § 475.25 amended 2010.

[Fla. Stat. Ann. §§ 475.25\(1\)\(h\), .41, .42 \(2016\)](#)

## Florida, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Florida, Unearned Fees

It is improper for a real estate licensee to receive, directly or indirectly, a kickback or rebate for the placement of, or favor in, any business transaction which forms a part of, or is incident to, any transactions handled by the licensee, unless the licensee has fully advised the principal of all facts pertaining to the kickback or rebate.

Regulation amended 1997.

[Fla. Admin. Code Ann. r. 61J2-10.028\(1\) \(2016\)](#)

## Georgia

### Georgia, Cost Disclosure/Good Faith Estimates of Closing Costs

In 2016, Georgia significantly revised its statutory provision that required a broker to deliver detailed statements to the buyer and the seller in a real estate transaction. As amended, the statute provides that a licensee may not fail to ensure in a timely manner that his or her client or customer receives a copy of the closing statement, if the closing statement is provided to the licensee at closing.



Georgia's regulations provide that the required disclosures from a licensee to a principal may be made "in advance of the payment or receipt of a commission, fee, rebate or thing of value to a licensee based upon pre-established terms set forth in a brokerage agreement, a brokerage engagement agreement, management agreement or other written agreement." In this context, the term "licensee's principal" means both the broker's client and the broker's customer if the customer is working primarily with the broker and is not represented by another broker.

Statutory section amended 2016. Regulation amended 2012.

Ga. Code § 43-40-25(b)(20) (LexisNexis 2016) (as amended by [2016 Ga. Laws ch. 463 \(H.B. 869\)](#)); Ga. Comp. R. & Regs. 520-1-.10(6) (2016)

## Georgia, Fee Splitting

A Georgia real estate broker is entitled to divide or share a commission with a broker licensed in another state who is involved in merely referring a customer to the Georgia broker.

As long as there is a written agreement meeting the requirements of Georgia law, a Georgia real estate broker is entitled to divide earned commissions with a licensed broker of another state.

A licensee may not pay a commission or compensation to any person for performing the services of a real estate licensee, unless he or she has first secured the appropriate license or "is not cooperating as a nonresident who is licensed in such nonresident's state or foreign country of residence." This restriction does not prohibit the payment of the following earned commissions:

- to a deceased real estate licensee's estate or heirs, provided the licensee had a valid Georgia real estate license at the time the commission was earned and at the time of death;
- to certain citizens of another country acting as a referral agent; or

- by "the brokerage firm holding a licensee's license to an unlicensed firm in which an individual licensee affiliated with the brokerage firm owns more than a 20 percent interest," provided other conditions specified in § 43-40-25(17) are met.

Statutory section 43-40-9 amended 2003; § 43-40-25 amended 2016.

Ga. Code §§ 43-40-9(e), -25(b)(17) (LexisNexis 2016) (as amended by [2016 Ga. Laws ch. 463 \(H.B. 869\)](#))

## Georgia, Referral Fees

It is unlawful for a person to act in the capacity of a real estate broker or salesperson without a license. No person may bring or maintain an action for the performance of real estate brokerage acts unless he or she was a licensed broker at the time the cause of action arose. Similarly, a real estate broker may not bring or maintain an action for compensation related to performing real estate brokerage services by an agent on his or her behalf unless the agent was licensed at the time the cause of action arose.

A real estate broker or salesperson may be disciplined for failing to disclose in writing to a principal in a real estate transaction:

- the receipt of a fee, rebate, or other thing of value "on expenditures made on behalf of the principal for which the principal is reimbursing the licensee";
- the payment to another broker for the referral of the principal for brokerage or relocation services; or
- the receipt of "anything of value for the referral of any service or product in a real estate transaction to a principal."

A real estate licensee may not pay a commission or compensation to any person for performing the services of a real estate licensee, unless he or she has first secured the appropriate license or "is not cooperating as a nonresident who is licensed in such nonresident's state or foreign country of residence." This restriction does not prohibit the payment of the following earned commissions:

- to a deceased real estate licensee's estate or heirs, provided the licensee had a valid Georgia real estate license at the time the commission was earned and at the time of death;
- to certain citizens of another country acting as a referral agent; or
- by "the brokerage firm holding a licensee's license to an unlicensed firm in which an individual licensee affiliated with the brokerage firm owns more than a 20 percent interest," provided other conditions specified in § 43-40-25(17) are met.

Any person acting as a referral agent who does not receive a referral fee from the referred party, does not charge an advance fee, and does not act as a referral agent in more than three transactions per year, is excepted from the referral prohibitions of the Georgia real estate law.

A Georgia real estate broker is entitled to divide or share a commission with a broker licensed in another state who is involved in merely referring a customer to the Georgia broker.

A licensee may be disciplined for:

- failing to obtain a person's written agreement to refer that person to another licensed broker for brokerage or relocation services; and

- failing to inform the referred person whether the licensee will receive valuable consideration for the referral.

If a licensee refers a principal to another broker for brokerage or relocation services and other specified conditions are met, the broker to whom the referral was made must disclose to the principal in writing the payment of a commission or other compensation no later than at the closing.

Statutory section 43-40-24 enacted 1987; § 43-40-9 amended 2003; § 43-40-29 amended 2012; § 43-40-30 enacted 1995; § 43-40-25 amended 2016. Regulation amended 2012.

Ga. Code §§ 43-40-9(e)(3); -24(a), (b); -25(b)(6), (17), (35) (as amended by [2016 Ga. Laws ch. 463 \(H.B. 869\)](#)); -29(a)(9); -30(b) (LexisNexis 2016); Ga. Comp. R. & Regs. 520-1-.10(6) (2016)

## Georgia, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson may be disciplined for failing to disclose in writing to a principal in a real estate transaction:

- the receipt of a fee, rebate, or other thing of value "on expenditures made on behalf of the principal for which the principal is reimbursing the licensee";
- a payment to another broker for the referral of the principal for brokerage or relocation services; or
- the receipt of "anything of value for the referral of any service or product in a real estate transaction to a principal."

Also, the statutory provision prohibiting a licensee from paying a commission or compensation to an unlicensed person does not apply, among others, to the payment of earned commissions by the "brokerage firm holding a licensee's license to an unlicensed firm in which an individual licensee affiliated with the brokerage firm owns more than a 20 percent interest," if:

- that individual licensee earned the commission on behalf of the brokerage firm;
- the unlicensed firm does not "perform real estate brokerage activity";
- the affiliated licensee and the brokerage firm have a written agreement authorizing payment to the unlicensed firm; and
- the brokerage firm "obtains and retains written evidence that the affiliated licensee owns more than a 20 percent interest in the unlicensed firm."

Statutory section amended 2016.

Ga. Code § 43-40-25(b)(6), (17) (LexisNexis 2016) (as amended by [2016 Ga. Laws ch. 463 \(H.B. 869\)](#))

## Georgia, Unearned Fees

No specifically relevant provisions were located. However, a licensee may not, among other things, fail to disclose in writing to a principal in a real estate transaction the "receipt of a fee, rebate, or other thing of value on expenditures made on behalf of the principal for which the principal is reimbursing the licensee."

Statutory section amended 2016.

Ga. Code § 43-40-25(b)(6) (LexisNexis 2016) (as amended by [2016 Ga. Laws ch. 463 \(H.B. 869\)](#))

## Guam

### Guam, Cost Disclosure/Good Faith Estimates of Closing Costs

No relevant provisions were located.

## Guam, Fee Splitting

A licensed salesman may not pay compensation for performing acts for which a license is required to any real estate licensee, except through the broker under whom "he is at the time licensed." Also, no person, whether the obligor, escrow holder or otherwise, may pay or deliver to anyone compensation for performing any acts for which a license is required, unless the payer knows that the person is a regularly licensed real estate broker at the time the compensation is earned.

The Commissioner may suspend or revoke a real estate license if the licensee

- claims or takes any "secret or undisclosed amount of compensation, commission, or profit"; or
- fails to reveal to the licensee's employer, the full amount of the licensee's compensation, commission or profit "under any agreement authorizing or employing such licensee to do any acts for which a license is required . . . for compensation or commission prior to or coincident with the signing of an agreement evidencing the meeting of the minds of the contracting parties."

Statutory sections 104110 and 104302 enacted 1971; § 104111 amended 1975.

[Guam Code Ann. tit. 21, §§ 104110, 104111, 104302 \(2016\)](#)

## Guam, Referral Fees

A person may not act as a real estate broker or a real estate salesman within Guam without first obtaining a real estate license. Any person who, "directly or indirectly for another, with the intention or upon the promise of receiving any valuable consideration, offers, attempts or agrees to perform, or performs any single act. . . [requiring a license] shall be deemed a broker, associate broker or salesman."

A licensed real estate broker may not employ or compensate, directly or indirectly, any person for performing any of the acts requiring a license, who is not licensed, except that "a licensed real estate broker may pay a commission to a broker or another territory or state."

The Commissioner may suspend or revoke a real estate license if the licensee:

- claims or takes any "secret or undisclosed amount of compensation, commission, or profit"; or
- fails to reveal to the licensee's employer, the full amount of the licensee's compensation, commission or profit "under any agreement authorizing or employing such licensee to do any acts for which a license is required . . . for compensation or commission prior to or coincident with the signing of an agreement evidencing the meeting of the minds of the contracting parties."

Statutory sections 104101, 104110, and 104101 enacted 1971; § 104102 amended 1975.

[Guam Code Ann. tit. 21, §§ 104101, 104102\(c\), 104110, 104302 \(2016\)](#)

## Guam, Relationships Between or Common Ownership of Related Businesses

No relevant provisions were located.

## Guam, Unearned Fees

The Commissioner may suspend or revoke a real estate license if the licensee:

- claims or takes any "secret or undisclosed amount of compensation, commission, or profit"; or
- fails to reveal to the licensee's employer, the full amount of the licensee's compensation, commission or profit "under any agreement authorizing or employing such licensee to do any acts for which a license is required . . . for compensation or commission prior to or coincident with the signing of an agreement evidencing the meeting of the minds of the contracting parties."

Statutory section enacted 1971.

[Guam Code Ann. tit. 21, § 104302 \(2016\)](#)

## Hawaii

### Hawaii, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Hawaii, Fee Splitting

A licensee can be fined or have his or her license suspended or revoked for splitting fees with an unlicensed for performing real estate acts.

A licensee can be fined or have his or her license suspended or revoked for splitting fees with or otherwise compensating others not licensed for referring business. However, a real estate broker may pay a commission to:

- a person licensed in another state if that person does not conduct in Hawaii any of the negotiations for which a commission is paid;

- a person licensed in another country if that person does not conduct in Hawaii any of the negotiations for which a commission is paid; or
- a travel agency that arranges for compensation the rental of transient vacation rental.

Statutory section amended 2015.

[Haw. Rev. Stat. § 467-14\(5\), \(14\) \(2015\)](#)

### Hawaii, Referral Fees

No person shall act as a real estate broker or salesperson without a license.

A real estate broker or salesperson can be fined or have his or her license suspended or revoked for compensating a person not licensed as a real estate broker or salesperson for performing acts of a real estate broker or salesperson.

A real estate broker or salesperson can be fined or have his or her license suspended or revoked for splitting fees with or otherwise compensating others not licensed for referring business. However, a real estate broker may pay a commission to:

- a person licensed in another state if that person does not conduct in Hawaii any of the negotiations for which a commission is paid;
- a person licensed in another country if that person does not conduct in Hawaii any of the negotiations for which a commission is paid; or



- a travel agency that arranges for compensation the rental of transient vacation rental.

Statutory section 467-7 amended 1989; § 467-14 amended 2015.

[Haw. Rev. Stat. Ann. §§ 467-7; -14\(5\), \(14\) \(2015\)](#)

## Hawaii, Relationships Between or Common Ownership of Related Businesses

No specifically applicable provisions were located.

Note that a licensee may be disciplined for acquiring an ownership interest, directly or indirectly or by means of a subsidiary or affiliate, in a distressed property while it is listed with the licensee or within 365 days after the licensee's listing agreement for the distressed property expired or was terminated.

Statutory section amended 2015.

[Haw. Rev. Stat. § 467-14\(21\) \(2015\)](#)

## Hawaii, Unearned Fees

No applicable provisions were located.

## Idaho

### Idaho, Cost Disclosure/Good Faith Estimates of Closing Costs

The responsible broker in a real estate transaction is required to ensure the accuracy of and delivery of detailed closing statements which accurately reflect all receipts and disbursements for their respective accounts to both the buyer and seller in a transaction, even if the closing is completed by a real estate escrow closing agent, title company or other authorized third party.

Statutory section enacted 2000.

[Idaho Code § 54-2048 \(2016\)](#)

## Idaho, Fee Splitting

Unless otherwise permitted, a real estate licensee may not pay any part or share of a commission, fee, or compensation received in a regulated real estate transaction to any person who is not actively licensed as a real estate broker. The Idaho broker making the payment to another licensed person is responsible for verifying the receiving broker's active licensed status. This provision does not prohibit a broker's payment of a part or share of a commission, fee, or compensation to an unlicensed legal business entity, if:

- all of the entity's shareholders or other persons with a similar ownership interest are active real estate licensees; and
- an owner licensed under the broker performed the licensed activities for which the payment is made.

An Idaho licensee may pay any part or share of a commission, fee, or compensation directly to the buyer or seller in the real estate transaction.

No commission, fee or compensation may be split with any party to a transaction in a manner which would directly or indirectly create a double contract or which would otherwise mislead any broker, lender, title company, or government agency regarding the source of funds used to complete the transaction or regarding the financial resources or obligations of the buyer.

Statutory section 54-2060 enacted 2000; § 54-2059 amended 2014; § 54-2054 amended 2015.

[Idaho Code §§ 54-2054, -2059, -2060 \(2016\)](#)

## Idaho, Referral Fees

No person shall engage in the business or act in the capacity of a real estate broker or salesperson without a license.

No person engaged in the business or act in the capacity of a real estate broker or salesperson shall bring or maintain any action for the collection of a fee, commission or other compensation for the performance of any acts requiring a real estate license without alleging and proving he or she was licensed at the time the alleged cause of action arise.

A real estate broker's or real estate salesperson's license can be revoked or suspended, the broker or salesperson can be reprimanded, and the broker or salesperson can be required to pay a civil penalty and costs and attorney's fees if the broker or salesperson:

- pays a finder's fee to any unlicensed person for the purpose of inducing the unlicensed person to secure prospects to buy, sell, option or otherwise dispose of a real property interest; or
- receives a kickback or rebate for directing any transaction to any lending institution, escrow or title company. A person legally receiving a kickback or rebate from any person providing direct services to either the buyer or seller is required to disclose the licensee's intent to receive such fee, rebate or compensation in writing to all parties to the transaction prior to closing.

It is unlawful for any person to solicit or request a referral fee or similar payment from a real estate broker's or real estate salesperson unless the person seeking the referral fee has reasonable cause. Reasonable cause does not exist unless:

- the person seeking the referral fee has a written contract; and
- the contract exists at the time the buyer or seller purported referred by such person signs a written agreement with the broker for the listing or representation, or the buyer signs an offer to purchase the real estate involved in the transaction.

Statutory section 54-2060 enacted 2000; § 54-2059 amended 2014; §§ 54-2002 and 54-2054 amended 2015.

[Idaho Code §§ 54-2002; -2054\(1\), \(3\), \(6\), \(8\); -2059; -2060 \(2016\)](#)

## Idaho, Relationships Between or Common Ownership of Related Businesses

A real estate broker's or real estate salesperson's license can be revoked or suspended, the broker or salesperson can be reprimanded, and the broker or salesperson can be required to pay a civil penalty and costs and attorney's fees should the broker or salesperson receive a kickback or rebate for directing any transaction to any lending institution, escrow or title company. A person legally receiving a kickback or rebate from any person providing direct services to either the buyer or seller is required to disclose the licensee's intent to receive such fee, rebate or compensation in writing to all parties to the transaction prior to closing.

Statutory section 54-2060 enacted 2000; § 54-2059 amended 2014; § 54-2054 amended 2015.

[Idaho Code §§ 54-2054\(6\), -2059, -2060 \(2016\)](#)

## Idaho, Unearned Fees

A real estate broker's or real estate salesperson's license can be revoked or suspended, the broker or salesperson can be reprimanded, and the broker or salesperson can be required to pay a civil penalty and costs and attorney's fees should the broker or salesperson receive a kickback or rebate for directing any transaction to any lending institution, escrow or title company. A person legally receiving a kickback or rebate from any person providing direct services to either the buyer or seller is required to disclose the licensee's intent to receive such fee, rebate or compensation in writing to all parties to the transaction prior to closing.

Real estate brokers and salespersons are prohibited from receiving an unearned fee for referring a party to a lender, escrow, or title company.

Brokerage representation agreements must disclose all fees and commissions.

Statutory section 54-2060 enacted 2000; § 54-2050 amended 2009; § 54-2059 amended 2014; § 54-2054 amended 2015.

[Idaho Code §§ 54-2054\(6\), -2050, -2059, -2060 \(2016\)](#)

## Illinois

### Illinois, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable state provisions were located.

### Illinois, Fee Splitting

A sponsoring broker may pay compensation to another sponsoring broker for the performance of licensed activities. Also, a sponsoring broker may pay compensation to a person licensed under the Illinois Auction License Act who is in compliance with and providing services under § 5-32 of that act.

A real estate licensee must disclose to his or her client the sponsoring broker's compensation and policy with regard to cooperating with brokers who represent other parties in a transaction.

Statutory sections amended 2015.

[225 Ill. Comp. Stat. 454/10-5\(d\), -10 \(2015\)](#)

### Illinois, Referral Fees

A licensee may not pay compensation to a person performing licensed activities in violation of the Real Estate License Act of 2000. No action may be instituted, or recovery had, for compensation for any act or service prohibited by the Real Estate License Act of 2000, to other than licensed brokers or leasing agents.

No licensee may pay compensation directly to a licensee sponsored by another broker for the performance of licensed activities. Also, no licensee sponsored by a broker may pay compensation to any licensee other than his or her sponsoring broker for real estate activities, unless the licensee paying the compensation is a principal to the transaction.

A licensee sponsored by a broker may not accept compensation for the performance of real estate activities except from the broker by whom the licensee is sponsored, except as otherwise permitted by statute.

If a licensee refers a client to a third party in which the licensee has greater than a one-percent interest or from whom the licensee receives or may receive dividends or other profit sharing distributions (other than a publicly held or traded company) for the purpose of the client obtaining services related to the transaction, the licensee must disclose that fact to the client at the time he or she makes the referral.

Licensees must disclose, in writing, any compensation the licensee expects to receive or that his or her sponsoring broker will receive, arising out of a referral to any person or entity whose services are related to the transaction, including any financial institution, insurance broker, mortgage broker, home inspector, or any other third party. The written disclosure must indicate the relationship and any interest "greater than 1% (see Section 10-10(c) of the Act) that the licensee or the licensee's sponsoring broker has in the referred person or entity."

A licensee may not pay a referral fee to an unlicensed person who is not a principal to the transaction.

A licensee may not request a referral fee unless reasonable cause for payment of the referral fee exists. Reasonable cause for payment of a referral fee means:

- an actual introduction of a client was made to a licensee; or
- a contractual referral fee relationship exists with the licensee.

No leasing agent licensee may request, or be paid, a referral fee, except from the lease or rental of residential real estate.

Statutory section 10-5 amended 2013; §§ 10-10 and 10-15 amended 2015. Regulations amended 2016.

[225 Ill. Comp. Stat. 454/10-5\(a\), \(b\); -10\(c\); -15\(a\), \(b\) \(2015\); Ill. Admin. Code tit. 68, §§ 1450.760, .780 \(2016\)](#)

## Illinois, Relationships Between or Common Ownership of Related Businesses

If a licensee refers a client to a third party in which the licensee has greater than a one-percent interest or from whom the licensee receives or may receive dividends or other profit sharing distributions for the purpose of the client obtaining services related to the transaction, the licensee must disclose that fact to the client at the time of the referral.

A licensee must disclose, in writing, any compensation the licensee expects to receive or that his or her sponsoring broker will receive that arises out of a referral to any person or entity whose services are related to the transaction, including any financial institution, insurance broker, mortgage broker, home inspector, or any other third party. The written disclosure must indicate the relationship and any interest the licensee greater than one percent that the licensee or his or her sponsoring broker has in the referred person or entity.

Statutory section amended 2015. Regulation amended 2016.

[225 Ill. Comp. Stat. 454/10-10\(c\) \(2015\); Ill. Admin. Code tit. 68, § 1450.760 \(2016\)](#)

## Illinois, Unearned Fees

Real estate licensees must disclose to their clients all sources of compensation related to the transaction that the licensee received from a third party.

If a real estate licensee refers a client to a third party in which the licensee has greater than a one-percent interest, or from whom the licensee receives or may receive dividends or other profit sharing distributions, for the services related to the transaction, the licensee must disclose that fact to the client at the time of the referral.

Statutory section amended 2015.

[225 Ill. Comp. Stat. 454/10-10\(b\), \(c\) \(2015\)](#)

## Indiana

### Indiana, Cost Disclosure/Good Faith Estimates of Closing Costs

Every listing and selling broker must deliver to the broker's client, at the time the real estate transaction is consummated, a complete detailed closing statement showing all receipts and disbursements the broker handled. The listing and selling broker must retain copies of the statements for at least five years.

Regulation 8-2-3 adopted 2014.

[Ind. Admin. Code tit. 876, § 8-2-3 \(2016\)](#)

### Indiana, Fee Splitting

A listing principal broker may offer a portion of the broker's commission as an inducement to selling brokers to sell a particular property. The commission must be paid to the selling broker, not to a broker associated with the selling broker.

The elimination of subagency under Indiana law is not intended to limit the rights of a broker or salesperson to cooperate with, compensate, or otherwise associate another licensee who is not acting on behalf of a client.

Effective until July 1, 2015, parties must be advised "whether compensation will be shared with other managing brokers who may represent other parties to the transaction whose interests are different or even adverse." As of July 1, 2015, parties must be advised "whether compensation will be shared with other broker companies that may represent other parties to the transaction whose interests are different or even adverse."

Statutory section 25-34.1-10-7 enacted 1999; § 25-34.1-10-13 amended 2015. Regulation 8-1-9 adopted 2014.



[Ind. Code Ann. § 25-34.1-10-13, -17 \(2016\); Ind. Admin. Code tit. 876, § 8-1-9 \(2016\)](#)

## Indiana, Referral Fees

No person may, for consideration, engage in the practice of real estate without a license.

In all actions for the collection of a fee or other compensation for performing acts relating to the practice of real estate, it must be alleged and proved that, at the time the cause of action arose, the party seeking relief was not in violation of the prohibition on practicing real estate without a license.

A broker company may participate in a referral service, or a franchise that provides a referral service, provided the participating broker company:

- possesses a written agreement with the client; and
- has a written agreement with the cooperating broker(s) as to the fees to be paid.

Statutory section 25-34.1-6-2 amended 2012; § 25-34.1-6-2 amended 2016. Regulation 8-1-10 adopted 2014.

[Ind. Code Ann. §§ 25-34.1-3-2, -6-2 \(2016\); Ind. Admin. Code tit. 876, § 8-1-10 \(2016\)](#)

## Indiana, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Indiana, Unearned Fees

No applicable provisions were located.

## Iowa

### Iowa, Cost Disclosure/Good Faith Estimates of Closing Costs

After an offer to buy has been made and accepted, either party may demand at reasonable intervals and the broker must furnish a detailed statement showing the transaction's current status.

Regulatory chapter 193E-7 amended 2010.

[Iowa Admin. Code r. 193E-7.7 \(2016\)](#)

## Iowa, Fee Splitting

Real estate licensees can have their licenses suspended or revoked for:

- paying any part of a commission or other valuable consideration for performing acts as a real estate broker or salesperson to a person who is not a licensed broker or salesperson;
- requesting a referral fee after a bona fide offer to purchase is accepted or after a bona fide listing agreement has been signed;
- offering, promoting, or otherwise participating in a marketing plan that requires a consumer to receive brokerage services, including referral services, from two or more licensees in a single transaction, as a required condition for the consumer to receive either brokerage services or a rebate, prize or other inducement from one of the licensees; and
- accepting a fee or anything of value from a lender or financing company for the referral or steering of a client to the lender for a loan.

Sharing or splitting of commissions between brokers is permitted. However, without the client's written approval, a seller's agent may not propose to the buyer's agent that the seller's agent may be compensated by sharing compensation paid by the buyer. Similarly, without the client's written approval, a buyer's agent may not propose to the seller's agent that the buyer's agent may be compensated by sharing compensation paid by the seller. All listing contracts and all brokerage agency contracts must disclose the brokerage policy on "cooperating with and compensating other brokerages whether the brokerage is acting as subagent or the other parties' agent in the sale, lease, rental, or purchase of real estate, including whether the brokerage intends to share the compensation with other brokerages."

Real estate brokers and salespersons are prohibited from accepting, receiving or charging an undisclosed commission in a transaction.

Statutory sections 543B.34 amended 2011; § 543B.60A amended 2008. Regulatory chapter 193E-7 amended 2010; regulatory chapter 193E-11 amended 2011.

[Iowa Code §§ 543B.34\(9\), .60A \(2016\); Iowa Admin. Code r. 193E-7.5, -11.3\(6\), -11.6\(1\) \(2016\)](#)

## Iowa, Referral Fees

No person may, directly or indirectly, with the intention or upon the promise of receiving any valuable consideration, act as a real estate broker without a license.

A person engaged in business as a real estate broker shall not bring or maintain an action for the collection of compensation for services performed as a real estate broker without alleging and proving that the person was licensed at the time the alleged cause of action arose.

Real estate brokers and salespersons may have their licenses suspended or revoked for:

- accepting a commission or valuable consideration from any person except the broker associate's or salesperson's employer, who must be a licensed real estate broker; or
- paying a commission or other valuable consideration for performing acts as a real estate broker or salesperson to a person who is not a licensed broker or salesperson.

A broker or salesperson who has an affiliated business relationship with a provider of settlement services and who refers clients to the provider of settlement services, must disclose the arrangement and any financial interest to the person referred.

Real estate brokers and salespersons are prohibited from paying:

- a commission or part thereof to any unlicensed third party for performing brokerage functions or engaging in any activity that requires a real estate license; and
- referral fees or finders fees to unlicensed third parties.

A licensee or person licensed in another state or foreign country who conducts business in Iowa or who refers business to an Iowa licensee must disclose the following in writing to the consumer and to the licensee to whom he or she is referring business:

- the referred consumer's name;
- the referring company's name; and
- the amount of compensation for the referral.

This requirement:

- does not "affect or restrict business practices relating to payment methods between listing and selling brokerages"; and
- applies only to properties containing at least one but no more than four dwelling units.

Statutory section 543B.1 enacted 1995; § 543B.30 amended 1993; § 543B.34 amended 2011; § 543B.60A amended 2008. Regulatory chapter 193E-7 amended 2010; regulatory chapter 193E-11 amended 2011.

[Iowa Code §§ 543B.1; .30; .34\(5\), \(9\); .60A \(2016\); Iowa Admin. Code r. 193E-7.9, -11.6\(1\) \(2016\)](#)

## Iowa, Relationships Between or Common Ownership of Related Businesses

A broker may pay a commission to a corporation that is wholly owned, or owned with a spouse, by a salesperson or broker associate employed by or otherwise associated with the broker, provided:

- the corporation does not engage in real estate transactions as a third-party agent or in any other activity requiring a license under the real estate law;
- the employing broker is not relieved of any obligations to supervise the employed licensee or any other legal requirements; and
- the employed broker associate or salesperson is not relieved from any personal civil liability for any licensed activities by interposing the corporate form.

Real estate licensees may have their licenses suspended or revoked:

- for paying any part of a commission or other valuable consideration for performing acts as a real estate broker or salesperson to a person who is not a licensed broker or salesperson; and
- for accepting a fee or anything of value from a lender or financing company for the referral or steering of a client to the lender for a loan.

A broker or salesperson who has an affiliated business relationship with a provider of settlement services and who refers clients to the provider of settlement services, must disclose the arrangement and any financial interest to the person referred.

It is unethical conduct for a real estate broker or salesperson to require that a consumer purchasing a lot use a particular homebuilder to build the house to be constructed on the lot.

A broker or salesperson must disclose to a client any financial interest the brokerage or licensee has in any business entity to which the brokerage or licensee refers a client for any service or product related to a transaction.

Statutory section 543B.34 amended 2011. Regulatory chapter 193E-7 amended 2010.

[Iowa Code § 543B.34\(9\)\(b\) \(2016\); Iowa Admin. Code §§ 193E-7.4\(5\), -7.9 \(2016\)](#)

## Iowa, Unearned Fees

It is unethical conduct for a real estate licensee to enter into an agreement with a mortgage broker or financial institution pursuant to which the making of a loan is contingent on the payment of a commission to the licensee, or pursuant to which the licensee benefits from the granting of the loan.

A licensee may not accept, receive or charge any undisclosed payments for services provided by a third party to a transaction, including payments for procuring insurance or for conducting a property inspection.

Regulatory chapter 193E-7 amended 2010; regulatory chapter 193E-11 amended 2011.

[Iowa Admin. Code §§ 193E-7.4\(6\), \(7\); -11.3\(6\) \(2016\)](#)

## Kansas

### Kansas, Cost Disclosure/Good Faith Estimates of Closing Costs

Brokers are required to deliver to the seller in every real estate transaction, at the time the transaction is closed, a complete, detailed closing statement showing all receipts and disbursements handled by the broker. Brokers are also required to deliver to the buyer a complete statement showing all money received in the transaction from the buyer and how and for what it was disbursed and inform "both the buyer, at the time an offer is made, and the seller, at the time an offer is presented, that certain closing costs must be paid and the approximate amount of such costs."

Statutory sections 58-3050 and 58-3062 amended 2015.

[Kan. Stat. §§ 58-3062\(c\)\(2\), \(a\)\(16\); -3050 \(2015\)](#)

## Kansas, Fee Splitting

A broker may:

- pay a commission or other compensation to any licensee affiliated with the broker for performing services requiring a real estate license;
- with the written agreement of the seller, landlord, buyer or tenant, share a commission with another broker who acted as a transaction broker, a subagent or an agent of the other party; and
- pay a referral fee to a person who is licensed as a broker, provided written disclosure is made to the client of any financial interest that the broker has in the brokerage firm receiving the referral fee.

Statutory section amended 1997.

[Kan. Stat. § 58-30,105\(d\) \(2015\)](#)

## Kansas, Referral Fees

A person may not bring an action for compensation for any act or service, the performance of which requires a real estate license, unless he or she was licensed at the time of the offering to perform the act or service or procuring of the promise to pay for it.

Persons licensed as real estate brokers in other jurisdictions are not prohibited from collecting referral fees.

A real estate broker or salesperson can have his or her license revoked, suspended or restricted, or may be censured, if he or she:

- accepts, gives or charges any rebate or undisclosed commission;
- pays a referral fee to a person licensed in Kansas or another state if the licensee knows that the payment of the referral fee will result in the payment of a rebate by the Kansas or out-of-state licensee;
- pays a commission or compensation to any person for performing services of an associate broker or salesperson unless the person is licensed and employed by or associated with the broker;
- accepts a commission or other valuable consideration from anyone other than the broker by whom he or she is employed or with whom he or she is associated;
- knowingly receives or accepts a rebate, reduction or abatement of any charge, or any special favor or advantage or any monetary consideration or inducement, involving the issuance of a title insurance policy or contract concerning which the broker or salesperson is directly or indirectly connected, from a title insurance company or agency, of any officer, employee, attorney, agent or solicitor thereof;
- solicits a referral fee without reasonable cause, provided that reasonable cause does not exist unless one of the following conditions exists:
  - an actual introduction of business has been made;
  - a contractual referral fee relationship exists; or
  - a contractual cooperative brokerage relationship exists.



Civil fines may also apply if the commission finds that specified aggravating circumstances exist.

A licensee may not pay a commission or compensation to any person for performing an activity for which a license is required.

A broker may:

- pay a commission or other compensation to any licensee affiliated with the broker for performing services requiring a real estate license;
- with the written agreement of the seller, landlord, buyer or tenant, share a commission with another broker who acted as a transaction broker, a subagent or an agent of the other party; and
- pay a referral fee to a person who is licensed as a broker, provided written disclosure is made to the client of any financial interest that the broker has in the brokerage firm receiving the referral fee.

Statutory section 58-30,105 amended 1997; § 58-3076 enacted 2000; § 58-3038 amended 2010; §§ 58-3050 and 58-3062 amended 2015.

[Kan. Stat. §§ 58-3038, -3076; -30,105\(d\); -3050; -3062\(a\)\(3\)–\(4\), \(23\), \(b\)\(1\), \(c\)\(1\) \(2015\)](#)

## Kansas, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson may generally have his or her license revoked, suspended or restricted, or may be censured, should he or she knowingly receive or accept any rebate, reduction or abatement of any charge, or any special favor or advantage or any monetary consideration or inducement, involving the issuance of a title insurance policy or contract concerning which the broker or salesperson is directly or indirectly connected, from a title insurance company or agency, of any officer, employee, attorney, agent or solicitor thereof. Civil fines may also apply if the commission finds that specified aggravating circumstances exist.

Statutory sections 58-3050 and 58-3062 amended 2015.

[Kan. Stat. §§ 58-3062\(a\)\(23\); -3050 \(2015\)](#)

## Kansas, Unearned Fees

Real estate brokers and salespersons are prohibited from accepting, giving or charging any rebate or undisclosed commission.

A real estate broker or salesperson can have his or her license revoked, suspended or restricted, or may be censured, should he or she knowingly receive or accept any rebate, reduction or abatement of any charge, or any special favor or advantage or any monetary consideration or inducement, involving the issuance of a title insurance policy or contract concerning which the broker or salesperson is directly or indirectly connected, from a title insurance company or agency, of any officer, employee, attorney, agent or solicitor thereof.

Statutory section amended 2015.

[Kan. Stat. §§ 58-3062\(a\)\(3\), \(23\) \(2015\)](#)

## Kentucky

### Kentucky, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker must furnish a debit and credit type closing statement to a buyer and seller upon closing a real estate transaction if the financial institution or attorney involved in the transaction fails to provide a closing statement.

Regulation effective 2001.

[201 Ky. Admin. Regs. 11:095 \(2015\)](#)

### Kentucky, Fee Splitting

No broker may split fees with or compensate any person who is not licensed to practice real estate brokerage, except that a broker may:

- pay a referral fee to a broker licensed outside of Kentucky;
- pay a commission or other compensation to a broker licensed outside of Kentucky if the parties are in compliance with §§ 324.235 to 324.238; or
- effective June 24, 2015, pay a licensed auctioneer for services rendered when the auctioneer and the real estate broker collaborate in conducting real estate sale at auction.

Sections 324.235 through 324.238 generally provide that an out-of-state principal broker and his or her licensees may engage in real estate brokerage activities related to *commercial* real estate for compensation or other consideration, if:

- the out-of-state licensee is licensed with and works under the direct supervision of the out-of-state principal broker;
- the out-of-state principal broker enters into a written cooperation agreement with the Kentucky cooperating broker, which agreement must contain the provisions set forth in § 324.236(2); and
- the out-of-state principal broker and the out-of-state licensee perform those acts in compliance with the requirements set forth in § 324.236(3), which include, among numerous other things, limiting the real estate brokerage acts to the commercial real estate transactions referenced in the cooperation agreement, keeping the Kentucky cooperating broker fully and promptly informed of all activities, complying with specified advertising requirements, and filing a notice of affiliation with the Kentucky cooperating broker.

In this context, "commercial real estate" includes real estate that is:

- "[l]awfully used primarily for sales, retail, wholesale, office, research, institutional, warehouse, manufacturing, or industrial purposes";
- "[l]awfully used primarily for multifamily residential purposes," containing at least five dwelling units; or
- zoned for business or commercial use.

"Commercial real estate" does not include "single-family residential units such as condominiums, townhouses, manufactured homes, or homes or lots in a subdivision when sold, or residential units otherwise conveyed on a unit-by-unit basis, even if those units are a part of a larger building or parcel of real estate containing more than four (4) residential units."

Statutory sections 324.235 and 324.236 enacted 2008; § 324.020 amended 2015.

[Ky. Rev. Stat. §§ 324.020\(4\), .235, .236 \(2016\)](#)

## Kentucky, Referral Fees

No person may practice real estate brokerage unless the person holds a brokerage license.

No broker may split fees with or compensate any person who is not licensed to practice real estate brokerage, except that a broker may:

- pay a referral fee to a broker licensed outside of Kentucky; or
- pay a commission or other compensation to a broker licensed outside of Kentucky if the parties comply with §§ 324.235 to 324.238.

A broker's or sales associate's license may be suspended or revoked, and a broker or sales associate may be placed on probation or fined, if he or she:

- accepts valuable consideration for the performance of real estate brokerage acts from any person other than his or her principal broker; or
- pays valuable consideration to any person for services performed in violation of the Kentucky real estate licensee laws.

No person may solicit or request a referral fee from a real estate broker or sales associate unless that person introduced the business to the broker or sales associate from whom the referral is sought and a contractual referral fee relationship exists between the person and the broker or sales associate. Violation of this section by a broker or sales associate is improper conduct and grounds for sanctions.

It is also improper for a licensee "to accept or agree to accept, without written disclosure to the seller and buyer or lessor or lessee on a purchase or lease contract, a referral fee from any person in return for directing a client or customer to that person, or another, who provides or agrees to provide any goods, service, insurance or financing related a transaction involving real estate." (This provision does "not affect paying or receiving referral fees between licensed agents for brokerage services.")

Statutory section 324.236 enacted 2008; §§ 324.160 and 324.165 amended 2009; § 324.020 amended 2015. Regulation amended 2014.

[Ky. Rev. Stat. §§ 324.020\(2\), \(4\); .160\(4\)\(f\), \(i\); .165\(1\), \(3\); .236 \(2016\); 201 Ky. Admin. Regs. 11:121 \(2015\)](#)

## Kentucky, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Kentucky, Unearned Fees

It is improper for a licensee to "accept or agree to accept, without written disclosure to the seller and buyer or lessor or lessee on a purchase or lease contract, a referral fee from any person in return for directing a client or customer to that person, or another, who provides or agrees to provide any goods, service, insurance or financing related a transaction involving real estate." (This provision does "not affect paying or receiving referral fees between licensed agents for brokerage services.")

Regulation amended 2014.

[201 Ky. Admin. Regs. 11:121 \(2015\)](#)

## Louisiana

### Louisiana, Cost Disclosure/Good Faith Estimates of Closing Costs

No generally applicable provisions were located.

Buyer broker compensation may not be included as part of the closing costs paid by the seller, unless the compensation is disclosed in a written offer that is accepted by the seller. The offer must specifically state the amount of compensation being paid to the licensee.

Regulation adopted 2013.

[La. Admin. Code tit. 46, part LXVII, § 3503](#)

### Louisiana, Fee Splitting

A broker may be censured, fined or penalized, or his or her license may be suspended or revoked, if he or she pays a commission or compensation with knowledge that the receiving licensee has agreed to or intends to pay or otherwise deliver a portion of the commission or compensation to an unlicensed person or entity.

Statutory section 37:1455 amended 2014; § 37:1446 amended 2016.

[La. Rev. Stat. §§ 37:1446\(B\)](#) (as amended by [2016 La. Acts ch. 533](#)), [:1455\(A\) \(2015\)](#)

## Louisiana, Referral Fees

It is unlawful for a person or entity to engage in any "real estate activity relating to any portion of a real estate transaction performed for another, unless exempted."

No action or suit shall be instituted, or recovery had, by any person for compensation for any act done or service rendered, the doing or rendering of which is prohibited under the Louisiana Real Estate License Law unless the person was licensed as a broker or salesperson prior to the time of offering to perform such act or service or procuring any promise to contract for the payment of compensation for any such contemplated act or service.

A broker or salesperson may be censured, fined or penalized, or his or her license may be suspended or revoked, if he or she pays a commission or compensation to any person who is not licensed under the Louisiana Real Estate License Law. However, a licensed broker may divide or share a real estate commission with a nonresident broker licensed in another jurisdiction if the other broker acts only as a referral agent.

A broker or salesperson may be censured, fined or penalized, or his or her license may be suspended or revoked, if he or she accepts, gives or charges any undisclosed commission, rebate, or direct profit or expenditures made for a principal.

Note that laws regulating other occupations may also limit payments to real estate licensees. For example, Louisiana's regulations explicitly provide that a licensed home inspector may not "directly or indirectly compensate real estate agents, brokers, or any other parties having a financial interest in the closing/settlement of real estate transactions, for the referral of inspections or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements."

Statutory section 37:1445 amended 1990; § 37:1455 amended 2014; §§ 37:1436 and 37:1446 amended 2016. Regulation 5103 repromulgated 2011; r. 501 amended 2015.

[La. Rev. Stat. §§ 37:1436\(B\)](#) (as amended by [2016 La. Acts ch. 533](#)), [:1445](#), [:1446\(A\)](#) (as amended by [2016 La. Acts ch. 533](#)), [:1455\(A\) \(2015\)](#); [La. Admin. Code tit. 46, part LXVII, § 5103](#); [part XL, § 501 \(2015\)](#)

## Louisiana, Relationships Between or Common Ownership of Related Businesses

A broker or salesperson may be censured, fined or penalized, or his or her license may be suspended or revoked, if he or she fails "to advise all parties to a real estate transaction in writing of compensation being received from any source in connection with that real estate transaction."

Statutory section amended 2014.

[La. Rev. Stat. § 37:1455\(A\)\(22\) \(2015\)](#)

## Louisiana, Unearned Fees

A broker or salesperson may be censured, fined or penalized, or his or her license may be suspended or revoked, if he or she:

- fails "to advise all parties to a real estate transaction in writing of compensation being received from any source in connection with that real estate transaction"; or
- accepts, gives or charges any undisclosed commission, rebate, or direct profit on expenditures made for a principal.

Statutory section amended 2014.

[La. Rev. Stat. § 37:1455\(A\)\(7\), \(22\) \(2015\)](#)

## Maine

### Maine, Cost Disclosure/Good Faith Estimates of Closing Costs



No applicable provisions were located that explicitly apply to real estate licensees.

### Maine, Fee Splitting

A broker or sales agent may be reprimanded or fined, or his or her license may be suspended or revoked, if he or she offers promises, allow, gives or pays, directly or indirectly, any part or share of his or her compensation arising or accruing from a real estate transaction to any person who is not licensed to perform the service for which he or she is being compensated.

Statutory section 13067-A enacted 2007; § 13068 amended 2007.

[Me. Rev. Stat. tit. 32, §§ 13067-A\(8\), 13068 \(2016\)](#)

### Maine, Referral Fees

It is unlawful for a person to engage in or conduct the practice of real estate brokerage without a current license.

No person or entity may bring or maintain an action to collect compensation for real estate brokerage services without first proving that the person or entity was licensed by the Real Estate Commission at the time the action arose.

A broker or sales agent may be reprimanded or fined, or his or her license may be suspended or revoked, if he or she:

- offers, promises, allows, gives or pays, directly or indirectly, any part or share of his or her compensation arising or accruing from a real estate transaction to any person who is not licensed to perform the service for which he or she is being compensated; or
- is employed by or accepts compensation from any person other than the agency under which he or she is at the time licensed.

A licensee may not receive compensation or other valuable consideration from a title company, lender, or closing company (or any affiliated employee) for directing a buyer or seller to a company or an individual for financing, title, or closing services. If a licensee anticipates receiving compensation or other valuable consideration from a company or person for a referral of services other than those listed above or of real estate brokerage services, he or she must disclose the referral.

Statutory section 13067-A enacted 2007; §§ 13003 and 13004 enacted 1987; § 13068 amended 2007. Regulatory chapter amended 2013.

[Me. Rev. Stat. tit. 32, §§ 13003, 13004, 13067-A\(8\), 13068 \(2016\); 02-039-410 Me. Code R. § 19 \(2016\)](#)

### Maine, Relationships Between or Common Ownership of Related Businesses

A real estate broker or associate broker may not knowingly provide or offer an appraisal or opinion of market value on a real estate transaction where the broker or associate broker, or any other licensee licensed with the agency, is to receive a fee on that transaction.

Statutory section enacted 1999.

[Me. Rev. Stat. tit 32, § 13251-A \(2016\)](#)

### Maine, Unearned Fees

A broker or sales agent may be reprimanded or fined, or his or her license may be suspended or revoked, if he or she shall be employed by or accept compensation from any person other than the agency under which he or she is at the time licensed.

Statutory section 13067-A enacted 2007; § 13068 amended 2007.

[Me. Rev. Stat. tit. 32, §§ 13067-A\(8\), 13068 \(2016\)](#)

## Maryland

### Maryland, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Maryland, Fee Splitting

A real estate broker or salesperson may divide a fee that is earned on a real estate transaction with an individual licensed to provide real estate brokerage services in another state if the other state allows fees to be divided with an individual licensed in Maryland.

A real estate broker can be reprimanded or penalized, or have his or her license suspended or revoked, should he or she pay compensation, in any form, for the provision of real estate brokerage services to any unlicensed person. However, a licensee may pay compensation to:

- an individual who is licensed in another state and meets the requirements of Md. Code, Bus. Occ. & Prof. § 17-513;
- a professional service corporation, limited liability company, or, effective October 1, 2015, a business entity, provided the corporation, company, or entity was formed under § 17-512.

Statutory section 17-322 amended 2008; § 17-513 enacted 1994; § 17-604 amended 2015.

[Md. Code, Bus. Occ. & Prof. §§ 17-322, -513, -604 \(2016\)](#)

### Maryland, Referral Fees

It is unlawful for a person to engage in or conduct the practice of real estate brokerage without a license.

A person may not bring an action or recover on an action for compensation for providing real estate brokerage services unless the person was authorized to provide real estate brokerage services at the time of offering to provide and providing real estate brokerage services.

A real estate broker can be reprimanded or penalized, or have his or her license suspended or revoked, if he or she:

- retains an unlicensed individual to provide real estate brokerage services on behalf of the broker;
- pays compensation, in any form, for the provision of real estate brokerage services to any unlicensed person, except a person licensed in another state or certain entities formed under Md. Code, Bus. & Prof. § 17-512;
- pays or offers to pay a commission to a lawyer simply for the referral of a person as a possible party to a residential real estate transaction;
- solicits referral business from lawyers by a mass solicitation that offers to pay fees or commissions to the lawyers; or
- accepts a commission or other valuable consideration from any person other than a real estate broker with whom he or she is affiliated.

A person who has a connection with the settlement of real estate transactions involving Maryland land may not pay to or receive from another any consideration to solicit, obtain, retain, or arrange real estate settlement business. However, a person is not considered to be in violation of this requirement "solely because that person is a participant in an affiliated business arrangement, as defined in 12 U.S.C. § 2602, and receives consideration as a result of that participation as long as that person complies with 12 U.S.C. § 2607(c)(4), 12 C.F.R. 1024.15, and Appendix D to 12 C.F.R. Part 1024."

Furthermore, § 14-127 does not prohibit:

- the payment of a commission to a licensed title insurance producer; or
- the referral of a real estate settlement business or a professional fee arrangement between attorneys, if the referral or professional fee arrangement does not violate § 17-605 of the Business Occupations and Professions Article.

Statutory sections 17-516, 17-601, 17-603, and 17-605 amended 1994; § 17-322 amended 2008; § 17-604 amended 2015; §§ 14-127 and 17-301 amended 2016.

[Md. Code, Bus. Occ. & Prof. §§ 17-301, -322\(b\)\(21\), -516, -601, -603\(b\), -604, -605\(a\)\(1\), \(2\); Real Prop. § 14-127 \(2016\)](#)

## Maryland, Relationships Between or Common Ownership of Related Businesses

A licensed real estate broker or agent thereof who arranges or procures a mortgage may not collect a finder's fee if, in addition to acting as a mortgage broker, he or she is also acting as a real estate broker in connection with the subject property or transaction.

A person who has a connection with the settlement of real estate transactions involving Maryland land may not pay to or receive from another any consideration to solicit, obtain, retain, or arrange real estate settlement business. However, a person is not considered to be in violation of this requirement "solely because that person is a participant in an affiliated business arrangement, as defined in 12 U.S.C. § 2602, and receives consideration as a result of that participation as long as that person complies with 12 U.S.C. § 2607(c)(4), 12 C.F.R. 1024.15, and Appendix D to 12 C.F.R. Part 1024."

A person who offers settlement services in connection with residential real estate transactions involving Maryland land must "comply with 12 U.S.C. § 2607(c)(4), 12 C.F.R. 1024.15, and Appendix D to 12 C.F.R. Part 1024, as applicable, regarding disclosures of affiliated business arrangements, as defined in 12 U.S.C. § 2602."

Statutory section 12-808 enacted 1979; § 14-127 amended 2016.

[Md. Code, Real Prop. § 14-127\(d\); Com. Law § 12-808 \(2016\)](#)

## Maryland, Unearned Fees

An associate real estate broker or salesperson can be reprimanded or penalized, or have his or her license suspended or revoked, should he or she accept a commission or other valuable consideration from any person other than a real estate broker with whom he or she is affiliated.

Statutory section amended 2008.

[Md. Code, Bus. Occ. & Prof. § 17-322\(b\)\(21\) \(2016\)](#)

## Massachusetts

### Massachusetts, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Massachusetts, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked should he or she pay commissions or fees to or divide same with any person who, being required to be licensed as a broker or salesperson, is not so licensed.

Except as provided by § 87QQ (regarding exemptions from the real estate licensee registration provisions), no fee, commission, or other valuable consideration may be paid to or shared by an owner's managing agent or its employees as the result of the sale of real estate for the owner unless the agent and its employees are licensed brokers or salespersons.

Statutory section enacted 1973. Regulation modified 2013.

[Mass. Gen. Laws ch. 112, § 87AAA \(2016\); 254 Mass. Code Regs. 3.00\(8\) \(2016\)](#)

## Massachusetts, Referral Fees

It is unlawful for a person to act as a broker or salesperson, unless he or she is licensed.

No real estate salesperson is entitled to any fee, commission or other valuable consideration or solicit or accept the same from any person except the licensed broker with whom he or she is affiliated.

A real estate broker or salesperson may have his or her license suspended or revoked if he or she:

- pays commissions or fees to or divides them with any person who is required to be licensed as a broker or salesperson, but is not so licensed; or
- accepts, gives or charges an undisclosed commission, rebate or profit on expenditures for a principal.

A person may not recover on an action for compensation for providing real estate brokerage services unless the person was a licensed broker at the time he or she performed the services.

Statutory section 87RR amended 2010; § 87VV enacted 1978; § 87AAA enacted 1973.

[Mass. Gen. Laws ch. 112, §§ 87RR, 87VV, 87AAA \(2016\)](#)

## Massachusetts, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson shall not directly recommend a specific home inspection company or home inspector to a buyer.

Statutory section enacted 1973.

[Mass. Gen. Laws ch. 112, § 87AAA \(2016\)](#)

## Massachusetts, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked should he or she accept, give or charge an undisclosed commission, rebate or profit on expenditures for a principal.

Statutory section enacted 1978.

[Mass. Gen. Laws ch. 112, § 87AAA \(2016\)](#)

## Michigan

### Michigan, Cost Disclosure/Good Faith Estimates of Closing Costs

A broker or associate broker who is involved at the closing of a real estate or business opportunity transaction must furnish, or cause to be furnished, to the buyer and seller, a complete and detailed closing statement signed by the broker or associate broker showing each party all receipts and disbursements affecting that party.

Regulation amended 2002.

[Mich. Admin. Code r. 339.22311 \(2016\)](#)

### Michigan, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked should he or she share or pay a fee, commission, or other valuable consideration with an unlicensed person.

Statutory section amended 2008.



[Mich. Comp. Laws § 339.2512\(h\) \(2016\)](#)

## Michigan, Referral Fees

A person may not maintain an action for the collection of compensation for the performance of real estate services without alleging and proving that he or she was licensed at the time of the performance of the act or contract.

A real estate salesperson may not accept from a person other than his or her employer a commission or other valuable consideration for the performance of real estate services.

A real estate licensee may have his or her license suspended or revoked if he or she shares or pays a fee, commission, or other valuable consideration with an unlicensed person.

A real estate licensee may not accept, directly or indirectly, a placement fee, commission, or other valuable consideration:

- for placing a loan with a mortgage lender or representative unless the licensee fully informs the purchaser and seller of that fact and obtains the prior written consent of the purchaser and seller; or
- from an abstract, mortgage, home warranty, title insurance or insurance company or representative in any real estate transaction in which the broker or salesperson receives a commission unless the fee, commission or other valuable consideration is accepted with the prior knowledge and written consent of the party or parties to the transaction with which the broker or salesperson has an agency relationship.

Statutory section 339.2510 enacted 1980; § 339.2512a enacted 1980; § 339.2512 amended 2008. Regulation amended 2002.

[Mich. Comp. Laws §§ 339.2510, .2512a, .2512\(h\) \(2016\); Mich. Admin. Code r. 339.22321\(1\), \(2\) \(2016\)](#)

## Michigan, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson shall not accept, directly or indirectly, a placement fee, commission, or other valuable consideration for placing a loan with a mortgage lender or representative unless the broker or salesperson fully informs the purchaser and seller of that fact and obtains the prior written consent of the purchaser and seller.

A real estate broker or salesperson shall not accept, directly or indirectly, a placement fee, commission, or other valuable consideration from an abstract, mortgage, home warranty, title insurance or insurance company or representative in any real estate transaction in which the broker or salesperson receives a commission unless such fee, commission or other valuable consideration is accepted with the prior knowledge and written consent of the party or parties to the transaction with which the broker or salesperson has an agency relationship.

Regulation amended 2002.

[Mich. Admin. Code r. 339.22321\(1\), \(2\) \(2016\)](#)

## Michigan, Unearned Fees

A real estate licensee may not accept, directly or indirectly, a placement fee, commission, or other valuable consideration:

- for placing a loan with a mortgage lender or representative unless the broker or salesperson fully informs the purchaser and seller of that fact and obtains the prior written consent of the purchaser and seller; or
- from an abstract, mortgage, home warranty, title insurance or insurance company or representative in any real estate transaction in which the broker or salesperson receives a commission unless the fee, commission or other valuable consideration is accepted with the prior knowledge and written consent of the party or parties to the transaction with which the broker or salesperson has an agency relationship.

Regulation amended 2002.

[Mich. Admin. Code r. 339.22321\(1\), \(2\) \(2016\)](#)

## Minnesota

### Minnesota, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate closing agent may not charge a borrower a fee for closing services, and a borrower may not be required to pay the fee at settlement, if the fee was not previously disclosed in writing at least one business day before the settlement.

If acting as the transaction closing agent,

- a listing broker or his or her designee must deliver to the seller at closing a complete and detailed closing statement setting forth all receipts and disbursements handled by the broker for the seller; and
- a listing broker must deliver to the buyer at closing a complete and detailed statement setting forth the disposition of all funds received from the buyer.

Statutory sections 82.70 aand 82.71 amended 2014.

[Minn. Stat. §§ 82.70, subd. 6; .71, subd. 5 \(2015\)](#)

### Minnesota, Fee Splitting

In a listing agreement, a seller may authorize the seller's broker to disburse part of the broker's compensation to other brokers, including those solely representing the buyer, as authorized by Minn. Stat. § 82.81, sub. 6.

No real estate broker, salesperson or closing agent may offer, pay or give, and no person may accept any compensation or other thing of value from any broker, salesperson or closing agent by way of

commission-splitting, rebate, finder's fee, or otherwise, in connection with any real estate or business opportunity transaction, except that commission-splitting, rebates and finder's fees are permissible in transactions:

- between a licensee and the parties to the transaction;
- among licensees;
- between a licensee and persons from other jurisdictions similarly licensed in that jurisdiction;
- involving timeshare or other recreational lands if the amount offered or paid does not exceed \$150 and payment is not conditioned upon a sale, but is merely for providing the referral, and the person paying the fee is bound by any representations made by the person receiving the fee; or
- involving a person who receives a referral fee from a licensee, provided that no recipient may earn more than one month's rent in any 12-month period, the recipient must be a resident of the property or has lived there within 60 days of the fee payment, and the person paying the fee is bound by any representations made by the fee recipient.

A real estate broker, salesperson or closing agent may have his or her license suspended or revoked, or be censured, should the broker, salesperson or closing agent violate Minn. Stat. ch. 82.

Statutory section 82.82 amended 2005 and renumbered 2010; §§ 82.70 and 82.81 amended 2014.

[Minn. Stat. §§ 82.70, subds. 2, 4; .81, subd. 6; .82, subd. 1 \(2015\)](#)

## Minnesota, Referral Fees

No person may act as a real estate broker or salesperson unless licensed.

No person may commence or maintain an action for compensation for real estate services without alleging and proving that he or she was licensed at the time the action arose.

Unless authorized in writing by the real estate broker to whom a licensee is licensed, a licensee may not accept a commission, compensation, referral fee, or other valuable consideration for performing any acts requiring a real estate license from any person except the real estate broker to whom the licensee is licensed or to whom the licensee was licensed at the time of the transaction.

No real estate broker or salesperson may offer, pay or give, and no person may accept any compensation or other thing of value from any broker, salesperson or closing agent by way of commission-splitting, rebate, finder's fee, or otherwise, in connection with any real estate or business opportunity transaction, except that commission-splitting, rebates and finder's fees are permissible in transactions:

- between a licensee and the parties to the transaction;
- among licensees;
- between a licensee and persons from other jurisdictions similarly licensed in that jurisdiction;
- involving timeshare or other recreational lands if the amount offered or paid does not exceed \$150 and payment is not conditioned upon a sale, but is merely for providing the referral, and the person paying the fee is bound by any representations made by the person receiving the fee;

- involving a person who receives a referral fee from a licensee, provided that no recipient may earn more than one month's rent in any 12-month period, the recipient must be a resident of the property or has lived there within 60 days of the fee payment, and the person paying the fee is bound by any representations made by the fee recipient.

A real estate broker, salesperson or closing agent may have his or her license suspended or revoked, or be censured, if the broker, salesperson or closing agent violates Minn. Stat. ch. 82.

A salesperson must be licensed to act on behalf of a licensed broker and may not act on behalf of more than one broker in Minnesota at a time.

It is a fraudulent, deceptive or dishonest practice for a real estate licensee:

- to demand from a seller a commission to which the licensee is not entitled, knowing that he or she is not entitled to it; or
- to pay or give money or goods of value to an unlicensed person for any assistance or information relating to the licensee's procurement of a listing or a prospective buyer.

Statutory sections 82.82 and 82.85 amended 2004 and renumbered 2010; §§ 82.63, 82.70, and 82.81 amended 2014.

[Minn. Stat. Ann. §§ 82.63, subd. 4; .70, subds. 1, 2; .81, subds. 1, 12; .82, subd. 1; .85, subd. 1 \(2015\)](#)

[Minnesota, Relationships Between or Common Ownership of Related Businesses](#)

No real estate broker, salesperson or closing agent may require a person to use any particular lender, licensed attorney, real estate broker, real estate salesperson, real estate closing agent, or title insurance agent in connection with the closing of a residential real estate transaction.

A licensee may not "accept, give, or charge any undisclosed compensation or realize any direct or indirect remuneration that inures to the benefit of the licensee on an expenditure made for a principal."

A licensee may assign or direct that commissions or other compensation earned in connection with a real estate or business opportunity transaction be paid to an entity of which that licensee is the sole owner. In this context, "sole owner" means the licensee and may include his or her spouse.

Statutory sections 82.70 and 82.81 amended 2014.

[Minn. Stat. §§ 82.70, subds. 3, 5; 82.81, subd. 8 \(2015\)](#)

## Minnesota, Unearned Fees

No generally applicable provisions were located. The regulation that previously addressed the issue was repealed in 2004.

If an owner fails or is unable to consummate a real estate transaction through no fault of the purchaser, the listing broker may not claim any portion of any trust funds deposited with the broker by the purchaser, unless the listing broker has a separate agreement with the purchaser.

Statutory section 82.81 amended 2014.

[Minn. Stat. § 82.81, subd. 3 \(2015\)](#)

## Mississippi

Mississippi, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

## Mississippi, Fee Splitting

A licensed Mississippi broker may cooperate with a broker licensed in another state through the use of a cooperative agreement. A separate cooperative agreement must:

- be filed for each property, prospective user, or transaction; and
- reflect the compensation to be paid to the Mississippi licensed broker.

The listing or property management agreement for the Mississippi real property must remain in the name of the Mississippi licensed broker. Commissions resulting from the sale or lease of Mississippi real property that are earned during the period a cooperative agreement is in force must be divided on "a negotiable basis" between the Mississippi broker and the nonresident broker.

A real estate broker or salesperson may have his or her license suspended or revoked, and may be subjected to a civil penalty, for:

- paying any rebate, profit or commission to any person other than a licensed real estate broker or salesperson; or
- accepting a commission or valuable consideration as a real estate salesperson from any person, except his or her employer, who must be a licensed real estate broker.

Statutory section 73-35-11 enacted 1992; § 73-35-21 amended 2016. Regulation amended 2013.

[Miss. Code §§ 73-35-11; -21\(1\)\(j\), \(l\) \(LexisNexis 2016\)](#) (as amended by [2016 Miss. Laws ch. 472 \(S.B. 2725\)](#)) (link to 2014 Real Estate Commission documents); [30-3 Miss. Code R. § 3.1\(C\)\(2015\)](#)



## Mississippi, Referral Fees

It is unlawful for any person to practice real estate as a real estate broker or real estate salesperson without first obtaining a license.

No person may bring or maintain an action for recovery of a commission, fee or compensation for any act done or services rendered, the doing or rendering of which is prohibited under the Real Estate Brokers License Law of 1954 for persons other than licensed brokers, unless such person was licensed as a broker at the time of the doing of such act or the rendering of such service.

A real estate broker licensed in another state may cooperate with a licensed broker in Mississippi provided that any commission or fee resulting from such cooperative negotiation shall be stated on a form filed with the Mississippi Real Estate Commission reflecting the compensation to be paid to the Mississippi broker.

A real estate broker or salesperson may have his or her license suspended or revoked, and may be subjected to a civil penalty, for paying any rebate, profit or commission to any person other than a licensed real estate broker or salesperson.

A real estate broker or salesperson may have his or her license suspended or revoked, and may be subjected to a civil penalty, for accepting a commission or valuable consideration as a real estate salesperson from any person, except his or her employer who must be a licensed real estate broker.

Statutory section 73-35-1 enacted 1989; §§ 73-35-11 and 73-35-33 enacted 1992; § 73-35-21 amended 2016.

[Miss. Code §§ 73-35-1; -11; -21\(1\)\(j\), \(l\)](#) (as amended by [2016 Miss. Laws ch. 472 \(S.B. 2725\)](#)); [-33\(1\) \(LexisNexis 2016\)](#) (link to 2014 Real Estate Commission document)

## Mississippi, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Mississippi, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, and may be subjected to a civil penalty, for accepting a commission or valuable consideration as a real estate salesperson from any person, except his or her employer, who must be a licensed real estate broker. No fee, commission or other valuable consideration may be paid to a person for real estate brokerage activities unless the person provides evidence of licensure or a cooperative agreement.

Statutory section 73-35-31 amended 2005; § 73-35-21 amended 2016.

[Miss. Code §§ 73-35-21\(1\)\(l\)](#) (as amended by [2016 Miss. Laws ch. 472 \(S.B. 2725\)](#)), [-31 \(LexisNexis 2016\)](#) (link goes to 2014 Real Estate Commission document)

## Missouri

### Missouri, Cost Disclosure/Good Faith Estimates of Closing Costs

Every broker must deliver or cause to be delivered to the buyer and the seller in every real estate transaction where he or she acts as a broker, at the time the transaction is consummated, a complete, accurate and detailed statement showing all material financial aspects of the transaction.

Regulation amended 1997 (moved and renumbered 2006).

[Mo. Code Regs. Ann. tit. 20, § 2250-8.150\(1\) \(2016\)](#)

### Missouri, Fee Splitting

A real estate broker or salesperson may be placed on probation, have his or her license suspended or revoked, or be assessed a monetary civil penalty if he or she pays any part of a fee, commission, or other compensation to any person for services rendered, unless the person is either a licensed real estate salesperson regularly associated with the broker or a licensed real estate broker.

Sharing of compensation between designated brokers is permitted as long as the buyer and seller agree.

Brokers may employ real estate brokers from other states for commercial real estate transactions if the out-of-state broker has:

- executed a brokerage agreement with the Missouri broker;
- consented to the jurisdiction of Missouri and its commission;
- consented to certain disciplinary procedures; and
- appointed the Missouri real estate commission as his or her agent for service of process.

Statutory section 339.800 amended 2004; § 339.150 amended 2008; § 339.100 amended 2016.

[Mo. Rev. Stat. §§ 339.150\(2\); .100.2\(7\)](#) (as amended by [H.B. 2332, 98th Gen. Assem., 2d Reg. Sess. \(Mo. 2016\)](#)); [.800\(1\), \(3\), \(4\) \(2015\)](#)

## Missouri, Referral Fees

It is unlawful for a person or entity to act as a real estate broker, broker-salesperson, or salesperson without a license. No person or entity may bring or maintain an action to collect compensation for real estate brokerage services without alleging and proving that he or she was a licensed broker or salesperson at the time the alleged cause of action arose.

A real estate broker or salesperson may be placed on probation, have his or her license suspended or revoked, or be assessed a monetary civil penalty if he or she:

- pays a commission or valuable consideration to any person for acts or services performed in violation of the Missouri Real Estate Brokers Law;
- accepts a commission or valuable consideration from any person except the broker with whom he or she was associated at the time the commission or consideration was earned;
- assists or enables any person who is not licensed to provide or offer to provide real estate services requiring a license;
- pays any part of a fee, commission or other compensation to any person for services rendered unless the person is either a licensed real estate salesperson regularly associated with the broker or a licensed real estate broker;
- employs or engages any person to provide services for which a real estate license is required unless the person (a) is licensed, (b) for transactions involving commercial real estate, is an out-of-state broker who has met the requirements set forth in § 339.150.1(2), or (c) for any other transaction, is regularly engaged in the real estate brokerage business in another state; or
- pays, solicits or requests a commission or other valuable consideration unless reasonable cause for payment or a contractual relationship with the licensee exists. Reasonable cause does not exist unless the party seeking the compensation or other valuable consideration actually introduces the business to the licensee before a relationship is established between the licensee and a principal to the transaction.

Statutory section 339.151 amended 2001; §§ 339.150 amended 2008; §§ 339.020 and 339.160 amended 2010; § 339.100 amended 2016.

[Mo. Rev. Stat. §§ 339.020; .100](#) (as amended by [H.B. 2332, 98th Gen. Assem., 2d Reg. Sess. \(Mo. 2016\)](#)); [.150\(1\), \(2\); .151\(1\); .160 \(2015\)](#)

## Missouri, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson who has a controlled business arrangement (direct affiliate relationship or direct or beneficial ownership interest of more than one percent) with a settlement services provider, and who directly or indirectly refers business to that provider or affirmatively influences the selection of that provider must disclose the arrangement to the person whose business is being referred or influenced.

A real estate broker or salesperson may not require a party to a real estate transaction to use and may not condition the performance of real estate brokerage services on the use of any particular settlement services provider.

Regulation amended 1997 (moved and renumbered 2006).

[Mo. Code Regs. Ann. tit. 20, § 2250-8.110\(4\) \(2016\)](#)

## Missouri, Unearned Fees

A real estate broker or salesperson may be placed on probation, have his or her license suspended or revoked, or be assessed a monetary civil penalty if he or she accepts a commission or valuable consideration from any person except the broker with whom he or she is associated.

Statutory section amended 2016.

[Mo. Rev. Stat. § 339.100 \(2015\)](#) (as amended by [H.B. 2332, 98th Gen. Assem., 2d Reg. Sess. \(Mo. 2016\)](#))

## Montana

### Montana, Cost Disclosure/Good Faith Estimates of Closing Costs

A regulatory provision that previously required a licensee to inform a seller in writing of the estimated costs and fees associated with a sale at the time a listing is taken and when an offer is presented has been deleted.

Regulation amended 2012.

See [Mont. Admin. R. 24.210.641\(5\) \(2015\)](#)

### Montana, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked if he or she accepts, gives, or charges an undisclosed commission, rebate or profit on expenditures made for a principal.

Statutory section amended 2005.

[Mont. Code Ann. § 37-51-321\(1\)\(f\) \(2015\)](#)

### Montana, Referral Fees

It is unlawful for a person to engage in or conduct, directly or indirectly, the business or acting as a real estate broker or salesperson without a license.

A person acting in the capacity of a real estate broker or salesperson may not bring or maintain an action for the collection of compensation for real estate brokerage services without first alleging and providing that he or she was licensed at the time the alleged cause of action arose.

A licensed real estate broker may not employ or compensate, directly or indirectly, a person for performing real estate brokerage acts who is not a licensed broker, licensed salesperson, or, effective April 9, 2015, a licensed property manager.

Any person engaged in the business of or acting as a real estate broker or salesperson may not bring or maintain any action for the collection of compensation without first alleging and proving that such person was licensed at the time the alleged cause of action or claim arose.

A real estate broker or salesperson may have his or her license suspended or revoked if he or she:

- accepts, gives, or charges an undisclosed commission, rebate or profit on expenditures made for a principal;
- pays a commission in connection with a real estate transaction to a person who is not licensed as a real estate broker or salesperson; or
- represents or attempts to represent a real estate broker other than his or her employing broker without the express knowledge and consent of his or her employer.

Statutory section 37-51-401 enacted 1995; § 37-51-321 amended 2005; §§ 37-51-301 and 37-51-306 amended 2015. Regulation amended 2012.

[Mont. Code Ann. §§ 37-51-301\(1\), -306\(1\), -321\(1\), -401 \(2015\); Mont. Admin. R. 24.210.641\(5\) \(2015\)](#)

## Montana, Relationships Between or Common Ownership of Related Businesses

A licensee may not engage the services of any attorney, title company, appraiser, escrow agent, insurance agent or other like person or entity, on behalf of a principal, third party, or other person, without informing and obtaining consent from the person obligated to pay for the services.

In engaging or recommending the services of an attorney, title company, appraiser, escrow agent, insurance agent or other like person or entity, on behalf of a principal, third party, or other person, a real estate broker or salesperson shall disclose any family relationship, financial relationship and/or financial interest that the broker or agent or his or her employer may have with the person or entity being engaged or recommended.

Regulation amended 2012.

[Mont. Admin. R. 24.210.641\(5\) \(2015\)](#)

## Montana, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked if he or she accepts, gives, or charges an undisclosed commission, rebate or profit on expenditures made for a principal.

Statutory section amended 2005.

[Mont. Code Ann. § 37-51-321\(1\)\(f\) \(2015\)](#)

## Nebraska

### Nebraska, Cost Disclosure/Good Faith Estimates of Closing Costs

Brokers are required to deliver to the seller in every real estate transaction, at the time the transaction is consummated, a complete, detailed closing statement showing all receipts and disbursements handled by the broker. Brokers are also required to deliver to the buyer a complete statement showing all money received in the transaction from the buyer and how and for what it was disbursed.

A licensee must identify in writing to a prospective purchaser-client, or to a purchaser-customer " if offered pursuant to Neb. Rev. Stat. 76-2421(3)(b)," at the time the purchaser writes an offer or accepts a counter-offer, the cost categories the purchaser will be expected to pay at closing. The licensee must also prepare a written estimate of the costs the purchaser will be expected to pay at closing, to the extent the necessary information is reasonably available. Similarly, a licensee must identify in writing to a prospective seller-client, or to a seller-customer " if offered pursuant to Neb. Rev. Stat. 76-2421(4)(b)," at the time the offer is presented and accepted, the cost categories the seller will be expected to pay at closing. The licensee must also prepare a written estimate of the costs the seller will be expected to pay at closing, to the extent the necessary information is reasonably available.



Statutory section amended 2016. Regulations adopted 1973.

[Neb. Rev. Stat. Ann. § 81-885.24\(21\) \(2016\); 299 Neb. Admin. Code §§ 5-003.10, .11 \(2015\)](#)

## Nebraska, Fee Splitting

A real estate broker or salesperson may have his or her license revoked or suspended or may be censured or fined, if he or she:

- accepts, gives, or charges any form of undisclosed compensation, consideration, rebate, or direct profit on expenditures made for a principal; or
- accepts any form of compensation or consideration from anyone other than his or her employing broker without the consent of his or her employing broker.

Statutory section amended 2011.

[Neb. Rev. Stat. Ann. § 81-885.24\(6\), \(8\) \(2016\)](#)

## Nebraska, Referral Fees

It is unlawful for any person, directly or indirectly, to engage in or conduct the business, or act in the capacity, of a real estate broker or salesperson without first obtaining a license. No action or suit may be instituted, nor recovery had, by any person for compensation for any act done or service rendered, the doing or rendering of which is prohibited under the Nebraska Real Estate License Act to other than licensed brokers and salespersons.

A real estate broker or salesperson may have his or her license revoked or suspended or may be censured or fined, if he or she:

- accepts, gives, or charges any form of undisclosed compensation, consideration, rebate, or direct profit on expenditures made for a principal;
- represents or attempts to represent a real estate broker, other than the employer, without the express knowledge and consent of the employer;
- accepts any form of compensation or consideration from anyone other than his or her employing broker without the consent of his or her employing broker; or
- provides any form of compensation or consideration for performing the services of a broker, associate broker, or salesperson who has not first secured a real estate license.

Statutory section 81-885.06 amended 1993; § 81-885.02 amended 2009; § 81-885.24 amended 2016.

[Neb. Rev. Stat. Ann. §§ 81-885.02; .06; .24\(6\)-\(8\), \(18\) \(2016\)](#)

## Nebraska, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Nebraska, Unearned Fees

A real estate broker or salesperson may have his or her license revoked or suspended or may be censured or fined, if he or she accepts, gives, or charges any form of undisclosed compensation, consideration, rebate, or direct profit on expenditures made for a principal. Such disclosure must:

- be in writing;
- occur no later than the time the principal agrees to the expenditure; and

- be signed by the principal.

Statutory section amended 2016. Regulation adopted 1973.

[Neb. Rev. Stat. Ann. § 81-885.24\(6\) \(2016\)](#); [299 Neb. Admin. Code § 5-003.05 \(2015\)](#)

## Nevada

### Nevada, Cost Disclosure/Good Faith Estimates of Closing Costs

Every licensee shall deliver to the seller in a real estate transaction, within 10 days after the transaction is closed, a complete, detailed closing statement showing all of the receipts and disbursements he or she handled for the seller and deliver to the buyer a complete statement showing all money received from the buyer in the transaction and how and for what it was disbursed.

Statutory section amended 2009.

[Nev. Rev. Stat. § 645.635\(4\) \(2015\)](#)

### Nevada, Fee Splitting

A real estate broker or salesperson may be administratively fined, or have his or her license suspended or revoked, if he or she offers, promises, allows, gives or pays, directly or indirectly, any part or share of his or her commission, compensation or finder's fee arising or accruing from a real estate transaction to any person who is not a licensed broker or salesperson.

An exclusive buyer's brokerage agreement may authorize a broker to receive compensation from the property's seller or lessor.

Statutory section amended 2005. Regulation effective 2008.

[Nev. Rev. Stat. § 645.280\(1\) \(2015\); Nev. Admin. Code § 645.551 \(2016\)](#)

## Nevada, Referral Fees

It is unlawful for a person to engage in the business of or act as a real estate broker or real estate salesperson without first obtaining a license.

No person or entity may commence or maintain an action for collection of compensation for real estate brokerage services without alleging and proving that he or she was a licensed broker or salesperson at the time the alleged cause of action arose.

A real estate broker or salesperson may be administratively fined, or have his or her license suspended or revoked, if he or she:

- offers, promises, allows, gives or pays, directly or indirectly, any part or share of his or her commission, compensation or finder's fee arising or accruing from a real estate transaction to any person who is not a licensed broker or salesperson;
- associates with or accepts compensation from any person other than the broker or owner-developer under whom he or she is at the time licensed;
- pays a commission to any person any person except through the broker or owner-developer under whom he or she is licensed at the time of the real estate transaction;
- accepts a commission or other valuable consideration from any person except the licensed real estate broker with whom he or she is associated or the owner-developer by whom he or she is employed;
- represents or attempts to represent a real estate broker other than the broker with whom he or she is associated, without the express knowledge and consent of the broker with whom he or she is associated;

- pays a commission, compensation or a finder's fee to any person for performing the services of a real estate broker or salesperson who has not secured a license; or
- accepts, gives or charges any undisclosed commission, rebate or direct profit on expenditures made for a client.

Statutory sections 645.230 and 645.280 amended 2005; § 645.270 amended 1997; § 645.630 amended 2007; § 645.633 amended 2015. Regulation addressing kickbacks deleted 2005.

[Nev. Rev. Stat. §§ 645.230\(1\); .270; .280\(3\); .630\(1\)\(c\), \(d\); .633\(1\) \(2015\)](#)

## Nevada, Relationships Between or Common Ownership of Related Businesses

In determining whether and to the extent a broker or salesperson should be administratively fined, or have his or her license suspended or revoked, for deceitful, fraudulent or dishonest dealing, the Real Estate Commission will consider whether the broker or salesperson disclosed in writing his or her interest or contemplated interest in a property with which he was dealing, including but not limited to a statement of:

- whether he expected to receive any direct or indirect compensation, dividends and profits from any person or company providing services related to the property, and, if so, the identity of the person or company;
- his or her affiliation with the person or company providing maintenance or other services related to the property;
- his or her expectation of a referral fee from a person or company, such as a contractor, title company, attorney, engineer or mortgage banker, to whom he or she refers a client or customer; and

- if he or she receives compensation from more than one party in a real estate transaction, full disclosure to and consent from each party.

Regulation amended 2004.

[Nev. Admin. Code § 645.605 \(2015\)](#)

### Nevada, Unearned Fees

A real estate broker or salesperson may be administratively fined, or have his or her license suspended or revoked, if he or she accepts, gives or charges any undisclosed commission, rebate or direct profit on expenditures made for a client.

Statutory section amended 2015. Regulation addressing kickbacks and gifts deleted 2005.

[Nev. Rev. Stat. § 645.633\(1\)\(g\) \(2015\)](#)

### New Hampshire

#### New Hampshire, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

#### New Hampshire, Fee Splitting

A real estate broker or salesperson may have his or her license revoked or suspended if he or she accepts, takes or charges an undisclosed commission, rebate, or direct profit on expenditures made for a principal.

New Hampshire's previously applicable regulations regarding the state's Cooperating Agreement Form expired as of July 26, 2016.

Statutory section amended 2015. Previously applicable regulation expired 2016.

[N.H. Rev. Stat. Ann. § 331-A:26\(XIII\) \(2016\); N.H. Code R. Rea 703.01\(d\) \(2016\)](#)

## New Hampshire, Referral Fees

It is unlawful for any person, directly or indirectly, to act as a real estate broker or salesperson without a license.

A person may not institute an action or suit or obtain a recovery for compensation for any act done or service rendered as a broker or salesperson unless the person is licensed.

The following acts are prohibited and a licensee found guilty of a prohibited act may be subject to disciplinary action:

- accepting the services of, or continuing in a representative capacity, a salesperson who has not been granted a license, or after his or her license has been revoked or suspended;
- accepting, taking, or charging an undisclosed commission, rebate, or direct profit on expenditures made for a principal;
- accepting a commission or valuable consideration for the performance of real estate brokerage acts from any person, other than the principal broker with whom the salesperson or broker is licensed; and
- directing any transaction to a lending institution, escrow company, or title company in a manner prohibited under the federal Real Estate Settlement Procedures Act. However, a licensee may be engaged by a principal to serve as its agent to solicit credit extensions or to provide other services related to a real estate purchase or sale in a manner not prohibited under RESPA, provided that if the services involve an extension of credit or are related to a loan, the lender does not pay the agency fee.

An out-of-state broker may perform acts with respect to a *commercial* real estate transaction that require a license under this chapter, provided he or she complies with the laws of New Hampshire with respect to the transaction and, among other

requirements, works in cooperation with a licensed New Hampshire broker, whether in a co-brokerage, referral, or other cooperative agreement or arrangement.

Statutory sections 331-A:3 and 331-A:32 enacted 1994; § 331-A:26 amended 2015; § 331-A:22-a amended 2016.

[N.H. Rev. Stat. Ann. §§ 331-A:3, :32\(I\), :22-a, :26 \(2016\)](#)

## New Hampshire, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson may have his or her license revoked or suspended if he or she fails to disclose in writing to an owner, the licensee's intention or true position if the licensee directly, or indirectly through a third party, purchases or leases for such licensee, or intends to acquire an interest in or an option on the property. The disclosure must be made before the licensee presents any offer, and all parties must acknowledge the disclosure in writing.

Statutory section amended 2015.

[N.H. Rev. Stat. Ann. § 331-A:26\(XXII\) \(2016\)](#)

## New Hampshire, Unearned Fees

A real estate broker or salesperson may have his or her license revoked or suspended if he or she accepts, takes or charges an undisclosed commission, rebate or direct profit on expenditures made for a principal.

Statutory section amended 2015.

[N.H. Rev. Stat. Ann. § 331-A:26\(XIII\) \(2016\)](#)

## New Jersey

### New Jersey, Cost Disclosure/Good Faith Estimates of Closing Costs



No specifically applicable provisions were located.

## New Jersey, Fee Splitting

A real estate licensee may be placed on probation, and his or her license may be suspended or revoked, or he or she may be subjected to a monetary penalty, if he or she:

- accepts a commission or valuable consideration for the performance of any real estate acts from any person except his or her employer, who must be a licensed real estate broker; or
- pays any rebate, profit, compensation, or commission to anyone not possessed of a real estate license, except that certain free services or products or commission rebates are permitted.

All written listing agreements prepared by real estate licensees must contain a specific provision disclosing commission splits.

Statutory sections amended 2009. Regulation amended 2009.

N.J. Stat. §§ 45:15-16, -17 (2016); N.J. Admin. Code § 11:5-6.4(c) (LexisNexis 2016)

## New Jersey, Referral Fees

### *General license requirements*

A person may not engage directly or indirectly in the business of a real estate broker, broker-salesperson, salesperson, or, referral agent, without being licensed to do so.

A licensed real estate broker may pay a referral fee or a referral commission to an unlicensed person only if that person is licensed in another jurisdiction.

Compensation paid by a real estate broker to a referral agent is limited to compensation for referring "prospective consumers of real estate brokerage services to the broker."

### *Actions to collect fees*

No person or entity may bring or maintain an action to collect compensation for real estate brokerage services without alleging and proving that he or she was a licensed real estate broker at the time the alleged cause of action arose.

No person claiming to be entitled to compensation as a salesperson, broker-salesperson, or referral agent may bring or maintain an action for collection against any person other than the licensed broker with whom the salesperson, broker-salesperson, or referral agent was employed at the time the alleged cause of action arose.

No action may be brought or maintained without the claimant alleging and proving that he or she was a licensed salesperson or broker-salesperson (or referral agent) at the time the alleged cause of action arose.

### *Licensed referral agents*

New Jersey statutes provide for licensed referral agents.

A real estate referral agent is a natural person employed by and operating under a broker's supervision. The referral agent's real estate brokerage-related activities are limited to referring prospects for the sale, purchase, exchange leasing or rental of real estate. Referral agent licensees:

- may refer prospects only to the real estate broker through whom they are licensed;

- may accept compensation for their activity as a referral agent only from the broker through whom they are licensed; and
- may not be employed by or licensed with more than one real estate broker at any given time.

A person may not simultaneously be licensed as a referral agent and a real estate broker, broker-salesperson, or salesperson. A person licensed as a referral agent may not "engage in the business of a real estate broker, broker-salesperson or salesperson to an extent beyond that authorized by their status as a licensed real estate agent."

#### *Prohibited acts*

No real estate salesperson, broker-salesperson, or referral agent may accept a commission or valuable consideration for any real estate act from any person except his or her employer, who must be a licensed real estate broker.

A real estate salesperson, broker-salesperson, or referral agent may be placed on probation, and his or her license may be suspended or revoked, or he or she may be subjected to a monetary penalty, if he or she:

- accepts a commission or valuable consideration for the performance of any real estate acts from any person except his or her employer, who must be a licensed real estate broker; or
- pays any rebate, profit, compensation, or commission to anyone not possessed of a real estate license, except that certain free services or products or commission rebates are permitted.

A real estate licensee may not solicit or accept any fee, kickback, compensation or thing of value merely for referring a customer or client to a lender, mortgage broker, or other provider of related services.

Statutory section 45:15-3.1 amended 1993; §§ 45:15-1, 45:15-3, 45:15-16, and 45:15-17 amended 2009. Regulation amended 2012.

N.J. Stat. §§ 45:15-1, -3, -3.1, -16, -17 (2016); N.J. Admin. Code § 11:5-7.2 (LexisNexis 2016)

## New Jersey, Relationships Between or Common Ownership of Related Businesses

A real estate licensee may be placed on probation, and his or her license may be suspended or revoked, or he or she may be subjected to a monetary penalty, if he or she collects a commission as a broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration.

Where a contract provided by a real estate broker contains a provision to the effect that such broker is authorized to place or procure insurance on the property being sold, the licensee benefitting by such provision must obtain separate written reaffirmation of such provision by the prospective insured not less than five days before closing.

Every real estate licensee who provides mortgage financing services to buyers must provide a specific written disclosure to the buyer/borrower and seller as a condition to receiving, in addition to a share of the brokerage commission on the sale, any compensation, reimbursement, or other thing of value from the buyer or from any other source.

Whenever a real estate licensee refers a buyer or borrower to a mortgage lender or mortgage broker with whom the licensee is affiliated, the licensee must provide written disclosure of the affiliation to the buyer, even if the licensee will receive no fee or compensation for the referral. If an employing broker or broker of record has an affiliation with a lender or mortgage broker, all licensees licensed with that broker must provide the required disclosures to buyers referred to the affiliated entity. Similarly, if an office manager has such an affiliation, the manager and all licensees working under the manager's supervision must provide the disclosure to all buyers the office refers to the

affiliate. If a referral agent, salesperson, or broker-salesperson has such an individual affiliation, he or she must provide the disclosure to all buyers he or she refers to the affiliated entity.

Statutory section amended 2009. Regulations 11:5-6.3 and 11:5-6.7 readopted 2004; r. 11:5-6.8 amended 2012.

N.J. Stat. § 45:15-17(i) (2016); N.J. Admin. Code §§ 11:5-6.3, .7, .8 (LexisNexis 2016)

## New Jersey, Unearned Fees

A real estate licensee may be placed on probation, and his or her license may be suspended or revoked, or he or she may be subjected to a monetary penalty, if he or she:

- collects a commission as a broker in a transaction, when at the same time representing either party in a transaction in a different capacity for consideration; or
- solicits or accepts any fee, kickback, compensation, or thing of value merely for referring a customer or client to a lender, mortgage broker, or other provider of related services. (Compensation received by a real estate licensee pursuant to N.J. Admin. Code § 11:5-7.1(e) (for services in related transactions) must be for "services actually performed by the licensee beyond mere referral." Compliance with the anti-kickback provisions of the Federal Real Estate Settlement Procedures Act is deemed to comply with this requirement.)

Statutory section amended 2009. Regulation amended 2012.

N.J. Stat. § 45:15-17(i) (2016); N.J. Admin. Code § 11:5-7.2 (LexisNexis 2016)

## New Mexico

### New Mexico, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

## New Mexico, Fee Splitting

A licensee may have his or her license suspended or revoked if he or she pays or receives a rebate, profit, compensation or commission to or from any unlicensed person, except the licensee's principal or other party to the transaction, and then only with the principal's written consent.

Regulation 16.61.27.8, which previously provided that a New Mexico associate broker or qualifying broker could make a referral to or receive a referral from a broker licensed in another jurisdiction (and receive or pay a fee, salary, commission) if the New Mexico brokerage met specified requirements, was repealed effective December 31, 2008.

A qualifying broker may not disburse commissions or commission splits from a trust account to an entity other than the qualifying broker.

Statutory section amended 2011. Regulation amended 2014.

N.M. Stat. § 61-29-12(A)(3) (2016); [N.M. Code R. § 16.61.23.11 \(2016\)](#)

## New Mexico, Referral Fees

It is unlawful for a person to engage in the business or act in the capacity of an associate broker or a qualifying broker without a license. No action for the collection of commission or compensation earned by a person acting as a qualifying broker or an associate broker may be maintained unless the person was licensed at the time the alleged cause of action arose. Any lawsuit against a member of the public for a commission or compensation may be maintained only in the name of a licensed real estate broker.

A licensee may have his or her license suspended or revoked if the licensee:

- pays or receives a rebate, profit, compensation or commission to or from any unlicensed person, except the licensee's principal or other party to the transaction, and then only with the principal's written consent;

- is employed or compensated directly or indirectly by a person for performing real estate acts who is not a licensed qualifying broker or associate broker; or
- represents or attempts to represent a qualifying broker other than the broker with whom he or she is associated without that broker's express knowledge and consent.

Regulation 16.61.27.8, which previously provided that a New Mexico associate broker or qualifying broker could make a referral to or receive a referral from a broker licensed in another jurisdiction (and receive or pay a fee, salary, commission) if the New Mexico brokerage met specified requirements, was repealed effective December 31, 2008.

Regulation 16.61.16.9 provides that a qualifying broker must "assure that when the brokerage cooperates with or makes a referral to, or receives a referral from any broker, there be a transaction specific written co-brokerage or referral agreement signed by the qualifying broker."

Statutory section 61-29-16 reenacted 2005; § 61-29-12 amended 2011; § 61-29-1 amended 2013. Regulation amended 2014.

N.M. Stat. §§ 61-29-1, -12(A), -16 (2016); [N.M. Code R. § 16.61.16.9 \(2016\)](#)

## New Mexico, Relationships Between or Common Ownership of Related Businesses

A licensee may have his or her license suspended or revoked if he or she pays or receives a rebate, profit, compensation or commission to or from any unlicensed person, except his or her principal or other party to the transaction, and then only with his or her principal's written consent.

Statutory section amended 2011.

N.M. Stat. § 61-29-12(A)(3) (2016)

## New Mexico, Unearned Fees

A licensee may have his or her license suspended or revoked if he or she pays or receives a rebate, profit, compensation or commission to or from any unlicensed person, except his or her principal or other party to the transaction, and then only with his or her principal's written consent.

Statutory section amended 2011.

N.M. Stat. § 61-29-12(A)(3) (2016)

## New York

### New York, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker must, within a reasonable time, render an account to his or her client and remit to the client any monies collected for the client and not expended for the client's account.

Regulatory history unknown.

N.Y. Comp. Codes R. & Regs. tit. 19, § 175.2 (West 2016)

### New York, Fee Splitting

No real estate broker may pay any part of a fee, commission or other compensation to any person for any service, help or aid rendered by such person to the broker in buying, selling, exchanging, leasing, renting or negotiating a loan upon any real estate unless the person is:

- a licensed real estate salesperson regularly associated with the broker;
- a licensed broker; or
- a person regularly engaged in the real estate brokerage business in a state outside of New York.



Except when permitted pursuant to the above, no real estate broker may pay or agree to pay any part of a fee, commission, or other compensation received by the broker to any person, firm or corporation who or which is a party to the transaction. However, effective December 17, 2014, nothing prohibits a real estate broker from offering any part of his or her fee, commission, or other compensation to the seller, buyer, landlord, or tenant who is buying, selling, exchanging, leasing, renting, or negotiating a loan on any real estate. The broker may not make that fee, commission, or other compensation to the seller, buyer, landlord, or tenant for performing any activity requiring a real estate license.

A real estate broker must make it clear for which party he or she is acting and may not receive compensation from more than one party except with his or her client's full knowledge and consent.

Statutory section amended 2014. Regulation amended 2016.

N.Y. Real Prop. Law § 442 (2016); N.Y. Comp. Codes R. & Regs. tit. 19, § 175.7 (West 2016)

### New York, Referral Fees

It is unlawful for a person to engage in or follow the business or occupation of a real estate broker or salesperson without first procuring a license.

A person may not bring or maintain an action for the recovery of compensation for services rendered in the buying, selling, exchanging, leasing, renting or negotiating a loan on any real estate without alleging and proving that such person was a licensed real estate broker or salesperson on the date the alleged cause of action arose. No real estate broker may pay any part of a fee, commission or other compensation to any person for any service, help or aid rendered by such person to the broker in buying, selling, exchanging, leasing, renting or negotiating a loan upon any real estate unless the person is:

- a licensed real estate salesperson regularly associated with the broker;

- a licensed broker; or
- a person regularly engaged in the real estate brokerage business in a state outside of New York.

Except when permitted above, no real estate broker may pay or agree to pay any part of a fee, commission, or other compensation received by the broker to any person, firm or corporation who or which is a party to the transaction.

No real estate salesperson may receive or demand compensation of any kind from any person, other than the licensed real estate broker with whom he or she is associated, for any service rendered or work done in the appraising, buying, selling, exchanging, leasing, renting or negotiating real estate loan.

A real estate broker may not accept the services of a salesperson in another broker's organization without that broker's knowledge. No broker may give, permit to be given, or directly offer to give anything of value for the purpose of influencing or rewarding the actions of another broker's salesperson or employee without that broker's knowledge.

Statutory section 440-a amended 2010; § 442-d enacted 1998; § 442-a enacted 1980; § 442 amended 2014; regulation amended 1980.

N.Y. Real Prop. Law §§ 440-a, 442, 442-a, 442-d (2016); N.Y. Comp. Codes R. & Regs. tit. 19, § 175.13 (West 2016)

### [New York, Relationships Between or Common Ownership of Related Businesses](#)

No applicable provisions were located.

### [New York, Unearned Fees](#)

No applicable provisions were located.

## North Carolina

### North Carolina, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker may have his or her license suspended or revoked, or may be reprimanded or censured, if he or she fails, at the time a sales transaction is consummated, to deliver to "the broker's client a detailed and accurate closing statement showing the receipt and disbursement of all monies relating to the transaction about which the broker knows or reasonably should know." If an attorney or lawful settlement agent prepares a closing statement, a broker may rely on that statement's delivery. However, the broker must review the statement for accuracy, and notify all parties of any errors.

Statutory section amended 2011.

[N.C. Gen. Stat. § 93A-6\(a\) \(2015\)](#)

### North Carolina, Fee Splitting

A real estate broker may have his or her license suspended or revoked, or may be reprimanded or censured, should he or she pay a commission or valuable consideration to any person for acts or services performed in violation of the North Carolina Real Estate License Law.

Except for certain consideration to a travel agent in exchange for procuring a vacation rental tenant, a real estate licensee may not undertake in any manner, any arrangement, contract, plan or other course of conduct, to compensate or share compensation with an unlicensed person or entity for any acts in North Carolina for which licensure is required.

An agreement between brokers to cooperate or share compensation is not considered an agreement for brokerage services. Therefore, except as required by rule .1807 of subchapter 58A (regarding affiliation with a resident broker), the agreement need not be memorialized in writing.

Statutory section 93A-1 amended 2005; § 93A-6 amended 2011. Regulation 58A.0109 amended 2008; r. 58A.0104 amended 2015.

[N.C. Gen. Stat. §§ 93A-1, -6\(a\) \(2015\); 21 N.C. Admin. Code 58A.0104\(a\), .0109\(g\) \(2016\)](#)

## North Carolina, Referral Fees

It is unlawful for any person to act as a real estate broker without first obtaining a license issued by the North Carolina Real Estate Commission.

A licensee may have his or her license suspended or revoked, or may be reprimanded or censured, if he or she:

- accepts a commission or valuable consideration as a real estate broker on provisional status for the performance of real estate brokerage acts from any person except his or her broker-in-charge or licensed broker by whom he or she is employed;
- represents or attempts to represent a real estate broker other than the broker by whom he or she is engaged or associated, without the express knowledge and consent of the broker with whom he or she is associated; or
- pays a commission or valuable consideration to any person for acts or services performed in violation of the North Carolina Real Estate License Law.

Except for certain consideration to a travel agent in exchange for procuring a vacation rental tenant, a real estate licensee may not undertake any arrangement, contract, plan or other course of conduct to compensate or share compensation with an unlicensed person or entity for any acts for which licensure is required.

Statutory section 93A-1 amended 2005; § 93A-6 amended 2011. Regulation amended 2008.

[N.C. Gen. Stat. §§ 93A-1, -6\(a\) \(2015\); 21 N.C. Admin. Code 58A.0109\(g\) \(2016\)](#)

## North Carolina, Relationships Between or Common Ownership of Related Businesses

No specifically relevant provisions were located. However, generally, a real estate licensee may not receive, either directly or indirectly, any commission, rebate or other valuable consideration of more than nominal value:

- from a vendor or a supplier of goods and services for an expenditure made on behalf of the licensee's principal in a real estate transaction without the written consent of the licensee's principal; or
- for services which the licensee recommends, procures, or arranges relating to a real estate transaction for any party, without full disclosure to such party.

Regulation amended 2008.

[21 N.C. Admin. Code 58A.0109\(a\), \(b\) \(2016\)](#)

## North Carolina, Unearned Fees

A real estate licensee may not receive, either directly or indirectly, any commission, rebate or other valuable consideration of more than nominal value:

- from a vendor or a supplier of goods and services for an expenditure made on behalf of the licensee's principal in a real estate transaction without the written consent of the licensee's principal; or
- for services which the licensee recommends, procures, or arranges relating to a real estate transaction for a party, without full disclosure to that party.

A broker in a real estate sales transaction may not receive compensation or other consideration of more than nominal value:

- from his principal unless the compensation or other consideration is provided for in a written agency contract; or
- from any other party or person unless the broker provides full and timely disclosure of the consideration to the broker's principal. This disclosure may be oral, but must be confirmed in writing before the principal makes or accepts an offer to buy or sell.

"Full disclosure" includes a description of the compensation or other consideration, including:

- its value; and
- the identity of the party providing it.

A disclosure is timely if it is "made in sufficient time to aid a reasonable person's decision making."

The provisions described above do not require a broker:

- to disclose to a person who is not the broker's principal the compensation the broker expects to receive from his or her principal; or
- to disclose to the broker's principal the compensation the broker expects to receive from the broker's employing broker.

Regulation amended 2008.

[21 N.C. Admin. Code 58A.0109\(a\)–\(e\) \(2016\)](#)

North Dakota

North Dakota, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker may have his or her license suspended or revoked, or may be fined, if he or she fails to deliver to the party or parties the broker represents a complete detailed closing statement at the time a transaction is consummated. The statement must show all receipts and disbursements handled by the broker for the party or parties he or she represents. If the closing is handled by an attorney, bank, savings and loan association, or similar individual or group other than a real estate broker, the broker involved must ensure that the party the broker represents receives a complete and detailed closing statement, showing all receipts and disbursements.

Statutory section amended 2007. Regulation amended 2008.

[N.D. Cent. Code § 43-23-11.1\(1\)\(o\) \(2015\)](#); [N.D. Admin. Code § 70-02-03-07 \(2015\)](#)

### North Dakota, Fee Splitting

As amended effective October 1, 2015, North Dakota regulations provide that a broker licensed in North Dakota may split a commission with a licensed broker in another state if the out-of-state broker does not negotiate in North Dakota, whether by physically entering the state or by communicating electronically or through other media.

A real estate broker or salesperson may have his or her license suspended or revoked, or may be fined, if he or she:

- pays a commission or compensation in connection with a real estate transaction to an unlicensed person; or
- accepts a commission or valuable consideration as a real estate salesperson for performing real estate brokerage acts from any person except the licensed real estate broker under whom the salesperson is licensed.

Statutory section amended 2007. Regulation amended 2015.

[N.D. Cent. Code § 43-23-11.1 \(2015\)](#); [N.D. Admin. Code § 70-02-03-03 \(2015\)](#)

### North Dakota, Referral Fees

No person may act as a real estate broker or salesperson without a license issued by the North Dakota Real Estate Commission.

No person may collect any fees, compensation or commission as a real estate broker or salesperson without first having obtained a license issued by the North Dakota Real Estate Commission.

A real estate broker or salesperson may have his or her license suspended or revoked, or may be fined, if he or she:

- claims or takes any secret or undisclosed amount of compensation or commission;
- fails to disclose to his or her principal or employer the full amount of his or her compensation or commission in connection with any real estate transaction;
- pays a commission or compensation in connection with a real estate transaction to an unlicensed person;
- accepts a commission or valuable consideration as a real estate salesperson for performing real estate brokerage acts from any person except the licensed real estate broker under whom the salesperson is licensed; or
- allows an unlicensed person to do any real estate brokerage acts in the name of or under the authority of the broker.

Statutory section 43-23-05 enacted 1995; § 43-23-11.1 enacted 2007.

[N.D. Cent. Code §§ 43-23-05; -11.1 \(2015\)](#)

[North Dakota, Relationships Between or Common Ownership of Related Businesses](#)



A real estate broker or salesperson may have his or her license suspended or revoked, or may be fined, if he or she claims or takes any secret or undisclosed amount of compensation or commission or fails to disclose to his or her principal or employer the full amount of his or her compensation or commission in connection with a real estate transaction.

Statutory section amended 2007.

[N.D. Cent. Code § 43-23-11.1 \(2015\)](#)

### North Dakota, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, or may be fined, if he or she claims or takes any secret or undisclosed amount of compensation or commission or fails to disclose to his or her principal or employer the full amount of his or her compensation or commission in connection with any real estate transaction.

Statutory section amended 2007.

[N.D. Cent. Code § 43-23-11.1 \(2015\)](#)

## Ohio

### Ohio, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or fined, should he or she fails to render promptly upon demand a full and complete statement of the expenditures by the broker or salesperson of funds advanced by or on behalf of a party to a real estate transaction.

Statutory section 4735.18 amended 2011; § 4735.051 amended 2004.

[Ohio Rev. Code §§ 4735.18\(A\)\(30\), .051\(I\) \(2016\)](#)

### Ohio, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or fined, should he or she pay commissions or fees to, or divide commissions or fees with, anyone who is not licensed as a real estate broker or salesperson.

Statutory sections 4735.18 and 4735.20 amended 2011; § 4735.051 amended 2004.

[Ohio Rev. Code §§ 4735.18\(A\)\(11\), .051\(I\), .20 \(2016\)](#)

## Ohio, Referral Fees

No person may act as a real estate broker or salesperson without first being licensed.

No right of action accrues to any person or entity for the collection of compensation for real estate brokerage acts without alleging and proving that the person was licensed as a real estate broker.

A real estate broker may have his or her license suspended or revoked, or may be reprimanded or fined, if he or she:

- demands, without reasonable cause, other than from a licensed broker, a commission to which the broker is not entitled;
- demands, without reasonable cause, a commission to which the salesperson is not entitled;
- pays commissions or fees to, or divide commissions or fees with, anyone who is not licensed as a real estate broker or salesperson or anyone not operating as an out-of-state commercial real estate broker or salesperson;
- accepts, gives or charges any undisclosed commission, rebate, or direct profit on expenditures made for a principal; or

- authorizes or permits a person to act as an agent in the capacity of a real estate broker, or a real estate salesperson, who is not licensed or who was not then operating as an out-of-state commercial real estate broker or salesperson.

A real estate broker may pay a commission or referral fee to a real estate broker licensed in another state or country, and may receive a commission or referral fee from a broker licensed in another state or country for the referral of clients or prospects to the broker. The out-of-state or out-of-country broker who refers clients or prospects to an Ohio real estate broker may not perform any of the other acts of a real estate broker with respect to Ohio property unless he or she first obtains an Ohio real estate license.

A licensee is not deemed to have assisted in establishing an agency relationship as a result of referring a prospective purchaser or seller to another licensee or receiving a referral fee. However, if the licensee that made the referral participates in the real estate transaction and receives a referral fee, the fee must be disclosed to all parties.

Statutory section 4735.051 amended 2004; §§ 4735.18, 4735.20, and 4735.21 amended 2011; § 4735.02 amended 2012. Regulation 1301:5-6-02 amended 2005; r. 1301:5-5-06 amended 2012.

[Ohio Rev. Code §§ 4735.02, .051, .18, .20, .21 \(2016\)](#); [Ohio Admin. Code §§ 1301:5-5-06, :5-6-02 \(2015\)](#)

## Ohio, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or fined, should he or she accept, give or charge any undisclosed commission, rebate, or direct profit on expenditures made for a principal.

Statutory section 4735.18 amended 2011; § 4735.051 amended 2004.

[Ohio Rev. Code §§ 4735.18\(A\)\(13\), .051\(I\) \(2016\)](#)

## Ohio, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or fined, should he or she accept, give or charge any undisclosed commission, rebate, or direct profit on expenditures made for a principal.

Statutory section 4735.18 amended 2011; § 4735.051 amended 2004.

[Ohio Rev. Code §§ 4735.18\(A\)\(13\), .051\(I\) \(2016\)](#)

## Oklahoma

### Oklahoma, Cost Disclosure/Good Faith Estimates of Closing Costs

A broker must insure that a signed settlement statement is furnished at the closing of each real estate transaction in which he or she acts as a broker.

At the time an offer is made, a broker must inform the party for whom the broker is providing mandatory brokerage services of the following, among other things:

- that the party will be expected to pay certain closing and brokerage service costs; and
- the approximate amount of those costs.

Oklahoma regulations provide that in a mortgage transaction subject to the federal Real Estate Settlement Procedures Act (RESPA) that is secured by the consumer's dwelling (other than a home equity line of credit subject to r. 160:45-3-3 or a mortgage transaction secured by a consumer's interest in a timeshare plan), the creditor must:

- make good faith estimates of the disclosures required by r. 160:45-5-2; and

- deliver or place the disclosures in the mail no later than the third business day after the creditor receives the consumer's written application.

Generally, a creditor or any other person may not impose a fee on a consumer in connection with the consumer's application for a mortgage transaction subject to RESPA before the consumer has received the required disclosures. However, a person may impose a bona fide and reasonable fee for obtaining the consumer's credit history before the consumer has received the required disclosures.

Statutory section 858-353 amended 2013. Regulation 605:10-13-1 amended 2012; r. 160:45-5-3 amended 2013.

[Okla. Stat. Ann. tit. 59, § 858-353\(A\)\(3\) \(2016\)](#); [Okla. Admin. Code §§ 605:10-13-1\(f\)](#); [160:45-5-3 \(2015\)](#)

### Oklahoma, Fee Splitting

A real estate licensee may have his or her license suspended or revoked, or may be reprimanded, placed on probation or fined, if he or she pays any part of a commission or other valuable consideration to an unlicensed person.

Statutory sections amended 2008.

[Okla. Stat. Ann. tit. 59, §§ 858-208, -312\(21\) \(2016\)](#)

### Oklahoma, Referral Fees

It is unlawful for any person to act as a real estate licensee, or hold himself or herself out as such, unless the person has been licensed to do so.

No person or entity acting as a real estate licensee may bring or maintain an action to recover compensation for services rendered in listing, buying, selling, renting, leasing or exchanging any real estate without alleging and proving that the person or entity was licensed when the alleged action arose.

A real estate licensee may have his or her license suspended or revoked, or may be reprimanded, placed on probation or fined, if he or she:

- accepts a commission or other valuable consideration as a real estate associate for performing any acts as an associate, except from the real estate broker with whom the associate is associated;
- pays a commission or other valuable consideration to any person for acts or services performed in violation of the Oklahoma Real Estate License Code; or
- pays a commission or other valuable consideration to an unlicensed person.

No real estate licensee may, without disclosing such fact in writing to all parties on both sides of the transaction, accept or receive any fee, commission, salary, rebate, kickback or other compensation in connection with the recommendation, referral or procurement of any product or service, including financial services.

Statutory section 858-311 amended 1999; §§ 858-208 and 858-312 amended 2008; § 858-301 amended 2011. Regulation amended 1999.

[Okla. Stat. Ann. tit. 59, §§ 858-208, -301, -311, -312 \(2016\); Okla. Admin. Code § 605:10-15-1\(a\)\(1\) \(2015\)](#)

## Oklahoma, Relationships Between or Common Ownership of Related Businesses

No real estate licensee may, without disclosing such fact in writing to all parties on both sides of the transaction, own any beneficial interest in any entity that provides any product or service, including financial services, to home owners, home buyers or tenants, in connection with the sale, lease, rental or listing of real estate.

Under specified conditions, a managing broker, broker proprietor, or branch broker may form an entity to receive the broker's commissions. The broker's payment of a commission to his or her corporation or association "does not constitute a payment of a fee (commission) to an unlicensed person" provided the following requirements are met:

- the corporation or association may not perform any act requiring a real estate license and may not hold itself out as engaged in such activity;
- the broker must have an active individual real estate license;
- the "broker of the branch broker must provide to the Commission a written statement approving of the branch broker's corporation or association";
- the broker must be the corporation's majority stockholder and president or the association's majority member;
- ownership of the broker's corporation or association is limited to "spouses and blood relatives";
- the corporation or association may not advertise or receive referral fees or commissions except from the broker; and
- the broker must file a written statement with the Commission that includes the provisions required by regulation.

Regulation 605:10-15-1 amended 1999; r. 605:10-7-8.4 adopted 2012.

[Okl. Admin. Code § 605:10-15-1\(a\)\(2\); :10-7-8.4 \(2015\)](#)

Oklahoma, Unearned Fees

No real estate licensee may, without disclosing such fact in writing to all parties on both sides of the transaction, accept or receive any fee, commission, salary, rebate, kickback or other compensation or consideration in connection with the recommendation, referral or procurement of any product or service, including financial services.

Regulation amended 1999.

[Okla. Admin. Code § 605:10-15-1\(a\)\(1\) \(2015\)](#)

## Oregon

### Oregon, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate licensee may have his or her license suspended or revoked, be reprimanded, or otherwise disciplined, if he or she fails to ensure, in any real estate transaction in which the licensee performs the closing, that the buyer and seller received a complete and detailed closing statement, showing the amount and purpose of all receipts, adjustments, and disbursements.

Statutory section amended 2007.

[Or. Rev. Stat. § 696.301 \(2015\)](#)

### Oregon, Fee Splitting

Generally, a real estate licensee may not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's compensation arising from any real estate transaction or pay a finder's fee to any person who is not a real estate licensee. However, a real estate broker or principal real estate broker may pay a finder's fee or a share of the compensation on a cooperative sale if the payment is made to a licensed real estate broker in another state or country, provided that:

- the state or country in which the nonresident real estate broker is licensed has a law permitting real estate brokers to cooperate with Oregon real estate brokers or principal real estate brokers; and
- the nonresident real estate broker does not conduct in Oregon any acts "constituting professional real estate activity and for which compensation is paid."



Also, if a country licenses real estate brokers, the payee must "be a citizen or resident of the country and represent that the payee is in the business of real estate brokerage in the other country."

A real estate broker associated with a principal broker may not accept compensation from any person other than the principal broker with whom the broker is associated at the time.

After full disclosure of agency relationships, a listing agent, a selling agent or a real estate licensee or any combination of the three may agree to share any compensation paid in a real estate transaction.

Statutory section 696.840 amended 2007; § 696.290 amended 2013.

[Or. Rev. Stat. §§ 696.290\(1\), \(3\); .840 \(2015\)](#)

## Oregon, Referral Fees

An individual may not engage in, carry on, advertise or purport to engage in or carry on a professional real estate activity, or act in the capacity of, a real estate licensee unless he or she holds an active license.

An individual engaged in the business of, or acting in the capacity of, a real estate broker or principal real estate broker may not bring or maintain an action to collect compensation without alleging and proving that he or she was a licensed broker when the alleged action arose.

Generally, a real estate licensee may not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's compensation arising from any real estate transaction or pay a finder's fee to any person who is not a real estate licensee. However, a real estate broker or principal real estate broker may pay a finder's fee or a share of the compensation on a cooperative sale if the payment is made to a licensed real estate broker in another state or country, provided that:

- the state or country in which the nonresident real estate broker is licensed has a law permitting real estate brokers to cooperate with Oregon real estate brokers or principal real estate brokers; and

- the nonresident real estate broker does not conduct in Oregon any acts "constituting professional real estate activity and for which compensation is paid."

Also, if a country licenses real estate brokers, the payee must "be a citizen or resident of the country and represent that the payee is in the business of real estate brokerage in the other country."

A real estate broker associated with a principal broker may not accept compensation from any person other than the principal broker with whom the broker is associated at the time.

A real estate broker associated with a principal real estate broker may have his or her license suspended or revoked, or may be reprimanded, placed on probation or fined, if he or she accepts compensation from any person other than the principal real estate broker with whom he or she is associated.

A real estate licensee may have his or her license suspended or revoked, may be reprimanded or may be otherwise disciplined if he or she represented, attempted to represent or accepted a commission or other compensation from a principal real estate broker other than the broker with whom the real estate broker is associated.

Statutory sections 696.301 and 696.710 amended 2007; §§ 696.020 and 696.290 amended 2013.

[Or. Rev. Stat. §§ 696.020, .290, .301, .710 \(2015\)](#)

## [Oregon, Relationships Between or Common Ownership of Related Businesses](#)

No relevant provisions were located.

## [Oregon, Unearned Fees](#)

No applicable provisions were located.

## [Pennsylvania](#)

### [Pennsylvania, Cost Disclosure/Good Faith Estimates of Closing Costs](#)

No provisions applicable to real estate licensees were located. However, a banking institution must make disclosures required by applicable Federal law, including the Real Estate Settlement Procedures Act of 1974, the Truth-in-Lending Act, and the Equal Credit Opportunity Act, in place of any disclosure requirement that may be imposed under Pennsylvania law.

Statutory section amended 2012.

[Pa. Stat. and Cons. Stat. Ann. tit. 7, § 303 \(West 2016\)](#)

### Pennsylvania, Fee Splitting

A broker may compensate another broker who assists in the marketing and sale/lease of a consumer's property.

A real estate broker may have his or her license suspended or revoked, or may be reprimanded, should he or she pay a commission or any valuable consideration to anyone other than his or her licensed employees or another real estate broker.

The disclosures that a licensee must give at his or her initial interview include, among other things, a statement of the broker's policies regarding cooperation with other brokers, "including the sharing of fees."

Statutory sections 455.604 and 455.606a amended 2009; § 455.608 amended 2006.

[Pa. Stat. and Cons. Stat. Ann. tit. 63, §§ 455.604\(a\)\(12.1\), .606a\(d\), .608 \(West 2016\)](#)

### Pennsylvania, Referral Fees

It is unlawful for any person, directly or indirectly, to engage in or conduct the business of a real estate broker or salesperson without first being licensed.

No action or suit may be instituted, nor recovery be had, by any person for compensation for any acts requiring a real estate license unless such person was licensed at the time of offering to perform the real estate services or procuring any contract or promise for the payment of compensation for any such contemplated real estate services.

No associate broker or salesperson shall be employed by any other broker than is designate on his or her license. An associate real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded, should he or she accept a commission or any valuable consideration from any person other the licensed broker with whom he or she is affiliated.

A real estate broker may have his or her license suspended or revoked, or may be reprimanded, if he or she:

- pays a commission or any valuable consideration to anyone other than his or her licensed employees or another real estate broker; or
- pays or accepts, gives or charges an undisclosed commission, rebate, compensation or profit or expenditures for a principal.

A real estate broker or salesperson has a duty to disclose to consumers any financial interest, including a referral fee or commission, he or she has in any services to be provided to the consumer by any person, including financial services, title services, insurance, construction, repair or inspection services.

Statutory sections 455.301, 455.302, and 455.603 enacted 1990; § 455.604 amended 2009; § 455.606 enacted 2000.

[Pa. Stat. and Cons. Stat. Ann. tit. 63, §§ 455.301, .302, .603, .604\(a\)\(12\), .606\(a\)\(13\) \(West 2016\)](#)

## Pennsylvania, Relationships Between or Common Ownership of Related Businesses

### *Financial interest disclosures*

A real estate broker or salesperson has a duty to disclose to consumers any financial interest, including a referral fee or commission, he or she has in any services to be provided to the consumer by any person, including financial services, title services, insurance, construction, repair or inspection services.

A real estate broker or salesperson who provides financial services, title transfer and preparation, insurance, construction, repair or inspection services, may not require a consumer to use any of these services. If a consumer chooses to use any of these services, the broker or salesperson shall provide the consumer with a written disclosure of any financial interest, including a referral fee or commission, that the broker or salesperson has in the services.

### *Qualified associations*

The commission may discipline a licensee for owning an interest in a qualified association that:

- participates in any of the prohibited acts set forth in § 455.604(a);
- is not solely owned by licensees who are all affiliated with the same broker; or
- holds itself out to the public as providing real estate services or real estate-related services.

Also, a broker may not pay a commission or compensation to a qualified association, and an associate broker or salesperson may not receive a commission or compensation

for providing real estate services or real estate-related services from a qualified association in which the associate broker or salesperson owns an interest.

In this context, a "qualified association" is an entity that:

- is incorporated or organized under the laws of Pennsylvania or another jurisdiction;
- does not hold a real estate license;
- does not hold itself out to the public as providing real estate services or real estate-related services; and
- is solely owned by licensees who are all affiliated with the same broker.

Statutory sections amended 2009. Regulation adopted 2002.

[Pa. Stat. and Cons. Stat. Ann. tit. 63, § 455.201, .604\(a\)\(31\), .606a\(a\)\(13\) \(West 2016\); 49 Pa. Code § 35.283\(d\), \(e\) \(2015\)](#)

### Pennsylvania, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded, should he or she pay or accept, give or charge an undisclosed commission, rebate, compensation or profit or expenditures for a principal.

A real estate broker or salesperson has a duty to disclose to consumers any financial interest, including a referral fee or commission, he or she has in any services to be provided to the consumer by any person, including financial services, title services, insurance, construction, repair or inspection services.

A real estate broker or salesperson who provides financial services, title transfer and preparation, insurance, construction, repair or inspection services, may not require a consumer to use any of these services. If a consumer chooses to use any of these services, the broker or salesperson shall provide the consumer with a written disclosure of any financial interest, including a referral fee or commission, that the broker or salesperson has in the services.

Statutory sections amended 2009. Regulation adopted 2002.

[Pa. Stat. and Cons. Stat. Ann. tit. 63, §§ 455.604\(a\)\(19\), .606a\(a\)\(13\) \(West 2016\); 49 Pa. Code §§ 35.283\(d\), \(e\) \(2015\)](#)

## Puerto Rico

### Puerto Rico, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically relevant provisions were located. However, Puerto Rico law generally prohibits a licensee from failing to furnish to the parties all the information and documents required by the applicable laws and regulations at the moment a real estate transaction is executed.

Statutory section amended 2006.

P.R. Laws tit. 20, § 3054(a)(8) (West 2016)

### Puerto Rico, Fee Splitting

A licensee may not:

- charge a commission to more than one party in a transaction, unless the parties agree to it; or

- in the case of a salesperson, accept a commission for services rendered from a person who is not the broker or company for which he or she works without the consent of the parties and of his or her broker or company.

Statutory section amended 2006.

P.R. Laws tit. 20, § 3054(a)(10), (14) (West 2016)

### Puerto Rico, Referral Fees

A salesperson may not accept a commission for services rendered from a person who is not the broker or company for which he or she works without the consent of the parties and the salesperson's broker or company.

In the case of a licensee selling real property located outside of Puerto Rico, a broker or salesperson who offers to acquire necessary financing must inform the buyer whether the licensee will obtain any incentive, commission, or referral fee from the financing institution or person that grants the loan.

In the context of a timeshare or vacation club rights, any referral program initiated by a developer, pursuant to which an owner, for valuable consideration, is asked to provide the developer or its agent with a list of persons who might be interested in purchasing a timeshare or vacation club right is not deemed to involve an act of brokerage obligating the owner to have a real estate broker or salesperson's license, provided the program is not implemented in order to circumvent the real estate licensing laws.

Statutory section 3054 amended 2006; § 3055 enacted 1994; § 1259 enacted 1995.

P.R. Laws tit. 20, §§ 3054(a)(14), 3055(a)(11); tit. 31, § 1259 (West 2016)

### Puerto Rico, Relationships Between or Common Ownership of Related Businesses

No specifically relevant provisions were located.



## Puerto Rico, Unearned Fees

No specifically relevant provisions were located. However, generally, a licensee may not:

- unduly withhold any amount of money from the parties; or
- withhold any deposit "when the transaction or deal subject to such deposit has not been executed, through no fault of the buyer."

Statutory section amended 2006.

P.R. Laws tit. 20, § 3054(a)(2), (11) (West 2016)

## Rhode Island

### Rhode Island, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically applicable provisions were located. However, licensees must "adhere to truth in lending requirements" and may not "participate in paying of seller's costs or any payments to reduce interest costs."

Regulatory chapter amended 2013.

[02-040-012 R.I. Code R. § 11-25\(N\) \(2016\) \(#7401\)](#)

### Rhode Island, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked, or may be placed on probation or assessed an administrative penalty, should he or she offer, promise, give or pay directly or indirectly, any part or share of his or her commission or compensation arising from a real estate transaction to any unlicensed person.

Funds held in escrow may be applied to a commission earned by the *respective licensees* only at or after closing. Also, upon request, the principal broker must advise the seller of the rate or amount of any commission split or distribution.

Statutory section amended 2011. Regulatory chapter amended 2013.

[R.I. Gen. Laws § 5-20.5-14\(a\)\(31\) \(2015\); 02-040-012 R.I. Code R. §§ 11-18, -26\(B\) \(2016\) \(#7401\)](#)

## Rhode Island, Referral Fees

Any person acting as a broker or salesperson without first obtaining a license is guilty of a misdemeanor. Where a person has received any money or the equivalent, as a fee, commission, compensation, or profit by or in consequence of acting without a license, he or she shall also be liable for a penalty of not less than the sum received and not more than three times the sum received.

No person shall maintain an action for the recovery of a commission, fee or compensation for any act done as a real estate broker unless that person was licensed as a broker at the time of the doing of the act.

A real estate salesperson may have his or her license suspended or revoked, or may be placed on probation or assessed an administrative penalty, should he or she accept a commission or other valuable consideration from any person except the licensed real estate broker with whom he or she is affiliated.

A real estate broker or salesperson may have his or her license suspended or revoked, or may be placed on probation or assessed an administrative penalty, if he or she:

- pays, accepts, gives, or charges an undisclosed commission, rebate, compensation or profit or expenditures for a principal; or

- offers, promises, gives, or pays directly or indirectly, any part or share of his or her commission or compensation arising from a real estate transaction to any unlicensed person.

Upon request, the principal broker must advise the seller of the rate or amount of any commission split or distribution.

Statutory sections 5-20.5-17 and 5-20.5-21 enacted 1973; § 5-20.5-14 amended 2011. Regulatory chapter amended 2013.

[R.I. Gen. Laws §§ 5-20.5-14; -17, -21 \(2015\); 02-040-012 R.I. Code R. § 11-26\(B\) \(2016\) \(#7401\)](#)

### Rhode Island, Relationships Between or Common Ownership of Related Businesses

Where a contract provided by a real estate broker contains a provision that the broker, in his or her capacity as a licensed insurance agent or broker, is authorized to place or procure insurance on the property being sold, the licensee must obtain a separate written reaffirmation of the provision by the prospective insured within five days before the closing.

Regulatory chapter amended 2013.

[02-040-012 R.I. Code R. § 11-4\(F\) \(2016\) \(#7401\)](#)

### Rhode Island, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, or may be placed on probation or assessed an administrative penalty, should he or she pay or accept, give or charge any undisclosed commission, rebate, compensation or profit or expenditures for a principal.

A principal broker who charges or collects an advance fee for services to be rendered must, at the time he or she accepts the advance fee, furnish his or her buyer or seller with a list of the services to be rendered. However, this requirement does not apply to advance fees charged by a principal broker to perform a market analysis of real property.

Statutory section amended 2011. Regulatory chapter amended 2013.

[R.I. Gen. Laws § 5-20.5-14\(a\)\(19\) \(2015\); 02-040-012 R.I. Code R. § 11-23 \(2016\) \(#7401\)](#)

## South Carolina

### South Carolina, Cost Disclosure/Good Faith Estimates of Closing Costs

*Effective until January 1, 2017*

A broker-in-charge is required to maintain a record-keeping system that provides a journal that records the chronological sequence in which funds are received and disbursed and that comprises a closing statement. Every real estate licensee must ensure that, at closing, both the buyer and seller receives a complete and detailed closing statement properly accounting for all funds paid, received, and expended in connection with the transaction.

*Effective as of January 1, 2017*

A broker-in-charge, if required to establish and maintain a real estate trust account, must also maintain a record-keeping system that provides a journal or an accounting system that records the chronological sequence in which funds are received and disbursed for real estate sales. A real estate broker and all associated licensees owe a duty upon closing of a real property transaction, to account in a timely manner for all money and property related to and received during the relationship.

Statutory section amended and renumbered 2016.

[S.C. Code § 40-57-135 \(2016\)](#) (as amended and renumbered as 40-57-136 by [2016 S.C. Acts ch. 170](#))

## South Carolina, Fee Splitting

*Effective until January 1, 2017*

A listing or buyer's representation agreement must be in writing and must disclose, among other things, an explanation of how compensation will be divided among participating brokers, if applicable.

An unlicensed employee of the owner or an unlicensed individual working under a licensee's supervision may not:

- be paid solely on the basis of real estate activity, including a percentage of a commission or any amount based on the listing or sales compensation or commission; or
- negotiate or agree to compensation or commission including commission splits, management fees or referral fees.

*Effective as of January 1, 2017*

A listing or buyer's representation agreement must be in writing and must disclose, among other things, an explanation of how compensation will be divided among participating or cooperating brokers, if applicable.

An unlicensed employee of the owner or an unlicensed individual working under a broker-in-charge's supervision may not:

- be paid solely on the basis of real estate activity, including a percentage of a commission or any amount based on the listing or sales compensation or commission; or
- negotiate or agree to compensation or commission including commission splits, management fees, or referral fees on behalf of a licensee.

Statutory section amended 2016.

[S.C. Code § 40-57-135\(D\)\(4\), \(F\) \(2016\)](#) (as amended by [2016 S.C. Acts ch. 170](#))

## South Carolina, Referral Fees

*Effective until January 1, 2017*

It is unlawful for an individual to act as a real estate broker or salesperson without a license.

A real estate broker or salesperson may be disciplined if he or she:

- represents or attempts to represent a real estate broker other than his broker-in-charge without the express knowledge and written consent of the employing broker-in-charge;
- pays a commission or compensation to an unlicensed individual; or
- receives compensation in a real estate transaction from more than one party without all parties' full knowledge and written consent.

An unlicensed employee of the owner or an unlicensed individual working under a licensee's supervision may not:

- be paid solely on the basis of real estate activity, including a percentage of a commission or any amount based on the listing or sales compensation or commission;
- negotiate or agree to compensation or commission, including commission splits, management fees or referral fees; or
- engage in any activity requiring a license.

The commission may discipline a licensee who pays a commission or compensation to an unlicensed individual for activities that require a license. A licensee may not pay or offer to pay a referral fee or finder's fee to an unlicensed individual that is not a party to the transaction.

*Effective as of January 1, 2017*

It is unlawful for an individual to act as a real estate broker or salesperson without an active, valid license.

A resident licensee may pay a part of his or her commission "as a referral fee on a cooperative basis to a brokerage of another state or jurisdiction if that brokerage's license does not conduct, in this State, a real estate brokerage service for which a fee, compensation, or commission is paid." A licensee may not pay or offer to pay a referral fee or finder's fee to an unlicensed individual that is not a party to the transaction.

A licensee may be disciplined if he or she:

- represents a real estate broker other than the broker-in-charge with whom he or she is licensed;
- pays a commission or compensation to an unlicensed individual for activities that require a license; or

- receives compensation in a real estate transaction from more than one party without all parties' full knowledge and written consent.

An unlicensed employee of the owner or an unlicensed individual working under a licensee's supervision may not:

- be paid solely on the basis of real estate activity, including a percentage of a commission or any amount based on the listing or sales compensation or commission;
- negotiate or agree to compensation or commission, including commission splits, management fees, or referral fees; or
- engage in any activity requiring a license.

Statutory sections amended 2016.

[S.C. Code §§ 40-57-20, -135\(F\), -145\(A\), -220\(A\) \(2016\)](#) (as all are amended and renumbered as 40-57-20, 40-57-120, 40-57-135, and 40-57-710 by [2016 S.C. Acts ch. 170](#))

## South Carolina, Relationships Between or Common Ownership of Related Businesses

*Effective until January 1, 2017*

A real estate broker or salesperson may not directly or indirectly buy for his or her own account or for a corporation or any other business in which he or she holds an interest or for a close relative, real estate listed with him or her, without first making his or her true position clearly known in writing to all parties involved.



A licensee may be subjected to discipline if he or she violates any provision of law relating to a buyer's freedom of choice in choosing an attorney, insurance agent, title insurance agent, or any other service provider to facilitate the buyer's real estate transaction.

A licensee may form a corporation allowing the licensee's broker-in-charge to pay a commission to the corporation, but in order for the corporation to receive compensation, all principals of the corporation must have an active real estate license under the same broker-in-charge.

*Effective as of January 1, 2017*

A real estate broker or salesperson may not directly or indirectly buy for his or her own account or for a corporation or any other business in which he or she holds an interest or for a close relative, real estate listed with him or her, or real estate for which he has been approached by the seller or prospective buyer to act as agent, without first making his or her true position clearly known in writing to all parties involved.

A licensee may be subjected to discipline if he or she violates any provision of law relating to a buyer's or seller's freedom of choice in choosing an attorney, insurance agent, title insurance agent, or any other service provider to facilitate the real estate transaction.

Statutory sections amended and renumbered 2016.

[S.C. Code §§ 40-57-135\(B\), \(D\); -145\(A\)\(12\) \(2016\)](#) (as amended and renumbered as 40-57-135 and 40-57-710 by [2016 S.C. Acts ch. 170](#))

## South Carolina, Unearned Fees

No applicable provisions were located.

## South Dakota

### South Dakota, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate broker may have his or her license suspended or revoked, or may be reprimanded or subjected to a monetary penalty, if he or she fails to deliver to the seller in every real estate transaction, at the time the transaction is consummated, a complete, detailed closing statement showing all receipts and disbursements for the seller, or to deliver to the buyer a complete statement showing all money received in the transaction from the buyer and how and for what the same was disbursed.

Statutory section 36-21A-68 enacted 1992; § 36-21A-71 amended 2013.

[S.D. Codified Laws §§ 36-21A-68, -71\(14\) \(2015\)](#)

### South Dakota, Fee Splitting

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or subjected to a monetary penalty, should he or she split compensation or commission in connection with a real estate transaction with any unlicensed person.

A licensed broker may divide or share a real estate commission with a licensed broker from another state if the out-of-state broker does not carry on any negotiations in South Dakota, either by physically entering the state or by communicating with the broker electronically or through other media.

Statutory section 36-21A-68 enacted 1992; § 36-21A-71 amended 2013. Regulation amended 2009.

[S.D. Codified Laws §§ 36-21A-68, -71\(12\) \(2015\); S.D. Admin. R. 20:69:03:17 \(2015\)](#)

### South Dakota, Referral Fees

No person (unless exempt) may "offer, attempt or agree to perform, or perform any act" enumerated in chapter 36-21A without an active license issued by the South Dakota Real Estate Commission.

No action or suit may be instituted, nor recovery be had, by a person for compensation for real estate brokerage acts unless such person was licensed at the time of offering to

perform the act or service or procuring a promise to contract for the payment of compensation for the contemplated act or service.

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or subjected to a monetary penalty, if he or she:

- claims or takes any secret or undisclosed compensation in connection with acts for which a real estate license is required; or
- pays compensation or commission in connection with a real estate transaction to any unlicensed person.

Statutory section 36-21A-68 enacted 1992; § 36-21A-88 amended 1996; §§ 36-21A-28 and 36-21A-71 amended 2013.

[S.D. Codified Laws §§ 36-21A-28, -68, -71, -88 \(2015\)](#)

### South Dakota, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

### South Dakota, Unearned Fees

A real estate broker or salesperson may have his or her license suspended or revoked, or may be reprimanded or subjected to a monetary penalty, should he or she claim or take any secret or undisclosed compensation in connection with acts for which a real estate license is required.

Statutory section 36-21A-68 enacted 1992; § 36-21A-71 amended 2013.

[S.D. Codified Laws §§ 36-21A-68, -71\(14\) \(2015\)](#)

## Tennessee

### Tennessee, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Tennessee, Fee Splitting

A real estate broker may have his or her licenses suspended, revoked or downgraded, and an affiliate broker may have his or her licenses suspended or revoked, should he or she pay or accept, give or charge any undisclosed commission, rebate, compensation or profit or expenditures for a principal.

Statutory section enacted 1994.

Tenn. Code § 62-13-312(b)(17) (LexisNexis 2016)

### Tennessee, Referral Fees

It is unlawful for any person, directly or indirectly, to act in the capacity of a real estate broker, affiliate broker or time-share salesperson without first obtaining a license.

Such person is liable for a penalty of not less than the amount of the fee, commission, compensation or profit received and not more than three times the amount of the fee, commission, compensation or profit received.

No action may be instituted, or recovery had for compensation for any act done or service rendered, the doing so of which is prohibited under the Tennessee Real Estate Brokers law other than by licensed brokers, affiliate brokers or time-share salespersons, unless such person was licensed at the time of the performance of the act or service.

It is unlawful for a licensed real estate broker to employ or compensate any person who is not a licensed broker or affiliate broker for performing real estate brokerage acts. A licensed broker may pay a commission to a broker who is licensed in another state.

An affiliate broker may have his/her licenses suspended or revoked, should he/she accept a commission or any valuable consideration for the performance of any real estate brokerage acts from any person except the licensed real estate broker with whom he/she is affiliated.

A real estate broker may have his/her licenses suspended, revoked or downgraded, and an affiliate broker may have his/her licenses suspended or revoked, should he/she pay or accept, give or charge any undisclosed commission, rebate, compensation or profit or expenditures for a principal.

It is unlawful for any person to solicit or request a referral fee from a real estate licensee without reasonable cause. Reasonable cause does not exist unless the party seeking the referral fee actually introduced the business to the real estate licensee from whom the referral fee is sought and at least one of the following conditions exists as between the party seeking the referral fee and the real estate licensee from whom the referral fee is sought:

- sub-agency relationship;
- contractual referral fee relationship; or
- contractual cooperative brokerage relationship.

Statutory section 62-13-302 enacted 2007; § 62-13-105 amended 1989; § 62-13-110 amended 2002; § 62-13-312 enacted 1994; §§ 62-13-602 and -603 enacted 1999; § 62-13-301 amended 2004.

Tenn. Code §§ 62-13-105, -110(b), -301, -302, -312(b), -602, -603 (LexisNexis 2016)

## Tennessee, Relationships Between or Common Ownership of Related Businesses

A real estate broker may have his or her licenses suspended, revoked or downgraded, and an affiliate broker may have his or her licenses suspended or revoked, should he or she pay or accept, give or charge any undisclosed commission, rebate, compensation or profit or expenditures for a principal.

A licensee who provides real estate services owes all parties the duty:

- not to engage in self-dealing nor act on behalf of any organization or business entity in which the licensee has a personal interest without prior disclosure of the interest and the timely written consent of all parties; and
- not to recommend to any party the use of services of another individual, organization or business entity in which the licensee has an interest or from whom the licensee may receive a referral fee or other compensation for the referral (except referrals to other licensees to provide real estate services), without timely disclosing to the party who receives the referral, the licensee's interest in the referral or the fact that a referral fee may be received.

A principal broker may act as a principal broker for two firms if both firms are in the same location. Both firms must be "located at and use the same physical address."

Effective October 18, 2015, the commissions earned by an affiliated licensee while working under a principal broker can still be paid after one or more of the following events occur:

- the affiliated licensee transfers to a new broker;
- the affiliated licensee is in broker release status;
- the affiliated licensee retires or allows his or her license to expire; or
- the affiliated licensee dies.

Statutory section 62-13-312 enacted 1994; § 62-13-403 amended 1996; § 62-13-309 amended 2009. Regulation adopted 2015.

Tenn. Code §§ 62-13-309(g), -312(b)(17), -403(7) (LexisNexis 2016); [Tenn. Comp. R. & Regs. 1260-02-.39 \(2015\)](#)

## Tennessee, Unearned Fees

A real estate broker may have his or her licenses suspended, revoked or downgraded, and an affiliate broker may have his or her licenses suspended or revoked, should he or she pay or accept, give or charge any undisclosed commission, rebate, compensation or profit or expenditures for a principal.

Statutory section enacted 1994.

Tenn. Code § 62-13-312(b)(17) (LexisNexis 2016)

## Texas

### Texas, Cost Disclosure/Good Faith Estimates of Closing Costs

No applicable provisions were located.

### Texas, Fee Splitting

A real estate licensee may have his or her license suspended or revoked, or may be disciplined, should he or she pay a commission or fees to or divide a commission or fees with anyone not licensed as a real estate broker or sales agent.

An unlicensed person may share in the income earned by a business entity licensed as a broker (or exempt from licensing requirements) if that unlicensed person "engages in no acts for which a license is required and does not lead the public to believe that the person is in the real estate brokerage business."

A licensee may not share a commission or fees with an unlicensed business entity the licensee created to collect a commission or fees on the licensee's behalf.

A real estate licensee may rebate or pay a portion of the licensee's fee or commission to a party in the transaction if the salesperson has the written consent of his or her sponsoring broker and of the party he or she represents. However, no compensation may "be paid to any party to the transaction in a manner that misleads a broker, lender, title company, or governmental agency" regarding the transaction or the buyer's financial resources or obligations. A licensee who intends to pay a portion of his or her fee or commission to a party the licensee does not represent must obtain the consent of the party represented by the licensee before making the payment.

A broker may pay a commission to a broker licensed in another state, provided that a Texas licensee handles all negotiations physically conducted in Texas.

Statutory section amended 2015. Regulations amended 2014.

[Tex. Occ. Code § 1101.652\(b\)\(11\) \(2015\)](#); [Tex. Admin. Code §§ 535.131, .147 \(2016\)](#)

## Texas, Referral Fees

A person may not act in the capacity of a real estate broker or real estate sales agent unless he or she holds a license from the Texas Real Estate Commission.

Generally, a person may not maintain an action to collect compensation for performing acts as a broker or sales agent without alleging and proving that he or she had a license at the time the alleged services were commenced or was a licensed attorney.

A sales agent may not:



- accept compensation for a real estate transaction from a person other than the broker that is sponsoring the sales agent or was sponsoring the sales agent when he or she earned the compensation; or
- pay a commission to a person except through the broker that is sponsoring the sales agent at that time.

Texas regulations similarly provide that a salesperson may not receive a commission or other valuable consideration except with the written consent of the salesperson's sponsoring broker or the broker who sponsored the salesperson when the salesperson became entitled to the commission or consideration. A salesperson may not pay a commission or other valuable consideration to another person except with the written consent of the salesperson's sponsoring broker.

A licensed real estate broker may not compensate directly or indirectly a person for performing real estate brokerage acts if the person is not a licensed broker or salesperson. However, a broker may pay a commission to a broker licensed in another state, provided that a Texas licensee handles all negotiations physically conducted in Texas.

A real estate broker or salesperson may have his or her license suspended or revoked, or may be disciplined, if he or she:

- pays a commission or fees to or divides a commission or fees with anyone not licensed as a real estate broker or sales agent licensed in another state for compensation for services as a real estate agent;
- accepts, receives, or charges an undisclosed commission, rebate, or direct profit on expenditures made for a principal;
- establishes an association, by employment or otherwise, with an unlicensed person who is expected or required to act as a real estate licensee; or

- aids, abets, or conspires with a person to circumvent the requirements of the Real Estate License Act.

Referring a prospective buyer, seller, landlord, or tenant to another person in connection with a proposed real estate transaction is an act requiring the person making the referral to be licensed if the referral is made with the expectation of receiving valuable consideration. In this context, "valuable consideration" includes money, gifts of merchandise with a retail value greater than \$50, rent bonuses, and discounts. A person is not required to be licensed as a real estate broker or salesperson if:

- the person is "engaged in the business of selling goods or services to the public";
- the person sells goods or services to a real estate licensee who intends to offer the goods or services as an inducement to potential buyers, sellers, landlords, or tenants;
- after selling the goods or services to the licensee, the person refers its customers to the licensee; and
- the payment for the goods or services is "not contingent upon the consummation of a real estate transaction by the person's customers."

A licensee may not receive a commission, rebate, or fee from a person other than the person the licensee represents without first disclosing to the licensee's client that the licensee intends to receive that compensation and obtaining the licensee's client's consent. This requirement does *not* apply to referral fees paid by one licensee to another licensee.

Statutory sections amended 2015. Regulations 535.3, 535.20, and 535.131 amended 2014; r. 535.148 amended 2015.

[Tex. Occ. Code §§ 1101.351, .651, .652\(b\), .806\(a\) \(2015\); 21 Tex. Admin. Code §§ 535.3, .20, .131\(a\), .148 \(2016\)](#)

## Texas, Relationships Between or Common Ownership of Related Businesses

No specifically relevant provisions were located. Generally, a licensee may have his or her license suspended or revoked, or may be disciplined, if he or she accepts, receives, or charges an undisclosed commission, rebate, or direct profit on expenditures made for a principal.

Chapter 156 of the Finance Code, which addresses residential mortgage loan companies, provides that unless prohibited by federal or state law, the chapter "may not be construed to prevent affiliated or controlled business arrangements or loan origination services by or between residential mortgage loan originators, sponsored by and conducting business for a licensed or registered residential mortgage loan company under this chapter, and other professionals if the residential mortgage loan originator complies with all applicable federal and state laws permitting those arrangements or services."

Statutory section 1101.652 amended 2015; § 156.005 amended 2013.

[Tex. Occ. Code § 1101.652\(b\)\(13\); Fin. Code § 156.005 \(2015\)](#)

## Texas, Unearned Fees

An real estate licensee may have his or her license suspended or revoked, or may be disciplined, if he or she accepts, receives or charges an undisclosed commission, rebate, or direct profit on expenditures made for a principal.

Statutory section amended 2015.

[Tex. Occ. Code § 1101.652\(b\)\(13\) \(2015\)](#)

## Utah

### Utah, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically applicable provisions were located.

An individual licensee may not propose, prepare, or cause to be prepared a settlement statement that the licensee "knows or should know does not reflect the true terms of the transaction." Also, regardless of who closes a transaction, a principal broker must ensure that final settlement statements are reviewed for content and accuracy at or before closing by the principal broker, an associate or branch broker affiliated with the principal broker, or the sales agent who is affiliated with the principal broker and represents the principal in the transaction.

Regulatory chapter amended 2016.

[Utah Admin. Code §§ 162-2f-401b, -401c \(2016\)](#)

## Utah, Fee Splitting

It is unlawful for a person licensed or required to be licensed to pay or offer to pay valuable consideration to any unlicensed person, except:

- valuable consideration may be shared with a principal broker of another jurisdiction; or
- as provided under the Utah Revised Business Corporation Act, the Utah Professional Corporation Act, the Utah Revised Limited Liability Act, or the Utah Revised Uniform Limited Liability Company Act.

Effective May 12, 2015, it is also unlawful for a principal broker to pay or offer to pay a sales agent or associate broker who was not affiliated with the principal broker when the sales agent or associate broker earned the compensation.

As amended in 2016, regulation R162-2f-401*l* provides that an *inducement* gift is permissible and not an illegal sharing of commission if "the principal broker or affiliated licensee offering the inducement gift to a buyer or a seller complies with the underwriting guidelines that apply to any loan in the transaction for which the inducement has been

offered." A *closing* gift is permissible and not an illegal sharing of commissions. In this context:

- an "inducement gift" is a gift given by a principal broker or an affiliated licensee to a buyer, seller, lessor, or lessee, in a real estate transaction as an incentive to use the brokerage's services; and
- a "closing gift" is a gift given by a principal broker, or a licensee affiliated with the principal broker, to a buyer, seller, lessor, or lessee, in appreciation for having used the brokerage's services.

An individual licensee may *not* pay a finder's fee or give valuable consideration to an unlicensed person or entity "for referring a prospect," except that a licensee may give a gift valued at \$150 or less to an individual in appreciation for an unsolicited referral of a prospect that results in a real estate transaction.

An unlicensed individual that provides assistance in connection with a real estate transaction must receive compensation that is not determined through commission-sharing or fee-splitting.

Statutory section amended 2016. Regulatory chapter amended 2016.

[Utah Code § 61-2f-401 \(2016\)](#); [Utah Admin. Code §§ 162-2f-102, -401a, -401b, -401g, -401h \(2016\)](#)

## Utah, Referral Fees

It is unlawful for a person to act in the capacity of a real estate broker, associate real estate broker, or real estate sales agent without a license.

A person may bring or maintain an action for the recovery of a commission, fee, or compensation if the person is:

- a principal broker;
- an individual licensed at the time he or she did the act or rendered the service; or
- an "entity that, under the records of the Division of Real Estate, is affiliated with a principal broker."

Generally, an associate broker or sales agent may not accept valuable consideration for performing real estate brokerage acts from a person except the principal broker with whom the associate broker or sales agent is affiliated. However, an associate broker or sales agent may receive valuable consideration from a person other than the principal broker with whom the associate broker or sales agent is affiliated if:

- the consideration is paid by a "payment instrument" prepared by a title insurance agent;
- the title insurance agent provides the payment instrument to the principal broker;
- the title insurance agent complies with the principal broker's written instructions; and
- the principal broker "directly delivers" the payment instrument to the associate broker or sales agent.

It is unlawful for a person licensed or required to be licensed to pay or offer to pay valuable consideration to any unlicensed person, except that:

- valuable consideration may be shared with a principal broker of another state; or
- as provided under the Utah Revised Business Corporation Act, the Utah Professional Corporation Act, the Utah Revised Limited Liability Company Act, or the Utah Revised Uniform Limited Liability Company Act.

No sales agent or associate broker may sue in his or her own name for the recovery of a fee, commission, or compensation for real estate brokerage services, unless the action is against the principal broker with whom the sales agent or associate broker is or was licensed.

A licensee may not pay a finder's fee or give valuable consideration to an unlicensed person or entity for referring a prospect, except that a licensee may give a gift valued at \$150 or less to an individual "in appreciation for an unsolicited referral of a prospect that results in a real estate transaction."

A licensee may not receive a referral fee from a lender or mortgage broker.

Statutory section 61-2f-201 amended and renumbered 2010; § 61-2f-305 enacted 2010; § 61-2f-409 amended 2013; § 61-2f-401 amended 2016. Regulatory chapter amended 2016.

[Utah Code §§ 61-2f-201\(1\), -305, -401, -409 \(2016\); Utah Admin. Code § 162-2f-401b \(2016\)](#)

## Utah, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Utah, Unearned Fees

A licensee must disclose in writing to all parties any compensation in addition to the real estate commission that the licensee will receive in connection with a real estate transaction.

Regulatory chapter amended 2016.

[Utah Admin. Code § 162-2f-401a \(2016\)](#)

## Vermont

### Vermont, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically relevant provisions were located. (Note that a regulatory amendment in 2013 deleted the requirement that a brokerage firm must prepare a complete, detailed statement for every real estate transaction.)

Regulatory chapter amended 2015.

See [04-030-290 Vt. Code R. Sec. 4.14\(b\) \(2016\)](#)

### Vermont, Fee Splitting

A real estate licensee may not pay or otherwise compensate an unlicensed person, either directly or indirectly, for brokerage services. Real estate licensees are not prohibited from reducing or sharing a portion of a commission otherwise owed to the licensee in a transaction, to the benefit of the seller or buyer, as long as it is not compensation for brokerage services.

Regulatory chapter amended 2015.

[04-030-290 Vt. Code R. Sec. 4.13\(a\) \(2016\)](#)

### Vermont, Referral Fees

It is unlawful for a person to act in the capacity of a real estate broker or salesperson without first obtaining a license.



A real estate licensee may not pay or otherwise compensate an unlicensed person, either directly or indirectly, for brokerage services. Real estate licensees are not prohibited from reducing or sharing a portion of a commission otherwise owed to the licensee in a transaction, to the benefit of the seller or buyer, as long as it is not compensation for brokerage services.

A licensee may pay or receive a referral fee for referring a prospect to another brokerage firm licensed in Vermont or another jurisdiction. A referral fee agreement must be in writing.

Statutory section amended 1985. Regulatory chapter amended 2015.

[Vt. Stat. tit. 26, § 2212 \(2016\); 04-030-290 Vt. Code R. Sec. 4.13 \(2016\)](#)

## Vermont, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Vermont, Unearned Fees

A real estate broker may have his or her license suspended or revoked, or may be issued a warning or reprimand, should he or she engage in dishonest fraudulent dealings.

Statutory section amended 2013.

[Vt. Stat. tit. 26, § 2296\(a\)\(8\), \(e\) \(2016\)](#)

## Virgin Islands

### Virgin Islands, Cost Disclosure/Good Faith Estimates of Closing Costs

In every real estate transaction in which a licensee acts as a real estate broker, he or she must deliver to the seller and the buyer, at the time the transaction is consummated, a complete, detailed closing statement showing all the receipts and disbursements the broker handled.

Regulatory history unknown.

27-15 V.I. Code R. § 422-14 (2016)

### Virgin Islands, Fee Splitting

The commission may suspend or revoke a real estate license if the licensee:

- receives compensation from more than one party, except with the full knowledge of all parties; or
- divides a commission or other valuable consideration with any person not authorized to engage in the real estate business.

Statutory section amended 1986.

V.I. Code tit. 27, § 429 (b)(8), (9) (LexisNexis 2016)

### Virgin Islands, Referral Fees

A person may not act as a real estate broker or salesman within the Virgin Islands without first obtaining a license, and the commission may suspend or revoke a real estate license if the licensee divides a commission or other valuable consideration with any person not authorized to engage in the real estate business. Furthermore, a person may not maintain an action in any court of the Virgin Islands for the recovery of a commission, fee, or compensation for any act for which a license is required, unless the person was licensed at the time he or she did the act.

A licensee may not collect a "finder's fee" or any additional compensation from a lender in connection with an FHA or VA loan, unless he or she clearly shows in the closing statement that the "finder's fee" is an additional charge being paid to the broker or salesman and not to the lender.

Statutory section 429 amended 1986; §§ 423 and 431 enacted 1967. Regulatory history unknown.

V.I. Code tit. 27, §§ 423; 429 (b)(8), (9); 431(a) (LexisNexis 2016); 27-15 V.I. Code R. § 422-18 (2016)

## Virgin Islands, Relationships Between or Common Ownership of Related Businesses

No specifically relevant provisions were located.

## Virgin Islands, Unearned Fees

No specifically relevant provisions were located. However, generally, the commission may suspend or revoke a real estate license if the licensee is convicted of:

- obtaining money under false pretenses; or
- a conspiracy to defraud.

Statutory section amended 1986.

V.I. Code tit. 27, § 429 (b)(4) (LexisNexis 2016)

## Virginia

### Virginia, Cost Disclosure/Good Faith Estimates of Closing Costs

No specifically applicable provisions were located.

Note that a purchaser or borrower has the right to select the settlement agent to provide escrow, closing, or settlement services in connection with a real estate transaction. The seller may not require the use of a particular settlement agent. All contracts involving the

purchase of real estate containing no more than four residential dwelling units must include a notice regarding the choice of settlement agent.

Statutory section amended, renumbered, and reenacted 2010.

[Va. Code § 55-525.23 \(2016\)](#)

## Virginia, Fee Splitting

Effective November 1, 2015, a supervisor must undertake reasonable steps to ensure only licensees perform activities requiring a license, including negotiating or agreeing to any commission, commission split, management fee, or referral fee.

Also effective November 1, 2015, actions resulting in an improper brokerage commission include the following, among others:

- offering to pay or paying a transaction-based fee or other valuable consideration to an unlicensed person for services that require a real estate license;
- accepting a commission or other valuable consideration, as a real estate salesperson or associate broker, for any real estate services from any person or entity other than the licensee's principal or supervising broker at the time of the transaction;
- receiving "financial benefit from any person other than the licensee's principal broker at the time of the transaction, for the performance of any of the acts specified in Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia" without the licensee's principal broker's prior written consent; or
- receiving financial benefit or other valuable consideration for any work or service related to a transaction without the prior written acknowledgment of the person paying for the work or service.

A Virginia real estate broker may compensate a real estate licensee in good standing in another state who assists a "prospective purchaser, tenant, optionee, or licensee located in another state to purchase, lease, option, or license" a commercial real estate interest in Virginia.

Statutory section amended 2015. Regulations amended 2015.

[Va. Code § 54.1-2103 \(2016\); 18 Va. Admin. Code §§ 135-20-165, -280\(1\) \(2015\)](#)

## Virginia, Referral Fees

No individual may act as a real estate broker or salesperson without a license issued by the Real Estate Board.

It is an impermissible conflict of interest for a real estate broker or salesperson to be active with a real estate broker other than the licensee's principal broker, without the principal broker's written consent. (Effective November 1, 2015, this provision no longer includes receiving compensation from a real estate broker other than the licensee's principal broker.)

As amended effective November 1, 2015, regulation 135-20-280 no longer explicitly addresses referral fees. However, actions resulting in an improper brokerage commission include the following, among others:

- offering to pay or paying a transaction-based fee or other valuable consideration to an unlicensed person for services that require a real estate license;
- accepting a commission or other valuable consideration, as a real estate salesperson or associate broker, for any real estate services from any person or entity except the licensee's principal or supervising broker at the time of the transaction;

- receiving "financial benefit from any person other than the licensee's principal broker at the time of the transaction, for the performance of any of the acts specified in Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia" without the licensee's principal broker's prior written consent; or
- receiving financial benefit or other valuable consideration for any work or service related to a transaction without the prior written acknowledgment of the person paying for the work or service.

Also, effective November 1, 2015, a supervisor must undertake reasonable steps to ensure only licensees perform activities requiring a license, including negotiating or agreeing to any commission, commission split, management fee, or referral fee.

No person selling real estate or performing services as a real estate agent may pay or receive, directly or indirectly, any kickback, rebate, commission, thing of value, or other payment pursuant to any agreement or understanding that business incident to services required to complete a settlement be referred to any person. This provision does not prohibit an employer paying its own employees for referrals of mortgage loan or insurance business. (An employer's payment to its own employees for an insurance business referral is subject to the requirements of § 38.2-1821.1(B)(8).)

An attorney referring a client to a licensee may not receive compensation from a listing firm, or compensation offered by a common source information company to cooperating brokers, unless the attorney is also licensed as a real estate broker or salesperson.

A Virginia real estate broker may compensate a real estate licensee in good standing in another state who assists a "prospective purchaser, tenant, optionee, or licensee located in another state to purchase, lease, option, or license" a commercial real estate interest in Virginia.

Statutory section 55-525.12 amended 2011; § 54.1-2106.1 amended 2012; § 54.1-2103 amended 2015. Regulations amended 2015.

[Va. Code §§ 54.1-2103, -2106.1; 55-525.12 \(2016\); 18 Va. Admin. Code §§ 135-20-165, -270, -280 \(2016\)](#)

## Virginia, Relationships Between or Common Ownership of Related Businesses

### *Payments*

No person selling real estate, or performing services as a real estate agent may pay or receive, directly or indirectly, any kickback, rebate, commission, thing of value, or other payment pursuant to any agreement or understanding that business incident to services required to complete a settlement be referred to any person. A person does not violate this provision solely by owning a settlement service provider where the person receives returns on investments arising from the ownership interest, provided the person discloses the ownership interest to the consumer in writing.

### *Affiliated settlement service providers*

A person making a referral to an affiliated settlement service provider must disclose the affiliation in accordance with the federal Real Estate Settlement Procedures Act. The person must make the disclosure regardless of the amount of the person's actual ownership interest in the affiliated provider. However, the disclosure is not required if the person's ownership interest is "one percent or less of the capital stock of a corporation or entity with a class of securities registered under the Securities Exchange Act of 1934." If the person's ownership interest is greater than one percent, the disclosure must include the percentage of ownership. If the person making the referral owns more than 50 percent of the affiliated business, the disclosure must state that the settlement service provider is a subsidiary.

### *Mortgage brokers or mortgage lenders*

No industrial loan association acting as a mortgage broker or mortgage broker may receive compensation for negotiating, placing or finding a mortgage loan if the association or mortgage broker has otherwise acted as a real estate broker, agent or salesperson in connection with the sale of real estate that secures the mortgage loan if that person has received compensation, unless written notice is given to the borrower.

The provisions of chapter 16 of title 6.2 (relating to mortgage lenders and mortgage brokers) do not prohibit a real estate broker who either owns a real estate firm or acts as a real estate broker in a sole proprietorship from:

- having an ownership interest in a mortgage broker or mortgage lender;
- receiving returns on an investment arising from the real estate broker's ownership interest in a mortgage broker or a mortgage lender; or
- receiving payment for services actually performed for a mortgage broker or mortgage lender in which the real estate broker has an ownership interest.

#### *Controlled subsidiaries of banks*

Virginia banking laws provide that bank may form and license a "controlled subsidiary corporation" to transact business as a real estate brokerage firm. The controlled subsidiary corporation is subject to the provisions of Chapter 21 of Title 54.1 that are otherwise applicable to real estate brokerage companies. The commission may approve a bank's investment in a controlled subsidiary corporation only if the commission determines that the bank's depositors are adequately protected from the risk of such ownership and the ownership is a safe and sound investment. That determination must include a written notice from the Virginia Real Estate Board that the real estate brokerage firm to be owned, and its brokers, are in good standing.

A state bank's controlled subsidiary corporation may own and transact business as a real estate brokerage firm only if it complies with the requirements listed in § 6.2-888. Also, a state bank that makes a referral to its affiliated real estate brokerage firm must "clearly and conspicuously disclose in writing, in a separate document," the following:



- to any person who applies for credit or for preapproval for credit related to a real estate transaction, that the person is "not required to consult with, contract for, or enter into an arrangement for real estate brokerage services with its affiliated real estate brokerage firm"; and
- before the parties execute an agency agreement for real estate brokerage services, that the person is "not required to apply, contract for, or enter into any other arrangement for services of a particular bank or any of its subsidiaries, affiliates, or service entities."

These requirements are in addition to the federal Real Estate Settlement Procedures Act's requirements.

### *Separate entities*

No business entity, other than a sole proprietorship, may act as a real estate firm without a real estate firm license, and no business entity is granted a firm license unless specified requirements are met. An individual holding a broker's license may operate a real estate brokerage firm that the individual owns as a sole proprietorship without further licensure, but the individual may not operate the brokerage firm in a fictitious name. However, nothing in these provisions prohibits "a broker operating a brokerage firm from having a business entity separate from the brokerage firm for such broker's own real estate business, provided that such separate business entity otherwise complies" with the licensing provisions.

Statutory sections 6.2-888, 6.2-1616, and 6.2-1617 amended, renumbered, and reenacted 2010; §§ 55-525.12 and 55-525.13 amended 2011; § 54.1-2106.1 amended 2012; § 6.2-1416 amended 2016.

[Va. Code §§ 6.2-888, -1416, -1616, -1617; 54.1-2106.1; 55-525.12, .13 \(2016\)](#)

Virginia, Unearned Fees

No person selling real estate, or performing services as a real estate agent may pay or receive, directly or indirectly, any kickback, rebate, commission, thing of value, or other payment pursuant to any agreement or understanding that business incident to services required to complete a settlement be referred to any person.

Statutory section amended 2011.

[Va. Code § 55-525.12 \(2016\)](#)

## Washington

### Washington, Cost Disclosure/Good Faith Estimates of Closing Costs

A real estate licensee must furnish to each buyer and to each seller for which the licensee provides brokerage services, at the time the transaction is closed, "a complete detailed closing statement as it applies to the buyer and a complete detailed closing statement as it applies to the seller." Also, a licensee must keep the party to whom he or she provided brokerage services informed of the earnest money deposit status.

Regulation adopted 2010.

[Wash. Admin. Code 308-124D-205 \(2016\)](#)

### Washington, Fee Splitting

Except for commissions to be shared with a licensed manufactured housing retailer on the sale of manufactured housing sold in conjunction with a land sale or lease, it is unlawful:

- for a licensed firm, broker, or managing broker to pay any part of the licensee's commission or compensation to a person who performs real estate brokerage services and is not a licensed firm, real estate broker, or managing broker in any state, United States possession, or foreign jurisdiction with a real estate regulatory program;

- for a licensed real estate firm to pay any part of the firm's commissions or other compensation to a real estate broker or managing broker not licensed to do business for that firm; and
- for a licensed broker or managing broker to pay any part of the broker's commission or other compensation to any person, whether licensed or not, except through the firm's designated broker.

A firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms.

Statutory section 18.85.301 amended 2008; § 18.86.080 amended 2013.

[Wash. Rev. Code Ann. §§ 18.85.301; .86.080 \(2016\)](#)

## Washington, Referral Fees

### *Locations with multiple businesses*

A licensee may conduct business in a licensed location in which other persons are engaged in business. However, the licensee must "comply with RESPA, 12 C.F.R. Sec. 1024.14, including the required disclosures and prohibitions on referral fees" if:

- the licensee has "effective control over the person sharing space";
- the person sharing the space has "effective control over the licensee";
- the licensee and the person sharing the space are under common control by a third party; or

- the licensee is a "corporation related to another corporation as parent to subsidiary and one refers business incident to or a part of a real estate settlement service to the other."

### *Prohibited Acts*

It is unlawful for a person to act as a real estate broker, managing broker, or real estate firm without first obtaining a license. A real estate broker, real estate firm, managing broker, or designated broker may not bring an action to collect compensation without alleging and proving that the plaintiff was duly licensed before it offered to perform any real estate transaction or procured a promise or contract for compensation for the real estate transaction.

Except for commissions to be shared with a licensed manufactured housing retailer on the sale of manufactured housing sold in conjunction with a land sale or lease, it is unlawful:

- for a licensed firm, broker, or managing broker to pay any part of the licensee's commission or compensation to a person who performs real estate brokerage services and is not a licensed firm, real estate broker, or managing broker in any state, United States possession, or foreign jurisdiction with a real estate regulatory program;
- for a licensed real estate firm to pay any part of the firm's commissions or other compensation to a real estate broker or managing broker not licensed to do business for that firm; or
- for a licensed broker or managing broker to pay any part of his or her commission or other compensation to any person, whether licensed or not, except through the firm's designated broker.

Also, the director may take disciplinary action against a person engaged in the business or acting in the capacity of a real estate broker, managing broker, designated broker, or real estate firm as follows:

- in the case of a broker or managing broker, for accepting a commission or consideration for performing any real estate acts from any person, except the licensed real estate firm with whom the broker or managing broker is licensed; or
- for directing any transaction involving his or her principal, to any lending institution or escrow company, in expectation of receiving a kickback or rebate, without first disclosing the expectation to his or her principal.

Statutory sections amended and renumbered 2008. Regulation amended 2016.

[Wash. Rev. Code Ann. §§ 18.85.301, .331, .361 \(2016\)](#); [Wash. Admin. Code § 208-620-400 \(2016\)](#)

## Washington, Relationships Between or Common Ownership of Related Businesses

### *Locations with multiple businesses*

A licensee may conduct its business in a licensed location in which other persons are engaged in business. However, the licensee must "comply with RESPA, 12 C.F.R. Sec. 1024.14, including the required disclosures and prohibitions on referral fees" if:

- the licensee has "effective control over the person sharing space";
- the person sharing the space has "effective control over the licensee";
- the licensee and the person sharing the space are under common control by a third party;  
or

- the licensee is a "corporation related to another corporation as parent to subsidiary and one refers business incident to or a part of a real estate settlement service to the other."

### *Title insurance*

Neither a real estate licensee nor a person with a controlling interest in a real estate business may give any "fee, kickback, payment, or other thing of value to any other real estate licensee as an inducement, reward for placing title insurance business, referring title insurance business, or causing title insurance business to be given to a title insurance agent in which the real estate licensee or person having a controlling interest in a real estate business also has a financial interest."

A real estate licensee or person with a controlling interest in a real estate business may not:

- solicit or accept anything of value from a title insurance company or agent (or its employees or representatives) that a title insurance company or agent "is not permitted by law or rule to give to the real estate licensee or person who has a controlling interest in a real estate business"; or
- prevent or deter a title insurance company or agent (or its employees or representatives) from "delivering to a real estate licensee or its employees, independent contractors, and clients printed promotional material concerning only title insurance services" as long as specified conditions are met.

A real estate licensee may not require a consumer to obtain title insurance from a title insurance agent in which the real estate licensee has a financial interest.

### *Prohibited Acts*

The director may take disciplinary action against a person engaged in the business or acting in the capacity of a real estate broker, managing broker, designated broker, or real estate firm for:

- "accepting, taking, or charging any undisclosed commission, rebate, or direct profit on expenditures made for the principal"; or
- directing any transaction involving his or her principal, to any lending institution or escrow company, in expectation of receiving a kickback or rebate, without first disclosing the expectation to his or her principal.

Statutory section 18.85.361 amended and renumbered 2008; § 18.85.053 enacted 2008. Regulation amended 2016.

[Wash. Rev. Code Ann. §§ 18.85.053, .361 \(2016\)](#); [Wash. Admin. Code § 208-620-400 \(2016\)](#)

## Washington, Unearned Fees

The director may take disciplinary action against a person engaged in the business or acting in the capacity of a real estate broker, managing broker, designated broker, or real estate firm for:

- "accepting, taking, or charging any undisclosed commission, rebate, or direct profit on expenditures made for the principal"; or
- directing a transaction involving his or her principal, to a lending institution or escrow company, in expectation of receiving a kickback or rebate, without first disclosing the expectation to his or her principal.

Statutory section amended and renumbered 2008.

[Wash. Rev. Code Ann. § 18.85.361 \(2016\)](#)

## West Virginia

### West Virginia, Cost Disclosure/Good Faith Estimates of Closing Costs

Brokers are required to make certain that the seller and buyer in a real estate transaction receive a complete, detailed closing statement showing all receipts and disbursements for their side of the transaction.

Regulatory chapter amended 2014.

[W. Va. Code R. § 174-1-18 \(2015\)](#)

### West Virginia, Fee Splitting

The sharing of compensation or other valuable consideration between licensed brokers is permitted.

An associate real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she accept compensation from any person other than his or her employer, who must be a broker.

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she pay compensation to any person for acts or services performed in violation of the West Virginia Real Estate License Act.

A real estate broker must provide written notice to all parties before paying a portion of his or her compensation to a broker representing another party to the transaction.

Statutory section enacted 2002. Regulatory chapter amended 2014.

[W. Va. Code § 30-40-19\(a\) \(2016\); W. Va. Code R. § 174-1-22.3 \(2015\)](#)

### West Virginia, Referral Fees



It is unlawful for any person to act in the capacity of a real estate broker, associate broker, or salesperson without first obtaining a license.

No person may bring or maintain any action for the recovery of compensation for the performance of any act or service for which a broker's license is required, without alleging and proving that he or she was the holder of a license at all times during the performance or rendering of any act or service.

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she pay or receive any rebate, profit, compensation, commission or other valuable consideration, resulting from a real estate transaction, to or from any person other than the licensee's principal. However, the sharing of compensation or other valuable consideration between licensed brokers is permitted.

An associate real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she accept compensation from any person other than his or her employer who must be a broker.

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she pay compensation to any person for acts or services performed in violation of the West Virginia Real Estate License Act.

Statutory sections enacted 2002.

[W. Va. Code §§ 30-40-3, -19, -25 \(2016\)](#)

## West Virginia, Relationships Between or Common Ownership of Related Businesses

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she direct any party to a real estate transaction in which the broker or salesperson is involved, to any lending institution for financing with the expectation of receiving a financial incentive, rebate or other compensation, without first obtaining from his or her principal a signed acknowledgement and consent.

Statutory section enacted 2002.

[W. Va. Code § 30-40-19\(a\)\(32\) \(2016\)](#)

## West Virginia, Unearned Fees

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she accept, take or charge any undisclosed compensation on expenditures made by or on behalf of his or her principal.

If an owner fails, refuses, neglects, or is unable to consummate a deal as provided in the contract and through no fault or neglect of the purchaser, the real estate transaction cannot be completed, the broker has no right to any portion of the money deposited by the purchaser, even though the broker may have earned his or her compensation. The broker must return the deposit to the purchaser at once and look to the owner for his or her compensation. A violation of this provision is a violation of W. Va. Code § 30-40-19.

A real estate broker or salesperson may have his or her licenses suspended or revoked, or may be sanctioned, should he or she direct any party to a real estate transaction in which the broker or salesperson is involved, to any lending institution for financing with the expectation or receiving a financial incentive, rebate or other compensation, without first obtaining from his or her principal a signed acknowledgement and consent.

Statutory section enacted 2002. Regulatory chapter amended 2013.

[W. Va. Code § 30-40-19\(a\)\(26\), \(32\) \(2016\); W. Va. Code R. § 174-1-19.3 \(2015\)](#)

## Wisconsin

### Wisconsin, Cost Disclosure/Good Faith Estimates of Closing Costs

At the time of closing a real estate transaction, the listing broker or the broker's designee shall ensure that a complete copy of the seller's portion of the closing statement is delivered to the seller and a complete copy of the buyer's portion of the closing statement is delivered to the buyer. These closing statements shall

accurately account for all funds received and paid by the broker in connection with the transaction.

Regulation adopted 1985.

[Wis. Admin. Code REEB § 15.03 \(2015\)](#)

### Wisconsin, Fee Splitting

Until December 14, 2016, no real estate broker may pay a fee or a commission or any part thereof for performing real estate brokerage acts or as compensation for a referral or as a finder's fee to any person who is not licensed in Wisconsin or who is not regularly and lawfully engaged in the real estate brokerage business in another state or a foreign country.

As of December 14, 2016, no licensee may pay a fee or a commission or any part thereof for performing real estate acts or as compensation for a referral or as a finder's fee to any person who is not licensed in Wisconsin or who is not regularly and lawfully engaged in the real estate brokerage business in another state or a foreign country.

Statutory section amended 2016.

[Wis. Stat. Ann. § 452.19 \(2016\)](#)

### Wisconsin, Referral Fees

*Until December 14, 2016*

No person may act as a real estate broker or salesperson without a license.

No person engaged in the business or acting in the capacity of a broker or salesperson in Wisconsin may bring or maintain an action in Wisconsin for the collection of a commission

or compensation for the performance of any real estate brokerage act without alleging and proving that he or she was duly licensed at the time the alleged cause of action arise.

No real estate broker may pay a fee or a commission or any part thereof for performing real estate acts or as compensation for a referral or as a finder's fee to any person who is not licensed in Wisconsin or registered under chapter 452 or who is regularly and lawfully engaged in the real estate brokerage business in another state or a foreign country.

A real estate broker or salesperson may have his or her license suspended or revoked, or be reprimanded, if he or she accepts a commission or valuable consideration from any person except the broker's or salesperson's employer for real estate brokerage acts or as compensation for referring a person to another broker or salesperson or to any other person in connection with a real estate transaction.

*As of December 14, 2016*

No person may act as a real estate broker or salesperson without a license issued under chapter 452.

No person engaged in the business or acting in the capacity of a broker or salesperson in Wisconsin may bring or maintain an action in Wisconsin for the collection of a commission or compensation for the performance of any real estate brokerage act without alleging and proving that he or she was duly licensed at the time the alleged cause of action arise.

No licensee may pay a fee or a commission or any part thereof for performing real estate acts or as compensation for a referral or as a finder's fee to any person who is not licensed in Wisconsin or regularly and lawfully engaged in the real estate brokerage business in another state or a foreign country.

A real estate licensee may have his or her license suspended or revoked, or be reprimanded, if he or she accepts a commission or valuable consideration from any person except the firm with which the licensee is associated for real estate acts or as compensation

for referring a person to another licensee or to any other person in connection with a real estate transaction.

Statutory sections amended 2016.

[Wis. Stat. Ann. §§ 452.03, .133, .14, .19, .20 \(2016\)](#)

### Wisconsin, Relationships Between or Common Ownership of Related Businesses

A real estate licensee acting as an agent may not recommend or suggest to a party to a transaction the services of another individual or entity from which he or she may receive compensation for a referral or in which he or she has an interest, unless the licensee, before or at the time of the referral, discloses in writing the fact that he or she may receive compensation for the referral or that he or she has an interest in the individual or entity providing the services. This provision does not apply if the licensee is referring to another licensee for real estate services pursuant to Wis. Stat. § 452.19.

Statutory section amended 2016. Regulation amended 2012.

[Wis. Stat. Ann. § 452.133 \(2016\)](#); [Wis. Admin. Code REEB § 24.05 \(2015\)](#)

### Wisconsin, Unearned Fees

A real estate licensee acting as an agent may not recommend or suggest to a party to a transaction the services of another individual or entity from which he or she may receive compensation for a referral or in which he or she has an interest, unless the licensee, before or at the time of the referral, discloses in writing the fact that he or she may receive compensation for the referral or that he or she has an interest in the individual or entity providing the services. This provision does not apply if the licensee is referring to another licensee for real estate services pursuant to Wis. Stat. § 452.19.

Regulation amended 2012.

[Wis. Admin. Code REEB § 24.05 \(2015\)](#)

## Wyoming

### Wyoming, Cost Disclosure/Good Faith Estimates of Closing Costs

A broker may have his or her license suspended or revoked, or be censured, fined, or put on probation, if he or she fails to deliver to the parties in a real estate transaction at the time the transaction is closed a complete, detailed closing statement showing all receipts and disbursements handled by the licensees in the broker's office, unless a clear and accurate accounting is furnished by another broker or a funds holder. In addition, a broker must deliver to the buyer a complete statement showing all money received from the buyer and how and for what the same was disbursed, unless a clear and accurate accounting is furnished by another.

Statutory section amended 2014.

Wyo. Stat. § 33-28-111(a)(xxix) (LexisNexis 2016)

### Wyoming, Fee Splitting

It is generally unlawful for a responsible broker to compensate a person who is not a licensee associated with his or her real estate company or a responsible broker for another real estate company for performing real estate activity. However, a responsible broker may pay compensation to a licensed broker of another state, provided the nonresident broker does not conduct any real estate activity in Wyoming for compensation.

A broker's compensation in a real estate transaction may be paid by:

- the seller, buyer, or a third party; or
- the sharing or splitting of compensation between brokers.

A seller may agree that an intermediary, a buyer's agent, a subagent, or a licensee working with a buyer as a customer may share in the compensation paid by the seller. Similarly, a buyer may agree that a seller's agent, an intermediary, a subagent, or a licensee working with a seller as a customer may share in the compensation paid by the buyer. Before entering into a written agreement with the seller and buyer, or before entering into a contract to buy or sell, the broker must disclose in writing to the seller and the buyer, "the agency, intermediary or customer relationships of all parties, persons and entities paying compensation or commissions to the broker."

Statutory sections amended 2011.

Wyo. Stat. §§ 33-28-110(a), -308 (LexisNexis 2016)

## Wyoming, Referral Fees

It is unlawful for a person to engage in real estate activity or act in the capacity of a real estate licensee without first obtaining a license.

No action or suit may be instituted, nor recovery be had, by any person for compensation for real estate activity, unless the person was licensed at that time.

It is unlawful for a responsible broker to compensate a person who is not a licensee associated with his or her real estate company or a responsible broker for another real estate company for performing real estate activity. However, a responsible broker may pay compensation to a licensed broker of another state, provided the nonresident broker does not conduct any real estate activity in Wyoming for compensation.

A licensee may have his or her license suspended or revoked, or be censured, fined, or put on probation, if he or she:

- compensates an unlicensed person for performing real estate activity;
- accepts, gives, or charges an undisclosed compensation, rebate, or direct or indirect profit on expenditures made for others; or

- accepts compensation from anyone other than his or her responsible broker.

The commission will not entertain complaints between licensees regarding disputes regarding earning or splitting commissions.

Statutory sections 33-28-101, 33-28-110, and 33-28-115 amended 2011; § 33-28-111 amended 2014. Regulation amended and renumbered 2015.

Wyo. Stat. §§ 33-28-101, -110(a), -111(a), -115 (LexisNexis 2016); [018-002-6 Code Wyo. R. § 1 \(2016\)](#)

## Wyoming, Relationships Between or Common Ownership of Related Businesses

No applicable provisions were located.

## Wyoming, Unearned Fees

A licensee may have his or her license suspended or revoked, or be censured, fined, or put on probation, if he or she accepts, gives, or charges an undisclosed compensation, rebate, or direct or indirect profit on expenditures made for others.

Statutory section amended 2014.

Wyo. Stat. Ann. § 33-28-111(a)(xv) (LexisNexis 2016)