

RESTRICTIONS UPON BROKERAGE ACTIVITIES OF REFERRAL AGENTS

- NEW JERSEY ADMINISTRATIVE CODE
- TITLE 11. INSURANCE
- CHAPTER 5. REAL ESTATE COMMISSION
- SUBCHAPTER 6. CONDUCT OF BUSINESS

§ 11:5-6.10 Referral agents

(a) A licensed referral agent's real estate brokerage-related activities shall be limited to:

1. Directing prospects to websites and other sources of information on real estate matters generally available to the general public; and
2. Referring prospects for the sale, purchase, exchange, leasing or rental of real estate to the real estate broker through whom they are licensed as a referral agent or, should that broker authorize the referral agent to do so, to another real estate licensee. In all cases where referrals are made pursuant to such an authorization, the referral agent shall provide written or electronic notice to his or her broker or to that broker's designee, who shall be a broker-salesperson or salesperson licensee, at the time the referral is made. In accordance with N.J.S.A. 45:15-16, all compensation payable to a referral agent for any referral shall be paid by the broker through whom the referral agent is licensed.

(b) A referral agent shall not be employed by or licensed with more than one real estate broker at any given time.

(c) No person shall be simultaneously licensed as a referral agent and a real estate broker, broker-salesperson or a salesperson in this State.

(d) Referral agents shall not engage in prohibited brokerage activity for their broker or for others and shall not receive compensation from their broker or any other person for engaging in prohibited brokerage activity. For the purposes of this section, prohibited brokerage activity includes, but is not limited to, the following:

1. Negotiating the purchase, sale, or exchange of an interest in real estate;
2. Leasing or renting or offering to lease or rent any interest in real estate;
3. Collecting rents for the use of real estate or any other monies;
4. Negotiating commissions or compensation rates and otherwise negotiating or signing listing or buyer-brokerage agreements;
5. Negotiating or signing contracts of sale or leases of real estate;
6. Accepting any funds of others to be held by a real estate broker acting in that capacity or as escrow agent or as the temporary custodian of the funds of others in a real estate transaction;
7. Conducting a public or private competitive sale of land or any interest in lands;
8. Negotiating, assisting in, or directing, the closing of any transaction which results or is contemplated to result in the sale, exchange, leasing, renting or auctioning of any real estate;

9. Negotiating, offering, attempting to, or agreeing to negotiate a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of any real estate;
10. Conducting showings or open house presentations of properties;
11. Participating in expositions, marketing shows or other presentations where information on specific properties or real estate interests marketed through a common promotional plan, including but not limited to planned unit developments, is provided to the public;
12. Providing information on listings, either in person, or through electronic communication including telephone and the internet, beyond the information which referral agents are permitted to provide with respect to websites and other sources of information as referenced in (a) above; and
13. Producing or presenting comparative market analyses or similar studies of real estate.

HISTORY:

New Rule, R.2012 d.006, effective January 3, 2012.

See: 43 N.J.R. 1791(a), 44 N.J.R. 86(b).

NEW JERSEY ADMINISTRATIVE CODE

Copyright © 2024 by the New Jersey Office of Administrative Law