

# REAL ESTATE CONSUMER PROTECTION ACT 101

In early July, Gov. Murphy signed the Real Estate Consumer Protection Enhancement Act into law. The law has been in effect since Aug. 1, 2024 and strengthens both consumer and real estate licensee protections and transparency.

Here are the top six things to know about this law.

## 1 SELLER'S PROPERTY CONDITION DISCLOSURE STATEMENT REQUIRED

Residential sellers must provide a fully completed property condition disclosure statement before buyers are contractually obligated. This ensures buyers have all the necessary information, promoting informed decision-making and reducing potential disputes.

## 2 BROKERAGE SERVICE AGREEMENTS REQUIRED

All real estate licensees will be required to use brokerage agreements, which outline services they will provide to all clients over the course of a respective transaction. An entire suite of updated, compliant forms are available at [njrealtor.com/zipform](https://njrealtor.com/zipform).

## 3 DESIGNATED AGENCY NOW ALLOWED

Designated agency, which enables a brokerage to appoint different agents to represent both the seller and the buyer with full fiduciary duties at the client's request, is now permissible. There is a free class that fulfills this requirement—“Agency and RECPEA” at [njrealtorsace.com](https://njrealtorsace.com).

## 4 AGENCY ADDED AS REQUIRED CORE CE TOPIC

Licensees must complete continuing education classes every two years to stay informed and best serve their clients. One course on agency was added to New Jersey Real Estate Commission continuing education requirements for the 2025 CE Term.

## 5 OPEN HOUSE REPRESENTATION SIGNAGE REQUIRED

Listing agents will be required to explicitly disclose who they represent at open houses in the form of signage either at the entrance or sign-in sheet for all attendees to see. A printable sign is available at [njrealtor.com/cpea](https://njrealtor.com/cpea).

## 6 COMPENSATION DISCLOSURE CHANGES MANDATED IN MLS

Sellers' agents can no longer disclose compensation in Multiple Listing Services or notify MLSs about cooperative compensation, if prohibited by MLS policy.