

PUBLIC NOTICE

BANKING AND INSURANCE
DIVISION OF BANKING
DIVISION OF THE NEW JERSEY REAL ESTATE COMMISSION

Notice of Action on Petition for Rulemaking

Consumer Information Statement

N.J.A.C. 11:5-6.9

Petitioner: Michael R. Monihan

Authority: N.J.S.A. 52:14B-4(f) and N.J.A.C. 1:30-4.2

Take notice that on or about March 28, 2006, the above petitioner filed a petition with the New Jersey Real Estate Commission (Commission) in the Department of Banking and Insurance (Department), requesting that the Commission amend N.J.A.C. 11:5-6.9 to delete any reference in the rule to brokerage firms or licensees being required to explain or advise buyers, tenants, sellers or landlords of the different real estate relationships and their respective effects. A notice acknowledging receipt of the petition and summarizing its content was published in the June 5, 2006 New Jersey Register at 38 N.J.R. 2533(a).

Take further notice that the Commission duly considered this petition pursuant to law and, after due deliberation, has determined that it should deny the petition. N.J.A.C. 11:5-6.9 requires licensees to provide consumers with explanations of the brokerage business relationships referenced in that rule. While the Commission recognizes that these requirements may be somewhat burdensome, the Commission has determined that the benefit to the public of requiring licensees to provide such explanations substantially outweighs any burden placed on licensees due to their having to explain to consumers the brokerage business relationships that are available in New Jersey.

New Jersey real estate licensees should be intimately familiar with the content of the "Consumer Information Statement" which the rule mandates be delivered to consumers, and with the four types of brokerage business

relationships licenses set forth therein, including a licensee's fiduciary obligations and limitations in each specific type of business relationship. Information on the four types of business relationships is set forth in the text of the rule and is taught as part of the prelicensure education courses for both salesperson and broker licenses. Licensees therefore should be well-versed in the fundamentals of the business relationships and well-equipped to answer general questions that they may receive from consumers.

A copy of this public notice has been mailed to the petitioner.

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