



**Department  
of State**

**2021 ANNUAL REPORT:  
REAL ESTATE COMPLAINTS**

*Pursuant to Paragraph (7) of Section 442-k of the Real Property Law*

**FOR SUBMISSION TO:  
THE JUDICIARY COMMITTEE OF THE NEW YORK STATE SENATE &  
THE JUDICIARY COMMITTEE OF THE NEW YORK STATE ASSEMBLY**

**Kathy Hochul  
Governor**

**Robert J. Rodriguez  
Acting Secretary of State**

## **INTRODUCTION**

The Department of State (the “Department”) submits the following report regarding real estate complaints on behalf of the New York State Real Estate Board (the “Board”), in compliance with paragraph (7) of section 442-k of the Real Property Law (“NY RPL”). Specifically, paragraph (7) requires the Board to submit information regarding the types of complaints the Department has received, the status of cases, and the length of time from the initial complaint to any final disposition.

## **COMPLAINTS RECEIVED**

In 2021, the Department received 719 complaints against real estate brokers and salespersons. The range of allegations include but are not limited to: failure to disclose the broker or salesperson’s agency status; retaining a rental or other security deposit as an unearned commission; housing discrimination; and general acts of untrustworthiness and incompetency.

## **STATUS OF CASES**

In 2021, the Department completed 534 investigations against real estate brokers or salespersons; some of these investigations were commenced prior to 2021. Following investigation, 437 cases were closed for reasons including, but not limited to: Complaint Withdrawn, No Violation of Law, No Jurisdiction, Hearing Referral, Dispute Resolved and Civil Litigation Pending. Of the 534 investigations completed, 97 were referred to the Department’s Office of General Counsel with the recommendation to commence formal disciplinary proceedings.

In 2021, the Department’s Division of Licensing Services (“DLS”) commenced, continued, and/or concluded 23 complaints, for adjudication before the Department’s Office of Administrative Hearings (“OAH”), originating from the exposé published by Newsday entitled “Long Island Divided”. Of the 23 presented, OAH revoked 2 licenses, including that belonging to a real estate instructor, issued (2) 6-month suspensions, and imposed \$1,500 in collective fines. OAH found no liability in 4 matters and DLS is currently appealing 2 determinations.

## **LENGTH OF TIME TO FINAL DISPOSITION**

The Department closed complaints in an average of 451 days. Actual cycle time for each complaint varies on a case-by-case basis due to factors such as the complexity of the subject-matter, the volume of records required for review, and the degree of cooperation received from potential witnesses.