

License Law Changes: What You Need to Know

effective April 18, 2025

Changes Made to **RECAD** by Act 2025-59

RECAD – The written disclosure form explaining to consumers the types of brokerage services that are available to clients and customers of real estate brokerage companies.

Agency Disclosure Office Policy – A policy that every company must have no matter what practice area (commercial, residential, or property management). The policy must explain what brokerage services the company will provide to licensees, and it must explain how the company will be compensated for providing those services. Every licensee within the company must sign this policy every year.

Brokerage Agreement – The signed agreement between the company and the consumer setting forth what specific brokerage services the company will provide to the consumer and how the company and licensee will be compensated for providing those services.

There is no law or rule prohibiting a licensee from combining these three documents or two of the three documents into one document that is presented to consumers.



When working with the **buyer**:

1. Provide RECAD prior to performing any brokerage services, including showing the property. * Please document that you provided RECAD by having the consumer sign and date. If the consumer declines to sign, please document that on the form.
2. Provide the Agency Disclosure Office Policy to the consumer at the same time as the RECAD is provided as stated above. * Please document that you provided the policy by having the consumer sign and date. If the consumer declines to sign, please document that on the form.
3. Enter into a signed brokerage agreement with the consumer prior to submitting an offer to purchase on behalf of the consumer.



When working with the **seller**:

1. Provide RECAD prior to performing any brokerage services, including listing the property. * Please document that you provided RECAD by having the consumer sign and date. If the consumer declines to sign, please document that on the form.
2. Provide the Agency Disclosure Office Policy to the consumer at the same time as the RECAD is provided as stated above. * Please document that you provided the policy by having the consumer sign and date. If the consumer declines to sign, please document that on the form.
3. Enter into a signed brokerage agreement with the consumer prior to listing the property.



When acting as a **property manager**:

RECAD has never been required when acting as a property manager. Property management companies must still have an Agency Disclosure Office Policy, but that policy does not have to be provided to consumers of the property management services. ACT 2025-59 makes no changes to this area.

** This is not required when representing a business or governmental entity, as opposed to an individual*