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Attorney General Advisory on Landlord-Tenant Broker Fees *Tenants May Not Be Charged for Services Provided to Landlords*

On August 1, 2025, a new law went into effect pertaining to the payment of broker fees by prospective tenants. The Office of the Attorney General (“AGO”) issues this Advisory to highlight the obligations of landlords, brokers, and salespersons under relevant laws, as well as potential remedies for consumers who have been harmed by violations of these laws.

Under existing laws and regulations, landlords and property managers are prohibited from requiring tenants to pay any amount at or prior to the start of a tenancy other than the first month’s rent, last month’s rent, a security deposit, and the actual cost of changing a lock for the tenants. G.L. c. 186, § 15B.

Beginning on August 1, 2025, changes to our existing laws explicitly prohibit real estate professionals from charging fees to tenants when they primarily provide services to a landlord. Failure to comply with the law may be deemed a violation of the Massachusetts Consumer Protection Act, G.L. c. 93A, § 2.

What does the new law say?

First, the law added new language to G.L. c. 112, § 87DDD1/2, that says:

A licensed broker or salesperson may solely contract with a prospective tenant to find rental residential real property for a tenant and present an offer to lease to the landlord or landlord’s agent and negotiate on behalf of the tenant or may solely contract with a landlord or landlord’s agent to find a tenant for a property. Any fee shall only be paid by the party, lessor or tenant who originally engaged and entered into a contract with the licensed broker or salesperson.

The new law also adds language to G.L. c. 186, § 15B clarifying that agents of landlords, including brokers and salespersons, may not charge tenants more than first month’s rent, last month’s rent, a security deposit, and the actual cost of changing a lock for the tenants at the beginning of a tenancy.

May a landlord or property manager require a tenant or prospective tenant to pay a broker fee?

No. A landlord or property manager violates the Massachusetts Security Deposit statute, G.L. c. 186, § 15B, if they require a tenant or prospective tenant to pay any amount in excess of first month's rent, last month's rent, a security deposit, and the actual cost of changing a lock. *See also* 940 CMR 3.17(4). A landlord may not require payment of a broker fee, application fee, move-in fee, background or credit check fee, or any amount other than the four expenses listed in § 15B. This prohibition applies to all landlords. There is no exception for landlords or property managers who are licensed brokers or salespersons or who have licensed brokers or salespersons on their staff.

May a broker or salesperson charge a fee to the tenant?

Sometimes. G.L. c. 112, § 87DDD1/2 permits a broker to represent either the landlord or the tenant, but not both. It also states that a broker fee may only be paid by the party actually represented. Therefore, a broker who represents a landlord, or whose primary relationship is with a landlord, should not demand or accept payment from a prospective tenant.

Under G.L. c. 112, § 87DDD1/2, a broker or salesperson who contracts with a prospective tenant to represent the tenant, must assist in all of the following activities:

- Finding residential property for a tenant;
- Presenting an offer to lease to the landlord or landlord's agent; and
- Negotiating on behalf of the tenant.

Further, in representing a prospective tenant, a broker or salesperson is an agent of the prospective tenant and must faithfully represent their interests. A broker or salesperson who does not provide the substantive services listed in the statute or violates the fiduciary duty owed to the prospective tenant may not charge a fee to the tenant, even if the tenant has signed a contract with the broker. For example, brokers or salespersons representing tenants may violate the law if they:

- Charge a broker fee to a prospective tenant when the broker or salesperson has been retained by the owner or property manager to find a tenant for the property.
- Violate any duty of loyalty to the prospective tenant by, for example, only showing tenants properties owned by landlords with whom they have an existing relationship, or by representing the landlord's interests in lease negotiations.
- Violate any duty of confidentiality to the prospective tenant by sharing information that might be detrimental to the tenants' interests or that the tenant otherwise might not wish to be disclosed. A tenant's broker should not assist a landlord in tenant screening.
- State or imply that tenants must work with a specific broker in order to rent a specific apartment.

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May a landlord require a tenant's broker to split its fee with a landlord or its agent?

No. Any fee shall only be paid by the party – landlord or tenant – who originally engaged and entered into a contract with the licensed broker or salesperson.

What rights do consumers have if a landlord, property manager or broker violates these laws?

A broker or salesperson violates G.L. c. 112, § 87DDD1/2 if they charge a fee to a tenant or prospective tenant with whom they do not have an exclusive relationship that comports with all of the requirements under the law. A landlord or property manager violates the Massachusetts security deposit statute, G.L. c. 186 § 15B, and the Consumer Protection Act, G.L. c. 93A, if they require a tenant or prospective tenant to pay a broker fee. Tenants or prospective tenants who have been harmed by such conduct may have a right to bring an action under the Consumer Protection Act.

Consumers who believe that a broker, landlord or property manager has violated the law may file a complaint with the Office of the Attorney General online at <https://www.mass.gov/how-to/file-a-consumer-complaint>. For more information, consumers may also call the Attorney General's Office at (617) 727-8400.

Dated: August 1, 2025