

# *License Law for Agents & Brokers*

*GREC Course #65208*

*for Real Estate Agents in Georgia*

*HANDOUTS*

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CE Course Sponsored by: Maximum One Realty Companies

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**CE Credit Offered Through:  
Real Estate Academy of America  
GREC School #6915**

## *License Law for Agents & Brokers*

*GREC CE Course #65208*

*offered by Real Estate Academy of America GREC School #6915*

### *Handouts Package Includes:*

0. PDF of PowerPoint
1. GREC Purpose
2. Georgia License Laws
3. License Law CE Class Quiz
4. License Law CE Class Quiz Answers
5. GOV Fair housing Word Usage
6. Fair Housing Word List
7. Fair Housing Ad Word List
8. Fair Housing Sexual Orientation
9. Sample GREC Change Application
10. GAR Agreement Between Former & New Broker of Transferring Licensee
11. GAR Broker-to-Broker Referral Agreement
12. GAR Referral Authorization
13. RE Forms Broker-to-Broker Referral
14. RE Forms Referral Authorization
15. Property Management & Community Association Management Laws
16. GAR Agreement for Licensee to Use Assistant
17. Unlicensed Personnel Tasks
18. Agent as Principal
19. GREC Fines for License Law Violations
20. GREC Marketing & Advertising Guide as of March 2024

**Georgia Real Estate Commission (GREC) <http://www.grec.state.ga.us/about/grec.html>**

*Georgia Real Estate License Laws: O.C.G.A. 43-40 & Rule 520-01*

Real Estate Academy of America

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**License Law for Agents & Brokers**  
*GREC Course #65208*  
**O.C.G.A. 43-40 & Rule 520-01**

This class DOES satisfy the GREC “License Law” class requirement  
For Real Estate Licensees in Georgia

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CE Credit Offered Through: **Real Estate Academy of America**  
GREC School #6915

As of 3/24

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## Notice to Students

- **Real Estate Academy of America (GREC School #6915)** with end date of renewal being December 31, 2026, presents to you the following course of study:
- “License Law for Agents & Brokers “ GREC Course #:65208
- This is a Classroom / Virtual / Remote Broadcast of an approved in-class course, is 3 hours in duration, and is approved by the Georgia Real Estate Commission for the purpose of Continuing Education (CE.) There are no pre-requisites to receive credit for this course. This course does NOT have required homework not any required written examination.
- Your instructor(s) for this course will be: **Dana Sparks**
- **Attendance policy:** All students must be on-time and present for all classroom/remote / virtual broadcast instruction hours in order to receive credit for this course. Roll call and documentation of Student’s Real Estate License Number will be conducted virtually via a “Chat Function” at the beginning and end of each session, and after all breaks.
- **STUDENTS MAY NOT TAKE MORE THAN ONE VIRTUAL CLASS SIMULTANEOUSLY OR WITH OVERLAPPING TIMES REGARDLESS IF THEY ARE OFFERED THROUGH ONE SCHOOL OR MULTIPLE SCHOOLS. IF STUDENT ATTEMPTS THIS, STUDENT WILL NOT RECEIVE CE CREDIT FOR EITHER CLASS.**
- **Continuing Education Notice:** Students may only receive credit for a specific course number once every twelve months. If you have already received credit for this course within the last twelve months, you are invited to attend but will not receive additional credits.
- **Prohibition of Recruitment:** No recruiting for employment opportunities for any real estate brokerage firm is allowed in this class or on the school premises. Report promptly any effort to recruit on behalf of a brokerage firm by anyone including a fellow student to the Director of Real Estate Academy of America, Dana Sparks 678-580-6880, the Coordinator of Real Estate Academy of America, Heidi Kelly, 470-592-0113, or the Georgia Real Estate Commission.

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## License Law for Agents & Brokers

### *References:*

*RE License Law (OCGA Title 43 Ch 40)  
and GREC Rules (520-01) may be viewed  
at [www.GREC.state.ga.us](http://www.GREC.state.ga.us)*

*Class Handouts*

*Websites on last slide*

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## License Law for Agents & Brokers

*DISCLAIMER (recite together as a class)*

*Text on the following slides may have been  
abbreviated or paraphrased from License Law or  
GREC Rules text.*

*All licensees are individually responsible for  
reading, understanding and following Georgia  
Real Estate License Law as written in OCGA Title  
43 Chapter 40, and GREC Rule 520-1, including  
all applicable subsections.*

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## License Law for Agents & Brokers

### Topics for Review:

- About the Georgia Real Estate Commission
- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships & Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### About the Georgia Real Estate Commission (Handout)

- Administers the License Law that regulates Brokers, Salespersons & Community Association Managers
- Protects the Public Interest
- Enforces the Laws Fairly & Impartially

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## License Law for Agents & Brokers

# QUIZ!

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## Quiz Answers (1)

I can name the 7 federally protected classes of the Fair Housing Act	True
Your "original" RE license wall certificate must be held by your broker	True
Licenseses who have moved from one firm to another are entitled to continue working on Pending sales from their old firm	False
Agents who own rental property may hold security deposits in their own business bank account	False
A broker may never pay a commission to a non-licensed person/entity	False

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## Quiz Answers Cont'd (2)

- Licensee shall place Earnest Money into the custody of their broker within 3 business days  
False
- A broker who disburses Earnest Money contrary to the terms of a contract can be deemed "incompetent" by the commission  
True
- Agents are allowed to collect commissions and/or fees from someone other than their broker, at any time  
False
- Failure to include a specific expiration date in a listing agreement is considered an unfair trade practice  
True
- Fees being paid for referrals must be disclosed in writing to the principal, when he/she is being referred for real estate services or relocation  
True

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## Quiz Answers Cont'd (3)

- Acting for more than one party in a transaction without the expressed written consent of all parties, is considered an unfair trade practice  
True
- Agents must provide a copy of any document utilized in a RE transaction to any individual signing such document  
True
- An Agent may rebate a portion of their commission to a client or customer, after the sale closes  
False
- An Agent's assistant may do anything an Agent is allowed to do, as long as the Agent and their broker supervise that activity  
False
- ALL advertising by licensees must be done under the direct supervision of their broker and in the name of their firm  
True

**How did you do!?!?!?!?**

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15<sup>(e,f)</sup>)

Grounds for suspension or revocation of license shall also be grounds for refusal to grant a license

Grounds for denial of license shall also be grounds for imposition of any sanction permitted by this chapter

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## License Law for Agents & Brokers

### Topics for Review:

- **Effects of prohibited conduct**
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships & Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(g))

When GREC initiates an investigation to determine if a licensee is guilty of prohibited conduct ...and such licensee has surrendered or let lapse their license...GREC may issue an order revoking that license

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(g))

The order to revoke shall be effective 10 days after the order is served...

...unless the licensee makes a written request for a hearing before GREC

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(c))

#### Fair Housing Violations

If found guilty of a violation of the Georgia or Federal Fair Housing law, such conviction may be sufficient ground for refusal of a license (or the imposition of any sanction permitted by this chapter).

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## License Law for Agents & Brokers

### Fair Housing Do's and Don'ts



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## License Law for Agents & Brokers

Do you work with rentals?  
Do you “screen” applicants?  
Does your Landlord client discriminate?

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## License Law for Agents & Brokers

**Does this symbol appear on all of  
your marketing?**

*Not required; just an outward  
sign that you provide equal  
housing opportunities.*



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## License Law for Agents & Brokers

- It is YOUR responsibility to know
- Educate your clients with HUD pamphlet
- 7 Federally protected classes
- Is Sexual Orientation a “protected class?”



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## License Law for Agents & Brokers

**Answer:** Federal law does not protect people against housing discrimination based on their sexual orientation. However, the District of Columbia, several cities and towns, and the following states include sexual orientation as a protected class in their housing discrimination laws:

**Note:** In 2017, a federal judge ruled that sexual orientation & gender identity are protected classes under the Fair Housing Act.

- |               |                 |              |
|---------------|-----------------|--------------|
| • California  | * Massachusetts | * Vermont    |
| • Colorado    | * Minnesota     | * Washington |
| • Connecticut | * New Hampshire | * Wisconsin  |
| • Hawaii      | * New Jersey    |              |
| • Illinois    | * New Mexico    |              |
| • Maine       | * New York      |              |
| • Maryland    | * Rhode Island  |              |



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## License Law for Agents & Brokers

**Just remember:**

**“FRESH CORN”**



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## License Law for Agents & Brokers

**F** Familial Status  
**R** Religion  
**E**  
**S** Sex  
**H** Handicap Status/Disability

**C** Color  
**O**  
**R** Race  
**N** National Origin

*(There's no E or O; easy to remember  
for Equal Opportunity)*



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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(d))

#### False Statement on Application

Where an applicant or licensee has made a false statement of material fact on their application, such action may be sufficient grounds for the refusal, suspension, or revocation of the license.

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(h))

When a GA occupational licensing body **or the licensing body of any other state** has disciplined the license of an applicant... or whenever such an applicant has allowed a license to lapse or has surrendered a license after initiating an investigation...

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15<sup>(h)</sup>)

...or a disciplinary process regarding such applicant's license, such discipline, lapsing, or surrender in itself may be a sufficient ground for refusal of a license

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15<sup>(h)</sup>)

#### Been Revoked?

GREC **may** re-issue an associate broker's or a broker's license **only if** these three conditions exist:

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15<sup>(h)</sup>)

- 10 years have passed since revocation
- no criminal charges are pending
- applicant presents proof to GREC they now bear a good reputation for honesty, trustworthiness, integrity, and competence to transact the business of a licensee in such a manner as to safeguard the public interest

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15<sup>(i)</sup>)

When convicted of any offense named in subsection (b) of this Code section\*, the licensee shall immediately notify GREC of that conviction.

*\* Defined as "any felony or crime of moral turpitude"*

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## Crimes of Moral Turpitude

**“Conduct considered contrary to standards of justice, honesty or good morals” such as..**

Fraud or intent to defraud	Bribery
False representation	Counterfeiting
Evil intent	Perjury
Blackmail	Tax Evasion
Embezzlement	Murder
Extortion	Robbery or Theft
Malicious destruction of Property	Larceny

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## License Law for Agents & Brokers

### **Prohibited Conduct (OCGA 43-40-15(i))**

The licensee's license shall automatically be revoked **60 days after the conviction** unless the licensee makes a written request to GREC for a hearing

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(k))

Where an applicant or licensee has been found not in compliance with an order for child support as provided in Code section 19-28.1 or 19-11-9.3, such action shall be sufficient grounds for refusal of a license or suspension of a license.

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## License Law for Agents & Brokers

### Prohibited Conduct (OCGA 43-40-15(l))

Where an applicant or licensee has been found to be a borrower in default who is not in satisfactory repayment status as provided in Code Section 20-3-295\*, such status shall be sufficient grounds for refusal of a license or suspension of a license.

*\*Ga Higher Education Assistance Loan Program*

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- **Requirements for transfer to another firm**
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships & Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### Changes / Transfers (OCGA 43-40-19<sup>(a)</sup>)

When a broker changes the address of their place of business, the broker shall notify GREC, in writing, within 30 days of such change.

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## License Law for Agents & Brokers

**\*\*\* Remember\*\*\***

**If YOUR address changes,  
you must also notify GREC.**

*You can do this on the GREC website.*

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## License Law for Agents & Brokers

### **Changes / Transfers (OCGA 43-40-19<sup>(b)</sup>)**

Any licensee who is released by a broker shall not engage in the activities of a real estate licensee until the licensee:

- delivers to GREC a signed transfer form (**See Sample on next slide**)
- or (for brokers) receives from GREC a wall certificate authorizing service as a broker or QB

•**Note:** For any GREC Forms, go to:  
<https://grec.state.ga.us/> & select “Forms & Applications”

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## Sample of GREC Change Form

The image displays two pages of the Georgia Real Estate Commission's Real Estate Change Application form. The top page is the cover sheet, and the bottom page is the main application form. Both pages feature the Georgia Real Estate Commission logo and contact information. The top page includes a green header with the title 'Sample of GREC Change Form'. The bottom page is divided into several sections: Section A (Individual Information), Section B (Change Information), and Section E (Firm Affiliate / Release Information). Section E contains two sub-sections, A and B, for releasing or affiliating with a firm. The form includes various fields for personal and professional information, as well as signature lines and dates.

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## License Law for Agents & Brokers

### Changes / Transfers (OCGA 43-40-19(c))

Licensees transferring to a new broker may continue to act for that broker on pending sales, provided:

- both brokers agree (in writing)
- the transactions are noted in writing
- the former broker accepts full responsibility
- the written agreement shows compensation

**See GAR Form  
C013**

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**SAMPLE GAR CO13 – Agreement Between New Broker & Former Broker of Transferring Licensee**

**AGREEMENT BETWEEN NEW BROKER AND FORMER BROKER OF A TRANSFERRING LICENSEE**

2024 Printing

This AGREEMENT ("Agreement") is entered into pursuant to O.C.G.A. 43-40-19(j) and Rule 635-1-.07(f)(x) this date of \_\_\_\_\_ by and between \_\_\_\_\_ (hereinafter "New Broker") and \_\_\_\_\_ (hereinafter "Former Broker") for the purpose of allowing \_\_\_\_\_ (hereinafter "Licensee") to act as a licensee for the former broker with regard to transactions begun prior to the transfer.

The licensee shall not have any contact of any kind whatsoever with any Seller, Buyer, Landlord, or Tenant client of the Former Broker until both brokers have signed and received a copy of this agreement.

The Former Broker agrees to assume full responsibility for the licensee's activities in the following sale/lease transactions:

MLS#	PROPERTY ADDRESS	LICENSEE'S COMPENSATION
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

The Former Broker agrees to assume full responsibility for the licensee's activities on the following Listings for sale/lease:

MLS#	PROPERTY ADDRESS	LICENSEE'S COMPENSATION
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

The Former Broker agrees to assume full responsibility for the licensee's activities with the following super/superagents:

NAME	LICENSEE'S COMPENSATION
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Additional Pages are attached.

IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals to this Agreement, this date of \_\_\_\_\_

NEW BROKER: \_\_\_\_\_ FORMER BROKER: \_\_\_\_\_  
 Address: \_\_\_\_\_ Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Fax #: \_\_\_\_\_ Fax #: \_\_\_\_\_  
 REALTOR® Membership: \_\_\_\_\_ REALTOR® Membership: \_\_\_\_\_

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Documentation must be signed by BOTH Brokers

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**License Law for Agents & Brokers**

**Changes / Transfers (OCGA 43-40-19(d))**

A licensee may not act on behalf of any broker other than the one holding their license, except as just mentioned

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5a)</sup>)

A written ICA is required for all licensees affiliated with a broker's firm

Must include terms of compensation, for both during affiliation, and on transactions begun but not completed during affiliation

Disputes are not grounds for refusal to release

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5b)</sup>)

When a licensee requests a change form be signed, releasing broker shall immediately sign it and forward the wall certificate

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5c)</sup>)

Transferring licensees shall not take nor have in possession, nor use any brokerage engagement secured through the office unless authorized by the releasing broker

All property of the releasing broker shall be returned to that releasing broker

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5d)</sup>)

Wall certificates returned to GREC should be accompanied by a release form signed by both the broker and licensee

Licensee has one month to activate with another firm, or notify GREC of choosing an inactive status

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5d)</sup>)

If a broker is releasing a licensee for reasons other than the licensee's request, and is unable for any reason to obtain the licensee's signature on the release, the broker shall send to GREC a copy of a letter from the broker mailed to the licensee's last known address indicating that the broker is returning the license to GREC

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5d)</sup>)

The broker's letter to the licensee should state clearly that the licensee has one month from GREC's receipt of the licensee's wall certificate of licensure to apply to transfer to another broker or to apply to place the license on inactive status

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## License Law for Agents & Brokers

### Changes / Transfers (520-01-.07<sup>(5e)</sup>)

When a licensee decides to leave a firm, such licensee may not have any contact with any of the firm's clients that the licensee is serving until the expiration of the brokerage engagement, except as may be expressly approved in writing by that broker

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- **Requirements for handling Escrow funds**
- Unfair trade practices prohibited in GA
- Broker Relationships & Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

*For this section, the term ESCROW account and TRUST account shall be interchangeable.*

*We will use the term “trust” account in the following slides, rather than using the phrase “trust or escrow” just to reduce the text*

*These laws apply to agents who hold Escrow Accounts for Investment Properties too.*

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## License Law for Agents & Brokers

### **Handling Escrow Funds (OCGA 43-40-20<sup>(a)</sup>)**

Each broker who accepts trust funds shall maintain a separate, federally insured bank checking account which shall be designated as a trust account where all funds held on behalf of another person shall be deposited. The account shall not be subject to attachment or garnishment.

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## License Law for Agents & Brokers

### **Senate Bill 95 (Effective July 1, 2015)**

Expands institutions that an hold Trust Accounts from “federally insured banks” to “federally insured institutions” = trust company, building & loan & credit union.

Also, Broker can hold trust funds in accounts other than “checking accounts” as long as federally insured.

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## License Law for Agents & Brokers

### **Handling Escrow Funds (OCGA 43-40-20<sup>(b)</sup>)**

Brokers shall notify GREC of the name of the bank in which the trust account is maintained, and also the number of the account (or, if the bank doesn't use numbered accounts, the account name)

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20(c))

Brokers shall authorize GREC to examine such trust accounts at any time upon reasonable cause; and during each renewal period

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20(c))

In lieu of an examination, GREC may accept a written report from a CPA that the broker's trust account is maintained as required

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20<sup>(d)</sup>)

A broker may maintain more than one trust account, if GREC is advised of such account.

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20<sup>(e)</sup>)

A broker shall not be entitled to any part of the trust funds paid to the broker in connection with any real estate transaction as part or all of the broker's commission or fee until the transaction has been closed or terminated

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20(f))

Any licensee, acting in the capacity of principal in the sale of interests in real estate owned by such licensee, shall deposit trust funds (earnest money, security deposit, etc.) in the same manner, and is not entitled to those funds until the sale closes

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20(h))

Licensees who receive trust funds on property they own must deposit those funds into a trust account maintained by the broker with whom their licenses are affiliated or in a designated trust account approved by that broker.

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20<sup>(h)</sup>)

If the broker approves a licensee holding funds in a trust account owned by the licensee, the broker shall assure the account is designated as a trust account and shall notify GREC of the name of the bank, the number of the account, and the name of the licensee who owns the account.

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20<sup>(h)</sup>)

The licensee who owns such account shall maintain records on the account as are required for brokers in maintaining their trust accounts.

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## License Law for Agents & Brokers

### Handling Escrow Funds (OCGA 43-40-20<sup>(h)</sup>)

The licensee who owns such account shall provide to such licensee's broker on at least a quarterly basis a written reconciliation statement comparing the licensee's total trust liability with the reconciled bank balance of the licensee's trust account.

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## License Law for Agents & Brokers

### Handling Escrow Funds

**Part 2, GREC Rules: 520-1-.08**

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1a)</sup>)

Brokers may maintain multiple trust accounts.

They shall notify GREC of each, within one month of opening each account.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1b)</sup>)

Licensees shall place all cash, checks or other items of value received into the custody of the broker holding their license as soon after receipt as is practically possible.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1c)</sup>)

When acting as a principal in the sale of interests in real estate owned by the licensee, the same applies: shall place all cash, checks or other items of value received, into the custody of the broker holding their license as soon after receipt as is practically possible.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1d)</sup>)

The broker holding funds shall promptly deposit those funds in their trust account, and shall make appropriate arrangement for the safekeeping of other items of value.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1d)</sup>)

If the broker's trust account is **interest-bearing**, the broker shall obtain written agreement of the parties indicating to whom the broker shall pay any interest, prior to making deposit in such an account.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1e)</sup>)

A broker may maintain their own funds in a designated trust or escrow account **only when** they are clearly identified as the broker's deposit, and **only for the following purposes:**

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1e)</sup>)

1. to cover a minimum balance required;
2. to cover service charges (NSF checks, etc);
3. commissions due to the broker from funds held, provided:

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(1e)</sup>)

4. only checks payable to the broker may be used to withdraw monies designated as the broker's funds

*(no cash withdrawals are allowed)*

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(2b)</sup>)

However, whether a manual or electronic, the **accounting system must:**

1. Include components required by law and sound business practices
2. Be readily accessible
3. Be in a readily understandable format
4. Be reasonably available to GREC

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3a)</sup>)

A broker who disburses funds from their trust account contrary to the terms of a contract will be considered by GREC to have demonstrated **incompetence** to act as a real estate broker in such manner as to safeguard the interest of the public.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3b)</sup>)

A broker who disburses funds from a trust account under the following circumstances shall be deemed to have properly fulfilled the broker's duty...

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3b)</sup>)

1. upon the rejection of an offer;
2. upon the withdrawal of an offer not yet accepted;
3. at the closing of the transaction;
4. upon receiving a written agreement signed by all parties having an interest in the funds, separate from the contract that directed the broker to hold those funds

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3b)</sup>)

5. upon the filing of an interpleaded action;
6. upon the order of a court; or
7. upon a reasonable interpretation of the contract  
= “the 10 day letter”

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3c)</sup>)

A broker shall not disburse trust funds until they have reasonable assurance that the bank has credited the funds to the broker’s trust account.

*(need “good funds” in the account)*

Broker may also have a “policy” about releasing funds from Trust account – make sure to check.

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## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3c)</sup>)

When a broker makes a disbursement to which all parties do not expressly agree, the broker must immediately notify all parties in writing of the disbursement.

*(See Sample on Next Slide of contract language in both the GAR Contract & RE Forms Contract )*

77

## Verbiage in GAR F201 (Purchase & Sale) ¶B7 &

### 7. Earnest Money.

- a. **Entitlement to Earnest Money:** Subject to the paragraph below, Buyer shall be entitled to the earnest money upon the: (1) failure of the parties to enter into a binding agreement; (2) failure of any unexpired contingency or condition to which this Agreement is subject; (3) termination of this Agreement due to the default of Seller; or (4) termination of this Agreement in accordance with a specific right to terminate set forth in the Agreement. Otherwise, the earnest money shall be applied towards the purchase price of the Property at closing or if other funds are used to pay the purchase price then the earnest money shall be returned to Buyer.
- b. **Disbursement of Earnest Money:** Holder shall disburse the earnest money upon: (1) the closing of Property; (2) a subsequent written agreement of Buyer and Seller; (3) an order of a court or arbitrator having jurisdiction over any dispute involving the earnest money; or (4) the failure of the parties to enter into a binding agreement (where there is no dispute over the formation or enforceability of the Agreement). In addition, Holder may disburse the earnest money upon a reasonable interpretation of the Agreement, provided that Holder first gives all parties at least ten (10) days notice stating to whom and why the disbursement will be made. Any party may object to the proposed disbursement by giving written notice of the same to Holder within the ten (10) day notice period. Objections not timely made in writing shall be deemed waived. If Holder receives an objection and, after considering it, decides to disburse the earnest money as originally proposed, Holder may do so and send notice to the parties of Holder's action. If Holder decides to modify its proposed disbursement, Holder shall first send a new ten (10) day notice to the parties stating the rationale for the modification and to whom the disbursement will now be made. Holder shall disburse the earnest money to Seller by check in the event Holder: (1) makes a reasonable interpretation of the Agreement that the Agreement has been terminated due to Buyer's default; and (2) sends the required ten (10) day notice of the proposed disbursement to Buyer and Seller. The above-referenced check shall constitute liquidated damages in full settlement of all claims of Seller against Buyer and the Brokers in this transaction. Holder may require Seller to sign a W-9 before issuing a check to Seller for liquidated damages of \$600 or more. Such liquidated damages are a reasonable pre-estimate of Seller's actual damages, which damages the parties agree are difficult to ascertain and are not a penalty.
- c. **Interpleader:** If an earnest money dispute cannot be resolved after a reasonable time, Holder may interplead the earnest money into a court of competent jurisdiction if Holder is unsure who is entitled to the earnest money. Holder shall be reimbursed for and may deduct its costs, expenses and reasonable attorney's fees from any funds interpleaded. The prevailing defendant in the interpleader lawsuit shall be entitled to collect its attorney's fees, court costs and the amount deducted by Holder to cover Holder's costs and expenses from the non-prevailing defendant.
- d. **Hold Harmless:** All parties hereby covenant and agree to: (1) indemnify and hold Holder harmless from and against all claims, injuries, suits and damages arising out of the performance by Holder of its duties; (2) not to sue Holder for any decision of Holder to disburse earnest money in accordance with this Agreement.

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## & RE Forms RE1 (Standard Terms) ¶3.4

**3.4. Disbursement of Earnest Money if Held by Escrow Agent** - After receiving reasonable assurance that the bank has credited the deposit to the account where the Earnest Money is being held, the Escrow Agent may (i) disburse the Earnest Money to Buyer if contract is not accepted, unless that issue is disputed; (ii) disburse the Earnest Money for credit to Buyer at Closing; (iii) disburse the Earnest Money to Buyer at time of Closing if it is not credited towards the purchase price at Closing; (iv) disburse the Earnest Money pursuant to a separate written agreement signed by the parties, agreeing to the terms of disbursement of the

Page 1 of 9  
Form RE1, Standard Terms for the Purchase and Sale of Georgia Real Property  
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Earnest Money; (v) disburse the Earnest Money upon order of a court or arbitrator which has jurisdiction over the matter, or (vi) if Escrow Agent has received notice from any party that the Contract has been terminated or Closing has failed to occur, no more than thirty (30) days after said notice has been received Escrow Agent shall notify all parties of Escrow Agent's disbursement decision. Upon receipt of Escrow Agent's notification of disbursement, a party shall have ten (10) days to object to the disbursement. After receipt of a party's objection, Escrow Agent may change its decision or proceed according to Escrow Agent's original notification, but shall, in any event, notify the parties of said final disbursement. In addition, if the disbursement of the Earnest Money is in dispute, Escrow Agent may file an action to interplead the Earnest Money to allow a court of competent jurisdiction to decide how it is to be disbursed, and Escrow Agent may disburse Earnest Money as part of the required procedures related to this filing. Additionally, Escrow Agent may deduct any attorney's fees, court costs and other related expenses from the Earnest Money as necessary to reimburse Escrow Agent for costs related to the interpleader action, and Escrow Agent shall be entitled to recover additional costs as described above if Escrow Agent's expenses exceed the amount of the Earnest Money. The party that the court deems to be entitled to the Earnest Money may seek to recover its attorney's fees, court costs and the amount deducted by the Escrow Agent from the party that was not deemed to be entitled to the Earnest Money. In performing any of its duties under this Agreement, Escrow Agent shall not be liable for any loss, cost or damages which may incur as a result of serving as Escrow Agent hereunder, except for any loss, cost or damages arising out of its willful default or gross negligence. The parties agree to release Broker from liability for any costs, fees, or damages resulting from Escrow Agent's duties described in the Contract. If no objection to the disbursement of the Earnest Money is received by Escrow Agent prior to the disbursement of the Earnest Money, the right to object to said disbursement shall be deemed waived by the

79

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08(3d))

A broker who claims any part of the trust funds paid to the broker in connection with a sale as part or all of their commission shall be deemed by GREC to have complied with the law if:

80

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3d)</sup>)

1. (sale) the transaction has closed, or the date of closing specified in the sales agreement and any extensions of that date have passed;
2. (lease) possession has been delivered to the tenant;
3. (lease/purchase) the sales transaction has closed or the date of closing specified in the sales agreement and any extensions thereof have passed; or
4. upon receiving a written agreement, separate from the contract/lease, signed by all parties having an interest in the transaction who have agreed that the broker is entitled to any commission.

81

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3e)</sup>)

All refunds of trust funds must be paid by check, or credited at the closing of a transaction.

*(Need a paper trail. Again...no cash withdrawals)*

82

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3f)</sup>)

The total of all checks written against each deposits should reflect a zero balance in the trust account, relating to the closing of each transaction. A zero balance should also occur when brokers transfer funds out as their commissions.

83

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3g)</sup>)

If a licensee who owns a trust account files a bankruptcy petition, such licensee shall immediately notify GREC in writing of the filing of that petition.

84

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(3g)</sup>)

If a qualifying broker, or the firm that a licensee serves as qualifying broker, files a bankruptcy petition, such qualifying broker shall immediately notify GREC in writing of the filing of that petition.

85

## License Law for Agents & Brokers

### Handling Escrow Funds (GREC 520-1-.08<sup>(4c)</sup>)

A licensee who manages rental property which the licensee owns 100% must maintain any security deposits in a designated trust account, and **may not** post a bond in lieu of maintaining such deposits in a trust account.

86

## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- **Unfair trade practices prohibited in GA**
- Broker Relationships & Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

87

## License Law for Agents & Brokers

*For the purposes of this section, the terms sale/lease/option/exchange shall be interchangeable or stated as “transaction”*

*Likewise, the terms owner/landlord, buyer/tenant shall be interchangeable or stated as “party”, simply to reduce text.*

88

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(1))

Because of race, color, religion, sex, disability, familial status, or national origin:

- A. Refusing to sell after the making of a bona fide offer, or refusing to negotiate for the sale, or otherwise making unavailable or denying, real estate to any person;

89

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(1))

Because of race, color, religion, sex, disability, familial status, or national origin:

- B. Discriminating against any person in the terms, conditions, or privileges of sale of real estate or in the provision of services or facilities in connection therewith;

90

## License Law for Agents & Brokers

### **Unfair Trade Practices (OCGA 43-40-25b(1))**

Because of race, color, religion, sex, disability, familial status, or national origin:

- C. Making, printing, or publishing or causing to be made, printed, or published any notice, statement, or advertisement, with respect to the sale of real estate, that indicates any preference, limitation, or discrimination or an intention to make any such preference, limitation, or discrimination;

91

## License Law for Agents & Brokers

### **Unfair Trade Practices (OCGA 43-40-25b(1))**

Because of race, color, religion, sex, disability, familial status, or national origin:

- D. Representing to any person that any real estate is not available for inspection or sale when such real estate is in fact so available; or

92



## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(1))

Because of race, color, religion, sex, disability, familial status, or national origin:

- E. Representing explicitly or implicitly that a change has or will or may occur in a block, neighborhood, or area in order to induce or discourage the sale of real estate;

93

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(2))

Intentionally advertising material which is misleading or inaccurate or which in any way misrepresents any property, terms, values, policies, or services of the business conducted;

94

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(3))

Failing to account for and remit any money coming into the licensee's possession which belongs to others;

95

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(4))

Commingling the money or other property of the licensee's principals with the licensee's own;

96

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(6))

**Failing to disclose in writing** to a principal in a real estate transaction **any of the following:**

97

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(6))

- A. The receipt of a fee, rebate, or other thing of value on expenditures made on behalf of the principal for which the principal is reimbursing the licensee;

98

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(6))

- B. The payment to another broker of a commission, fee, or other thing of value for the referral of the principal for brokerage or relocation services; or

99

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(6))

- C. The receipt of anything of value for the referral of any service or product in a real estate transaction to a principal;

*(use an Affiliated Business Disclosure form... MANY Brokers have their own)*

100

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(7)</sup>)

Representing or attempting to represent a real estate broker, other than the one holding the licensee's license, without the express knowledge and consent of the broker holding the license;

101

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(8)</sup>)

Licensees accepting a commission from anyone other than the broker holding their license, without the consent of that broker;

102

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(9))

Acting in the dual capacity of agent and **undisclosed principal** in any transaction;

103

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b(11))

Placing a sign on any property offering it for sale or rent **without the written consent of the owner** or the owner's authorized agent;

and failing to remove such sign within **ten days** after the expiration of listing;

104

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(12)</sup>)

Offering real estate for sale or lease  
**without the consent** of the owner or the  
owner's authorized agent or on terms other  
than those authorized by the owner or the  
owner's authorized agent;

105

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(13)</sup>)

Inducing any party to an existing contract or  
a brokerage agreement, **to break such**  
**contract or brokerage agreement** for the  
purpose of substituting another contract or  
brokerage agreement with another principal;

*(terminating a sale to get a new buyer, for example)*

106

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(14)</sup>)

Negotiating a sale directly with a party if the licensee knows that such party has a written outstanding contract in connection with such property granting an exclusive agency or an exclusive right to sell to another broker...

107

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(14)</sup>)

...or that such party has a written outstanding exclusive brokerage agreement with another broker, unless the outstanding listing or brokerage agreement provides that the licensee holding such agreement will not provide negotiation services to the client;

108



## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(15)</sup>)

Indicating that an opinion given to a potential party regarding a property price is an appraisal unless such licensee holds an appraiser classification in accordance with Chapter 39A of this title;

109

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(16)</sup>)

Performing or attempting to perform any of the acts of a licensee on property located in another state without first having been properly licensed in that state, or otherwise having complied fully with that state's laws regarding real estate brokerage;

110

## **License Law for Agents & Brokers**

### **Unfair Trade Practices (OCGA 43-40-25b<sup>(17)</sup>)**

**When can a broker pay a commission for performing real estate services to someone who NOT licensed?**

111

## **License Law for Agents & Brokers**

### **Unfair Trade Practices (OCGA 43-40-25b<sup>(17)</sup>)**

- A. To the estate or heirs of a deceased real estate licensee when such deceased licensee had a valid GA real estate license in effect at the time the commission was earned and at the time of such person's death; or

112

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(17)</sup>)

- B. To a citizen of another country acting as a referral agent (*if that country does not license real estate brokers*) and if the GA licensee paying such commission obtains reasonable written evidence that the payee is a citizen of said other country and is in the business of brokering real estate in that other country;

113

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(17)</sup>)

- C. To an unlicensed firm (*i.e. LLC*) as long as the individual licensee affiliated with the Brokerage firm owns more than 20% interest in unlicensed firm; individual licensee has earned the commission on behalf of the brokerage firm & affirms that the unlicensed firm does not perform real estate brokerage activity.

114

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(18)</sup>)

Failing to include a fixed date of expiration in any written listing agreement;

and failing to leave a copy of said agreement with the principal;

115

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(19)</sup>)

Failing to deliver, within a reasonable time, a completed copy of any contract or offer to the purchaser and to the seller;

116

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(20)</sup>)

Failure by a broker to deliver to the seller in every transaction, at the time the transaction is closed, a complete and detailed closing statement showing all of the receipts and disbursements handled by such broker for the seller...

117

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(20)</sup>)

and to the buyer, a complete statement showing all money received in said transaction from buyer and how and for what the same was disbursed;

the broker shall retain true copies of such statements in the broker's files;

118

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(21)</sup>)

Making any substantial misrepresentations;

119

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(22)</sup>)

Acting for more than one party in a transaction without the express written consent of all parties to the transaction;

120

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(23)</sup>)

Failure of a licensee to place, as soon after receipt as is practicably possible, in the custody of the broker... any funds entrusted to the licensee by any person dealing with the licensee as a representative of that licensed broker;

121

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(25)</sup>)

Having demonstrated incompetency to act as a real estate licensee in such manner as to safeguard the interest of the public,

or having demonstrated any other conduct which constitutes dishonest dealing;

122

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(26)</sup>)

Obtaining a brokerage agreement or contract from a party while knowing or having reason to believe that another broker has an exclusive agreement with such party, unless the licensee has written permission from the broker having the first exclusive brokerage agreement.

123

### Obtaining Brokerage Agreement If You Have Reason to Believe Person Has Outstanding Brokerage Agreement with Another Broker

If the Buyer says he/she wants to "fire" or "has fired" the agent with whom he or she previously worked, then perhaps Buyer HAS signed something & may still have an obligation to another Broker! Also telling an agent via email or phone or text that they are "fired" or I no longer want to work with you does NOT mean that they have terminated any Brokerage Agreement AND if the termination is unilateral, they may still owe the former Brokerage commission when they close on a Property. Additionally we have no idea what Special Stipulations are included in anything Buyer may have signed IF Buyer may have actually signed anything! Based on License Law & the issues above, the agent should tell the Buyer that he / she needs to talk with the current Broker to ensure the relationship has been terminated in writing and only then can the Buyer work with us - just so they Buyer is not obligated financially to the other Broker.

124



Point of Practice If You Have Reason to Believe Prospect May  
Have Outstanding Brokerage Agreement...

**POINT OF PRACTICE:** If you have reason to believe a Buyer or Seller may have an outstanding Brokerage Agreement with another Broker, you need to confirm with the previous Broker that the person has terminated that Agreement with previous Broker prior to signing the person to a Brokerage Agreement with you & your Broker. For a Seller - Expiration or Withdraw from FMLS / GAMLS should suffice

For a Buyer:

Copy of Termination of Brokerage Agreement with Previous Broker

Send email to former Broker/Agent:

"\_\_\_\_(Name of Buyer)\_\_\_\_ has approached me for representation regarding real estate transactions. I have reason to believe that this Buyer has terminated the Brokerage Agreement with your firm. In compliance with License Laws OCGA 43-40-25b(13) and OCGA 43-40-25b(26) please confirm this termination. If I do not hear back from you within 24 hours, I will accept the non-response as confirmation of the termination of the Brokerage Agreement with your firm."

125

Point of Practice If You Have Reason to Believe Prospect May  
Have Outstanding Brokerage Agreement...

If Buyer refuses to furnish name of previous agent / Broker, then Buyer must sign:

"I\_\_\_\_(name of Buyer)\_\_\_\_ affirm that I have no written obligation to work with any other Broker for my real estate needs."

All parties agree to indemnify and hold agent and Brokerage harmless from and against all claims, injuries, suits and damages arising out of the parties' answer to the above choices.

**ALWAYS CHECK WITH YOUR OWN BROKER PRIOR TO USING ANY FORMS /  
VERBIAGE / STIPULATIONS / ETC. YOU LEARN IN ANY CE CLASS.**

126

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(27)</sup>)

Failing to keep for a period of three years a true and correct copy of all sales contracts, closing statements, any offer or other document that resulted in the depositing of trust funds, accounting records related to the maintenance of any trust account required by this chapter...

127

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(27)</sup>)

...and other documents relating to real estate closings or transactions, or failing to produce such documents at the reasonable request of GREC or any of its agents for their inspection

128

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(28)</sup>)

Being a party to any falsification of any portion of any contract or other document involved in any real estate transaction

129

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(29)</sup>)

Failing to obtain the written agreement of the parties indicating to whom the broker shall pay any interest earned on trust funds deposited into an interest-bearing checking account, prior to depositing those funds into such account

130

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(30)</sup>)

Failing to disclose in a timely manner to all parties in a transaction any agency relationship that the licensee may have with any of the parties

131

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(35)</sup>)

Inducing any person to alter, modify, or change another licensee's fee or commission for real estate brokerage services without that licensee's prior written consent

132

## License Law for Agents & Brokers

### Unfair Trade Practices

**Last one...**

133

## License Law for Agents & Brokers

### Unfair Trade Practices (OCGA 43-40-25b<sup>(36)</sup>)

Failing to obtain a person's written authorization to refer that person to another broker for real estate services,

and failure to disclose any compensation for such referral

***See Samples on Next Slides for Referral Forms in both GAR Contracts & RE Forms***

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**GAR CO16 – Referral Agreement – Broker-to-Broker  
 GAR F843 – Referral Authorization**

**REFERRAL AGREEMENT (BROKER TO BROKER)**

2024 Printing

For and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned parties do hereby agree as follows:

**1. Broker to Broker Referral:** \_\_\_\_\_ ("Referring Broker") does hereby refer the following prospect(s) \_\_\_\_\_ ("Prospect(s)") to \_\_\_\_\_ ("Receiving Broker") for the provision of real estate brokerage and/or relocation services.

**2. Prospect(s) Contact Information:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**3. Prospect(s) Have(s) Consented to Referral:** Referring Broker has obtained the Prospect(s) written agreement to be referred to Receiving Broker and has informed the Prospect(s) that the Referring Broker will receive a valuable consideration for such referral.

**4. Compensation to Referring Broker:** In consideration of the referral, Receiving Broker hereby agrees to compensate Referring Broker as follows (check one below. The sections not marked shall not be part of the Agreement.)

A. I, \_\_\_\_\_, parent (%) of the listing commission (including any \_\_\_\_\_) received by Receiving Broker on any real estate transaction involving Prospect, if an in-house sales (referring broker), the listing commission shall not be less than \_\_\_\_\_ % of the total commission.

B. \_\_\_\_\_, parent (%) of the listing commission (including any \_\_\_\_\_) received by Receiving Broker on any real estate transaction involving Prospect, if an in-house sales (referring broker), the listing commission shall not be less than \_\_\_\_\_ % of the total commission.

C. \_\_\_\_\_, parent (%) of the listing commission (including any \_\_\_\_\_) received by Receiving Broker on any real estate transaction involving Prospect, if an in-house sales (referring broker), the listing commission shall not be less than \_\_\_\_\_ % of the total commission.

D. Other \_\_\_\_\_

**5. Rights and Obligations of Brokers:** The rights of the Referring Broker and all obligations of the Receiving Broker shall terminate after \_\_\_\_\_ transactions have been completed and administered. In the event this section is not completed, it is the agreement between the Referring Broker and Receiving Broker that the Referral Agreement shall be only for one (1) transaction which the parties agree shall mean the purchase or sale of the property.

Receiving Broker shall pay the prospective commission of fee to Referring Broker within \_\_\_\_\_ days of Receiving Broker's receipt of compensation on the transaction(s) involving Prospect and receipt of the W-9 form from the Referring Broker. Receiving Broker shall have no obligation to pay Referring Broker advance or otherwise referred fee until and unless Receiving Broker's just a commission fee or bonus on a real estate transaction involving the Prospect(s).

**6. Miscellaneous**

**A. Entire Agreement:** This Agreement is the entire agreement between Referring Broker and Receiving Broker and shall supersede all prior agreements between the parties. Neither party is relying on any memoranda, representations or agreements not contained herein.

**B. Term of the Agreement:** This Agreement shall be in full force and effect from the date of execution of this Agreement.

**C. Applicable Law:** This Agreement shall be interpreted in accordance with the laws of the state of Georgia.

**D. Dispute Resolution:** For the purposes herein, the term "Prospect" shall include any of the above-named Prospect(s) and their immediate family members, and any legal entity in which any of the Prospect(s) may be an owner, director, member, employee or officer.

**E. Assignment:** Prospect(s) shall not be assigned, sold, or otherwise disposed of by contract, purchase or sale of property. Receiving Broker shall still be obligated to pay Referring Broker the compensation referred above.

**REFERRAL AUTHORIZATION**

2024 Printing

I/We, the undersigned, do hereby authorize \_\_\_\_\_ ("Referring Broker") to refer me/us to another real estate broker or builder for real estate brokerage, relocation and/or related services and acknowledges that the Referring Broker may be paid a valuable consideration for facilitating such referral.

Date: \_\_\_\_\_ Party Being Referred: \_\_\_\_\_

Date: \_\_\_\_\_ Party Being Referred: \_\_\_\_\_

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**RE156 – Broker Agreement to Pay Referral Commission  
 RE157 – Prospect's Acknowledgement & Consent to Referral**

**Broker Agreement to Pay Referral Commission**

2024 Printing

Date: \_\_\_\_\_, 20\_\_\_\_

For and in consideration of the mutual covenants and conditions contained herein, the payment of ten US dollars (US\$10.00) and other good and valuable consideration, each paid to the other, the receipt and sufficiency of which is hereby acknowledged, the undersigned parties do hereby agree as follows:

Referred Broker or Brokerage Firm in the state of \_\_\_\_\_ who warrants and represents that he/she/it is a following prospect(s):

a. Name(s) \_\_\_\_\_ (Email) \_\_\_\_\_ and Contact Information (Phone) \_\_\_\_\_ (Address) \_\_\_\_\_

b. Name(s) \_\_\_\_\_ (Email) \_\_\_\_\_ and Contact Information (Phone) \_\_\_\_\_ (Address) \_\_\_\_\_

c. Name(s) \_\_\_\_\_ (Email) \_\_\_\_\_ and Contact Information (Phone) \_\_\_\_\_ (Address) \_\_\_\_\_

to \_\_\_\_\_ who warrants and represents that he/she/it is a referring Broker or Brokerage Firm in the state of \_\_\_\_\_ for the purpose of providing Real Estate Brokerage services including, but not limited to the purchase or sale of real property or the lease of real property, regardless of the type of zoning of said property.

In exchange for the referral of the prospect(s), the referring Broker shall receive a portion of the commission earned by the Broker(Brokerage) that has received the referral, in the amount of either \_\_\_\_\_ % of the gross commission earned by the Broker(Brokerage) involving the referral or US\$ \_\_\_\_\_, which shall be known as the "Referral Commission."

The Broker(Brokerage) receiving the referral of the prospect(s) agrees to disburse the Referral Commission to the referring Broker(Brokerage) within ten (10) days of receipt of the referring Broker's commission.

Substantive provisions continued on additional page.

This Agreement was accepted by the party to whom it was presented on \_\_\_\_\_, 20\_\_\_\_.

All Names should be both signed and printed.

Broker(Brokerage Referring Prospect): \_\_\_\_\_ Broker(Brokerage Receiving Referral): \_\_\_\_\_

Name of Brokerage Firm: \_\_\_\_\_ Broker Code: \_\_\_\_\_ Name of Brokerage Firm: \_\_\_\_\_ Broker Code: \_\_\_\_\_  
 Brokerage Phone Number: \_\_\_\_\_ Brokerage Fax Number: \_\_\_\_\_ Brokerage Phone Number: \_\_\_\_\_ Brokerage Fax Number: \_\_\_\_\_

**Prospect's Acknowledgment and Consent to Referral**

2024 Printing

Date: \_\_\_\_\_, 20\_\_\_\_

The undersigned Prospect does hereby consent to being referred to \_\_\_\_\_ (the "Broker(Brokerage)") as a potential client or customer.

The Prospect hereby acknowledges and agrees that, in exchange for the referral of the Prospect, the undersigned Referring Broker may, under a separate agreement between Referring Broker and Broker(Brokerage), receive a portion of the commission earned by the Broker(Brokerage) as a result of the referral, which shall be known as the "Referral Commission." The Prospect hereby releases Referring Broker and any affiliated agent and employee from any cost, expense or liability that may result from their reliance on any perceived advice given with respect to the referral. If liability is found to exist under the standard of care or conduct required of Broker or its affiliated licensee, their liability is limited to the amount of commission actually received in this particular transaction.

Nothing in this Prospect's Acknowledgment and Consent to Referral shall be deemed to terminate any written brokerage agreement between Prospect and Referring Broker, if any, and the same shall only be terminated in accordance with the terms of that agreement.

Special Situations: \_\_\_\_\_

Substantive provisions continued on additional page.

This Agreement was accepted by the party to whom it was presented on \_\_\_\_\_, 20\_\_\_\_.

All Names should be both signed and printed.

Broker(Brokerage Referring Prospect): \_\_\_\_\_ Prospect: \_\_\_\_\_

Name of Brokerage Firm: \_\_\_\_\_ Broker Code: \_\_\_\_\_ Name of Prospect: \_\_\_\_\_  
 Brokerage Phone Number: \_\_\_\_\_ Brokerage Fax Number: \_\_\_\_\_ Prospect Printed Name: \_\_\_\_\_

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## License Law for Agents & Brokers

### What about Property Management and Community Association Management?

There are ADDITIONAL Rules & Laws that apply to PM & CAM.

If you want a list of the applicable laws, email the Instructor or **See Handout** if this is an in-person class

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- **Broker Relationships**/Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06(1))

#### Brokerage Engagements

- a) Each exclusive brokerage agreement must fully set forth its terms and have a definite expiration date

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06(1))

- b) At the time of securing a brokerage engagement, the licensee securing it must furnish each person signing it a copy

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(1)</sup>)

- c) GREC prohibits the acceptance by brokers of net brokerage engagements and hereby makes it obligatory upon the broker to add the broker's fee thereby notifying the client of the gross price of the property and the broker's services

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4a)</sup>)

#### Disclosure of Broker Relationships

No licensee shall buy interest in property listed with the licensee or the licensee's firm on which the licensee or the licensee's firm has been requested to act as a broker, unless...

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4a)</sup>)

...the licensee shall clearly disclose his/her position as a buyer to the seller, and insert a clause to this effect in the contract

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4a)</sup>)

Neither shall any licensee sell any interest in property owned by the licensee to any person, unless the licensee shall clearly disclose the licensee's position as a seller to the buyer, and insert a clause to this effect in the contract (& all advertising):

**“Seller / Buyer is duly licensed agent in Georgia – RE License # \_\_\_\_\_.”**

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4b)</sup>)

A licensee shall provide written disclosure to both buyer and seller, revealing the party for whom that firm is acting, and from whom that firm will receive valuable consideration for its efforts as agent in the transaction.

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4b)</sup>)

If the licensee's firm is not acting as an agent for either party, then the licensee shall make a written disclosure revealing from whom the licensee's firm will receive any compensation for its efforts in the transaction.

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4b)</sup>)

The written disclosures required by this paragraph must be made in a timely manner but, in any event, not later than the time that any party first makes an offer to purchase real property.

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## License Law for Agents & Brokers

### Broker Relationships (GREC 520-1-.06<sup>(4c)</sup>)

Real estate licensees shall not pay a fee or commission to a licensee representing another party to a transaction, except with the full knowledge and written consent of all parties.

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships/**Handling Transactions**
- Management responsibilities of RE firms
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### **Handling Transactions (GREC 520-1-.10<sup>(1)</sup>)**

A licensee shall promptly tender to any customer or client any signed offer made to such client or customer.

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(1)</sup>)

If you receive an offer to purchase a property, from someone you do not represent as a client or customer, you still have a **responsibility to deliver** that offer to the agent representing the seller.

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(1)</sup>)

A licensee who obtains an offer **may negotiate** a sale directly with an owner if the licensee knows that the seller has a written agreement for such property that expressly provides the other licensee will not provide negotiation services to that seller

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(2)</sup>)

A licensee preparing or signing a brokerage engagement or an offer shall include the license number of each firm, and of each licensee participating in the transaction, as issued by GREC

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(3)</sup>)

A licensee shall provide a copy of any document utilized in a real estate transaction to any individual signing such document

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(3)</sup>)

If any offer is accepted and signed by all parties, copies of that document shall be properly distributed, one to each person signing the document and one to each brokerage firm involved in the transaction

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(4)</sup>)

Copies of real estate contracts, brokerage engagements, closing statements, and other documents are **required by law to be maintained in a broker's file for three years** and shall be made available to authorized agents of GREC upon reasonable request, and at a reasonable cost to GREC.

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(4)</sup>)

Brokers that must keep copies of the documents cited in this paragraph include:

- a) brokers identified in a contract, brokerage engagement, or closing statement related to a real estate transaction;
- b) firms that participate in the negotiations of a contract or brokerage engagement related to a real estate transaction;
- c) and brokers required to maintain a trust account

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(4)</sup>)

Copies of documents/records required to be maintained may be kept in any records storage system that utilizes paper, film, electronic, or other media provided that:

- a) copies of documents can be produced; and
- b) copies of documents can be made available to GREC

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(5)</sup>)

No licensee shall falsify or be a party to the falsification of a document involved in a real estate transaction or knowingly represent, either verbally or in writing, to a principal or any interested third party:

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(5)</sup>)

- a) an amount other than the true and actual price;
- b) an amount other than the true and actual down pymnt;
- c) an amount other than the true and actual earnest money, security deposit, or other trust funds or that such trust funds have been tendered in any form other than its true and actual form;
- d) a payment of trust funds in cash when in fact some other method of such is made; or
- e) an artifice, contrivance, or machination with the intent to deceive – See Next Slide for Definitions

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## Definitions

**Artifice** = trickery, guile or craftiness

**Contrivance** = a plan or scheme

**Machination** = crafty scheme, plot, intrigue

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## License Law for Agents & Brokers

### **Handling Transactions (GREC 520-1-.10<sup>(5)</sup>)**

Any or all above practices shall constitute a misrepresentation.

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6)</sup>)

#### Disclosures of Commissions, Fees, Rebates or Other Valuable Consideration

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6a)</sup>)

The disclosures required by OCGA 43-40-25 (b6) – *payments to another broker must be disclosed in writing* – may be made in advance based upon pre-established terms set forth in a brokerage agreement, management agreement or other written agreement

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6b)</sup>)

In a transaction where a licensee refers a principal to another broker for brokerage or relocation services...

*(and the broker to whom the principal is referred knows of the referral and the referring licensee's expectation of receiving a commission, fee or other thing of value for the referral)...*

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6b)</sup>)

...the payment to the referring licensee shall be disclosed in writing to the principal, by the broker to whom the referral was made, no later than at the closing

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6c)</sup>)

The disclosures required in OCGA 43-40-25 (b6c) – *referral fee for service/product in a RE transaction* - shall be in addition to any requirements of federal law pertaining to the payment or receipt of anything of value, for the referral of any service or product in a real estate transaction [RESPA]

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6d)</sup>)

For the purposes of OCGA 43-40-25(b6) – *unfair trade practices* - the term "licensee's principal" shall mean both the client and a customer of the broker, if the customer is working primarily with the broker and is not being represented by another broker in the transaction

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6e)</sup>)

A licensee may rebate to a principal any part of a commission, fee, or other compensation received by the licensee related to the sale of real estate as long as said rebate is disclosed on the closing statement for that transaction...AND...

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10<sup>(6e)</sup>)

...as long as the rebate does not mislead any other licensee, other principal, lender, title company or government agency involved in the transaction regarding the source of funds to complete the transaction, or regarding the financial resources or obligations of a buyer principal

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## License Law for Agents & Brokers

### Handling Transactions (GREC 520-1-.10(6))

Notwithstanding anything to the contrary above, no disclosure is required for gifts, products, services, or other things of value given to a principal by a licensee **provided that they are not contingent upon** the purchase, sale, lease or exchange of real estate for that transaction

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships/Handling Transactions
- **Management responsibilities of RE firms**
- Advertising Rules
- Licensees acting as Principals

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(4)</sup>)

#### **AB and QB affiliated with multiple firms**

A person licensed by GREC as a broker or QB for a licensed firm may serve as the broker or QB with one or more other licensed firms

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(4)</sup>)

A person licensed as an associate broker and affiliated with a licensed firm may serve as the broker or QB for one or more other licensed firms provided such person has notified in writing the broker with whom he or she is affiliated as an associate broker of his or her intended services as a broker or QB with another firm

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6a)</sup>)

#### Utilizing Unlicensed Personnel

(See next few slides or Handout)

Whenever a licensee who is affiliated with a broker engages support personnel to assist in the conduct of real estate brokerage business, both the firm **and** the affiliated licensee are responsible for the acts of the support personnel; and...

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6a)</sup>)

...for assuring that the support personnel comply with the requirements of this rule and the license law; and for seeing that any licensed support personnel are properly licensed with the firm.

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6a)</sup>)

Unless such support personnel holds an **active** real estate license, the support personnel may not perform any duties and tasks of a real estate licensee and may perform only ministerial duties, those that do not require discretion or the exercise of the licensee's own judgment

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6b)</sup>)

Nothing in this rule shall prohibit an individual employed by a broker to assist in the management of property, from undertaking those activities permitted by OCGA 43-40-29<sup>(10)\*</sup>

*\*43-40-29 = Exceptions to operation of chapter 40*

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6c)</sup>) Effective November 1, 2014

An individual licensed with one firm may work as support personnel for a different firm or for a licensee of a different firm with the written consent of the broker of each firm.

A licensee on **inactive status** may work as support personnel for a firm or licensee.

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6d)</sup>)

Any real estate brokerage firm that allows an affiliated licensee to utilize support personnel to assist that licensee in carrying out his or her real estate brokerage activities must:

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6d)</sup>)

1. enter into a written agreement with the affiliated licensee authorizing the use of the support personnel, delineating the duties that the support personnel may perform, and approving any compensation arrangement that the firm permits the affiliated licensee to have with the support personnel;

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07<sup>(6d)</sup>)

2. enter into a written agreement with the support personnel assisting its affiliated licensee specifying any duties that the support personnel may undertake in behalf of the affiliated licensee;

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# License Law for Agents & Brokers

## Management Responsibilities (520-1-.07(6d))

3. assure that the affiliated licensee and the support personnel have entered into a written agreement specifying all duties that the support personnel may undertake in behalf of the affiliated licensee and the manner in which the support personnel shall be compensated

**See Agreement for Licensee  
Use of a Real Estate Assistant  
– GAR Form C007**

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# GAR C007 – Agreement for Licensee to Use Assistant

**AGREEMENT FOR LICENSEE USE OF A REAL ESTATE ASSISTANT**

2024 Printing

THIS AGREEMENT for the use of a real estate assistant ("Agreement") is entered into this date of \_\_\_\_\_, 2024, by and between \_\_\_\_\_ ("Licensee") and \_\_\_\_\_ ("Broker") and \_\_\_\_\_ ("Assistant") as intended as a three party agreement between Broker, Licensee and Assistant.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, Broker, Licensee and Assistant do hereby agree as follows:

**1. Nature of Agreement:** This Agreement is intended to serve as the following:

A. The agreement between Broker and Licensee authorizing the use of an Assistant on the terms and conditions set forth herein.

B. The agreement between Broker and Assistant setting forth the basis upon which Assistant shall perform Assistant duties hereunder and the scope of Broker's duties to supervise Assistant.

C. The agreement between Licensee and Assistant setting forth the duties and obligations of each of the parties working together as a Licensee-Assistant team including the compensation of Assistant.

**2. Nature of Relationship:** All parties agree that Assistant is:

☐ Of the real estate office, the Broker not checked shall not be a part of this Agreement.

☐ An employee of Licensee

☐ An Independent Contractor of Licensee

If Assistant is licensed, Assistant certifies that Assistant has entered into an Independent Contractor Agreement with Broker.

**3. Existence and Compensation of Licensee:** Licensee and Assistant agree that at no time shall Assistant be considered an employee of Broker, nor shall Broker have any responsibility to compensate Assistant for services rendered to Licensee.

**4. Compensation:**

A. Independent Contractor Assistant: Broker and Licensee agree that any and all fees or commissions earned for real estate brokerage activities of Licensee shall be payable directly to Licensee. Broker consents to Licensee paying Assistant the following compensation:

B. Employee Assistant: Broker and Licensee agree that any and all fees or commissions earned for real estate brokerage activities of Licensee shall be payable directly to Licensee. Broker consents to Licensee paying Assistant the following compensation:

**BROKER SHALL HAVE NO RESPONSIBILITY FOR ANY FEES OR COMMISSIONS OWED BY LICENSEE TO ASSISTANT.**

**5. Term:** This Agreement shall commence on the date of this Agreement and shall terminate upon the date of this Agreement to the other parties to this Agreement with or without notice and without any prior notice. A copy of this Agreement must be provided to Broker and executed by Broker prior to the completion of any work by Assistant. If the Assistant is licensed, Assistant agrees that he or she will not perform services for or on behalf of any Assistant or another licensee without the prior written permission of Licensee.

**6. Duties of Assistant:**

A. **Licensed Assistant:**

(1) The Assistant certifies the assistant is  OR  is not presently holding an active Georgia Real Estate License in good standing with the Georgia Real Estate Commission. If during the term of this Agreement, an Unlicensed Assistant becomes a Licensed Assistant, the Assistant shall provide written notice of the same to the Broker and to the Licensee(s) for whom Assistant is working. Upon such notice being given and Assistant entering into an Independent Contractor Agreement with Broker, Assistant may thereafter perform the duties of a Licensed Assistant as described herein.

B. **Unlicensed Assistant:**

(1) A Licensed Assistant may perform such duties and tasks for and on behalf of Licensee to increase the business productivity of Licensee. The work shall include those brokerage activities permitted pursuant to O.C.G.A. § 43-40, the rules of the Georgia Real Estate Commission, and the Independent Contractor Agreement executed with Broker and any and all duties specifically assigned by Licensee.

(2) If during the term of this Agreement, the real estate license of Assistant either lapses or becomes inactive, then Assistant and until the license is again active and in good standing, Assistant shall only perform the duties and tasks of an Unlicensed Assistant set forth below.

(3) **Unlicensed Assistant may perform:** Unlicensed Assistant agrees that he or she shall not perform any duties or tasks of a Georgia Real Estate Licensee. Unlicensed Assistant shall only perform such ministerial duties as are set forth in Commission Rule 620-1-27(1) to which are designed to increase the business productivity of Licensee.

(4) Answer the phone and forward calls to Licensee.

(5) Submit offers of listing to a multiple listing service.

(6) Check on the status of loan commitments after a contract has been negotiated.

(7) Assemble documents for escrow.

(8) Secure documents that are public information from the courthouse and other knowledge available to the public.

(9) Write advertisements and promotional materials for the approval of the Broker and supervising broker.

(10) Perform administrative tasks, including, but not limited to, scheduling appointments with the supervising broker.

(11) Receive, record and deposit earnest money, security deposits, and advance rents.

(12) Type contract forms as directed by the Broker and the supervising Broker.

(13) Monitor personnel files and license reports from the Commission.

(14) Complete escrow statements.

(15) Place signs on property and remove such signs.

(16) Order forms or notices as directed by Licensee.

(17) Act as a courier service for such purposes as delivering documents or picking up keys (the Licensee shall remain responsible for assuring delivery of contracts and escrow documents as required by O.C.G.A. § 43-40-25(a)(1) and (2)).

(18) Schedule appointments with the owner or the Broker's agent in order for a licensee to show listed property.

(19) Arrange dates and times for the mortgage underwriting, the pre-closing walk-through, and the closing.

(20) Show an open house.

(21) Accompany Licensee to an open house, a showing only for security purposes.

(22) Perform physical maintenance on property.

(23) Perform such other work as may be requested by Licensee to aid in the purchase or sale of real property, provided such work does not involve performing brokerage duties or tasks and provided further that such other work does not under any circumstances involve performing brokerage duties or services which must be performed by a real estate licensee.

(24) **Work Unlicensed Assistant May Not Perform:** Assistant shall not perform or undertake any of the activities prohibited to an Unlicensed Assistant under Commission Rule 620-1-27(1) as follows:

(a) Make and call by telephone or in person or otherwise contacting the public for the purpose of securing prospects for listing, lease, sales, offerings, or property management.

(b) Hold open houses, blocks, home show booths, or firm.

(c) Prepare informational materials or advertisements without the review and approval of Licensee and supervising broker.

(d) Show property.

(e) Answer any questions on title, financing, or closings (other than the time and place).

(f) Answer any questions regarding a listing except for information on price and amenities expressly authorized in writing by the Broker.

(g) Discuss or explain a contract, listing, lease, agreement, or other real estate document with anyone outside the firm.

(h) Negotiate or agree to any option, commission split, management fee, or referral fee on behalf of a licensee.

(i) Discuss the attributes or amenities of a property, under any circumstances, with a prospective purchaser or lessee.

(j) Prepare informational materials or advertisements without the review and approval of Licensee and supervising broker.

(k) Collect or hold deposit monies, rent, other monies or anything of value received from the owner of real property or from a prospective purchaser or lessee.

(l) Provide owners of real property or prospective purchasers or lessees with any advice, recommendations or suggestions as to the sale, purchase, exchange, or leasing of real property that is listed, to be listed, or currently available for sale or lease and.

(m) Hold himself or herself out in any manner, orally or in writing, as being licensed or affiliated with a particular firm or real estate broker as a licensee.

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## GAR C007 – Agreement for Licensee to Use Assistant – Cont'd

**8. Approval to Perform Additional Work.** During the term of this Agreement, unless Broker and Licensee consent in writing thereto, Assistant is expressly prohibited from assisting any other licensees in performance of real estate brokerage activities.

**9. Liability for Acts of Assistant.** Broker and Licensee shall both be responsible for ensuring that Assistant performs his or her duties and responsibilities in strict accordance with the rules of the Georgia Real Estate Commission. Broker shall have the right to take any actions which it deems necessary to ensure such compliance. Licensee agrees to immediately report to Broker any apparent violation by Assistant of any of the rules governing brokerage activities as issued by the Georgia Real Estate Commission.

**10. Assignment.** Nothing in this Agreement for any duties or obligations under this Agreement may be assigned by Broker or Licensee without the prior written consent of both parties.

**11. Confidential Information.** Assistant acknowledges that certain information received or developed by Assistant while performing tasks for Licensee pursuant to this Agreement constitutes proprietary information ("Proprietary Information"), in that such information is of value to Licensee or Broker: (1) derives economic value, actual or potential, from being not generally known or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. In accordance with the foregoing criteria, Assistant further acknowledges that all lists of potential and actual clients and receiver listings and sales files maintained by Licensee or Broker and any and all correspondence, papers, documents, ~~and other materials~~ furnished to the Assistant by Licensee or obtained by Assistant while performing tasks under this Agreement, and Proprietary Information and as such are confidential and are and will remain the sole and exclusive property of Licensee. Except for the extent to perform the duties assigned to him or her by Licensee, Assistant will hold such Proprietary Information in trust and in confidence, and will not use, reproduce, distribute, disclose, or otherwise disseminate the Proprietary Information or any physical embodiments thereof and may in no event take any action, causing, or fail to take the action necessary in order to prevent, any Proprietary Information disclosed to or developed by the Assistant to lose its character or cease to qualify as Proprietary Information. Upon request by Licensee, and in any event upon the termination of Assistant for any reason whatsoever if this Agreement is terminated or ends, Assistant will promptly deliver to Licensee all such lists, files, papers, and materials as well as any other property belonging to Licensee, including, without limitation, all Proprietary Information (and all physical embodiments thereof) then in his or her custody, control, or possession. During the term of this Agreement and for a period of twelve (12) months following the termination of this Agreement for any reason whatsoever, the Assistant shall not (except on behalf of or with the prior written consent of Licensee), either directly or indirectly, on the Assistant's own behalf or on behalf of others, attempt to solicit, divert, or appropriate to Assistant's own advantage, or to the advantage of any other individual entity, any business from any client or actively sought prospective client of Licensee referenced in such lists, files, papers, and materials and about whom Assistant has acquired Proprietary Information. Assistant acknowledges and agrees that the foregoing provisions contained in this Section are reasonable and necessary and are the least restrictive means available to protect the legitimate business interests of Licensee.

**12. Management of Property.** The Assistant  may OR  may not perform property management activities permitted by O.C.G.A. §43-40-29(10), if approved by Broker or Licensee.

**13. Conflicts.** In the event of a conflict between this Agreement and any Independent Contract Agreement entered into between a Licensed Assistant and Broker, the terms and provisions of this Agreement shall control.

**14. Entire Agreement.** This Agreement supersedes any and all agreements, both oral and written, and contains all of the covenants and agreements between the parties with respect to the authorizations granted by Broker to Licensee regarding the use by Licensee of an assistant, the delegation of duties to, and authority to perform and the approval by Broker of the compensation to be paid by Assistant by Licensee. Each party acknowledges that no representations, inducements, promises, or agreements, written or oral, have been made by either party, or by any third party on behalf of either party, that are not embodied in this Agreement. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.

**15. Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**16. Governing Law.** This Agreement may be signed in multiple counterparts and shall be governed by and interpreted pursuant to the laws of the State of Georgia.

THIS AGREEMENT IS A CONDITION PRECEDENT TO LICENSEE ENGAGING THE SERVICES OF AN ASSISTANT. IT IS INTENDED TO (1) AUTHORIZE THE USE BY LICENSEE OF A LICENSED OR UNLICENSED ASSISTANT; (2) DELINEATE THE DUTIES THAT THE ASSISTANT IS AUTHORIZED TO PERFORM FOR AND ON BEHALF OF LICENSEE; AND (3) SPECIFY THE COMPENSATION TO BE PAID TO ASSISTANT.

IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals to this Agreement, this date of \_\_\_\_\_:

**BROKER** \_\_\_\_\_ DATE \_\_\_\_\_  
 LICENSE # \_\_\_\_\_

**LICENSEE** \_\_\_\_\_ DATE \_\_\_\_\_  
 LICENSE # \_\_\_\_\_

**ASSISTANT** \_\_\_\_\_ DATE \_\_\_\_\_  
 LICENSE # \_\_\_\_\_

*If the Assistant named above is actively licensed with a different brokerage firm than the firm named herein, the Assistant must also have the written consent of the Broker of that firm for the purposes hereof.*

**FROM** \_\_\_\_\_ **TO** \_\_\_\_\_  
 DATE \_\_\_\_\_ LICENSE # \_\_\_\_\_

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## License Law for Agents & Brokers

### Management Responsibilities (520-1-.07(6e))

In order to provide reasonable guidelines for licensees and support personnel, GREC has identified tasks that licensed and unlicensed support personnel can and cannot perform

**See Guidelines on next 4 Slides**

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## GREC Rule 520-1-.07 (6e) – Tasks an Unlicensed Assistant MAY Perform

- 1. answering the phone and forward calls to a licensee
- 2. submitting data on listings to a multiple listing service
- 3. checking on status of loan commitments, after a contract has been negotiated
- 4. assembling documents for closings
- 5. securing documents that are public information from the courthouse and other sources available to the public
- 6. having keys made for company listings and installing/removing lock boxes
- 7. writing ads/promotional materials for the approval of the broker
- 8. placing ads in magazines, newspapers, and other media as directed by the supervising broker
- 9. receiving, recording, and depositing earnest money, deposits, advance rents
- 10. typing contract forms as directed by the licensee and the broker

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## GREC Rule 520-1-.07 (6e) – Tasks an Unlicensed Assistant MAY Perform

- 11. monitoring personnel files and license reports from the commission
- 12. computing commission checks
- 13. placing signs on property and removing such signs
- 14. ordering items of routine repair as directed by a licensee
- 15. acting as courier for such purposes as delivering documents or picking up keys [the licensee remains responsible for assuring delivery of contracts and closing documents as required by O.C.G.A. Section 43-40-25 (a)(19) & (20)]
- 16. scheduling appointments for a licensee to show listed property
- 17. arranging dates and times for inspections
- 18. arranging dates and times for mortgage application, walk through, closing
- 19. scheduling an open house
- 20. accompanying licensee to an open/showing, only for security purposes
- 21. performing physical maintenance on a property

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### GREC Rule 520-1-.07 (6f) – Tasks an Unlicensed Assistant may NOT Perform

- 1. making cold calls by telephone or in person or otherwise contacting the public for the purpose of securing prospects for listings, leasing, sales, exchanges, or property management
- 2. hosting open houses, kiosks, home show booths, or fairs
- 3. preparing promotional materials or advertisements without the review and approval of licensee and supervising broker
- 4. showing property
- 5. answering any questions on title, financing, or closings (other than the time and place)
- 6. answering any questions regarding a listing except for information on price and amenities expressly authorized in writing by the licensee
- 7. discussing or explaining a contract, listing, lease, agreement, or other real estate document with anyone outside the firm

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### GREC Rule 520-1-.07 (6f) – Tasks an Unlicensed Assistant may NOT Perform

- 8. negotiating or agreeing to any commission, commission split, management fee, or referral fee on behalf of a licensee
- 9. discussing the attributes or amenities of a property, under any circumstances, with a prospective purchaser or lessee
- 10. discussing with the owner of real property, the terms and conditions of the real property offered for sale or lease
- 11. collecting or holding deposit monies, rent, other monies or anything of value received from the owner of real property or from a prospective purchaser or lessee;
- 12. providing owners of real property or prospective purchasers or lessees with any advice, recommendations or suggestions as to the sale, purchase, exchange, or leasing of real property that is listed, to be listed, or currently available for sale or lease
- 13. holding himself or herself out in any manner, orally or in writing, as being licensed or affiliated with a particular firm or real estate broker as a licensee

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships/Handling Transactions
- Management responsibilities of RE firms
- **Advertising Rules**
- Licensees acting as Principals

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## License Law for Agents & Brokers

### **Advertising Rules (GREC 520-1-.09<sup>(1)</sup>) Effective May 14, 2014 – “Advertising” revised**

**Advertising/Advertisement** – any manner, method, or activity by which a licensee through the use of any media makes known to the general public real estate for sale, rent, lease, or exchange

192

## License Law for Agents & Brokers

### **Advertising Rules (GREC 520-1-.09<sup>(1)</sup>) Effective May 14, 2014 – “Media” expanded**

Media – includes print, photographs, broadcast, and the Internet, including, but not limited to...

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## License Law for Agents & Brokers

### **Advertising Rules (GREC 520-1-.09<sup>(1)</sup>)**

newspapers, magazines, flyers, posters, business cards, billboards, radio, videos, television, signs\*...

*\*Including directionals, "for sale," "for lease," "sold," or vehicle signs*

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## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(1)</sup>)

...newsletters, voicemail, email, FAX, websites, blogs, video blogs, property listing database services, email farming, news groups, discussion lists, bulletin boards, social media, text messages, multimedia advertising, banner ads, pop-ups, and similar media

195

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(2)</sup>)

Any advertising that is misleading or inaccurate in any material fact or in any way misrepresents any real estate is prohibited.

196

## **License Law for Agents & Brokers**

### **Advertising Rules (GREC 520-1-.09<sup>(2.1)</sup>)**

All advertising by licensees must be under the direct supervision of their broker and in the name of their firm.

197

## **License Law for Agents & Brokers**

### **Advertising Rules (GREC 520-1-.09<sup>(3)</sup>)**

A licensee shall not advertise any real estate for sale unless the licensee has first secured the written permission of the owner

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## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(3)</sup>)

When such permission is granted, a licensee advertising real estate that is listed with another firm shall clearly and conspicuously disclose the name of the listing firm unless the listing firm has expressly agreed in writing to waive those clear and conspicuous disclosures.

199

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(4)</sup>)

A licensee shall not advertise to sell real estate when such advertisement is directed at or referred to persons of a particular race, color, religion, sex, handicap, familial status, or national origin.

200

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(4)</sup>)

The contents of any advertisement must be confined to information relative to the real estate itself, and any advertisement that is directed at or referred to persons of any particular race, color, religion, sex, handicap, familial status, or national origin is prohibited.  
i.e. describe the property & not the person

201

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

Any advertising on the Internet by a licensee of real estate for sale shall disclose the name and telephone number of the licensee's firm on every viewable web page of a website except as herein otherwise provided:

202

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

- a) When advertising in electronic messages of limited information or characters, a license shall provide a direct link to a display that is in compliance with this Rule.

203

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

- b) When advertising real estate for sale on an internet website not owned or controlled by the licensee or firm with which the licensee is affiliated, and that website's terms of use limit the licensee's ability to comply with this paragraph, the advertising shall provide a direct link to a display that is in compliance with this Rule on every viewable webpage of the website.

204



## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

- c) Information on a website maintained by a licensee that is outdated shall be updated or removed from the website within **thirty (30) days** of the information becoming outdated

205

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

- d) If a licensee's website is maintained by a third party, the licensee shall provide to the third party a timely written notice (by mail, email, fax) of any updates to outdated information, so that such information removal may be accomplished in accordance with this Rule.

*A licensee who provides such timely notice shall not be in violation of this Rule if the third party fails to effect an information change as notified*

206

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(5)</sup>)

- e) The requirements of this Rule apply to advertising and information on a website that is within the licensee's ownership or direct control. No licensee shall be responsible for information taken from the licensee's website, or other advertising, if placed on a website, or in other advertising outside the licensee's ownership and/or direct control and without the licensee's consent

207

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(6)</sup>)

For purposes of this rule the term trade name shall include trade mark and service mark; and the term advertising shall include, but is not limited to, advertising done by others on behalf of the licensee.

208

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(6)</sup>)

- a) Any firm using a trade name or any franchisee in advertising specific real estate for sale in any media shall clearly and unmistakably include the firm's name as registered with GREC in a manner reasonably calculated to attract the attention of the public.

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## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(6)</sup>)

... The firm's name shall appear adjacent to any specific real estate the firm advertises for sale so that the public may unmistakably identify the firm listing the specific real estate.

In advertising real estate for sale the name of the firm offering the real estate shall appear in equal or greater size, prominence, and frequency than the name of any affiliated licensee

210

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(6)</sup>)

- b) Any firm using a trade name or any franchisee shall clearly include the firm's name as registered with GREC on any contracts or other documents relating to a real estate transaction

211

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(6)</sup>)

- c) Any firm using a trade name or any franchisee shall clearly include the firm's name as registered with GREC on office signs

212

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

In advertising specific real estate for sale, rent, or exchange in any media:

213

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

- a) firms must include a name of the firm as registered with GREC and a telephone number for the firm, except when complying with lawful restrictions (such as covenants or local governmental ordinances) that forbid the use of the firm's name on a particular type of sign

214

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

- b) the name of the firm advertising the real estate for sale shall appear in equal or greater size, prominence, and frequency than the name any affiliated licensee

215

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

- c) the firm's telephone number shall appear in equal or greater size, prominence, and frequency than the telephone number of any affiliated licensee, and it must be a number at which the public can reach a broker or a manager of the firm without going through the affiliated licensee listed in the advertisement

216

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

- d) whether contained in a logo or standing alone, the name of the firm must be in equal or greater size, prominence, and frequency than the name of any affiliated licensee or group of licensees

217

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(7)</sup>)

- e) a block advertisement in any print media that advertises various listings of a firm, and includes the name of the listing agent next to each listing, shall be in compliance with this rule if the name of the firm appears only once at the top of the advertisement in equal or greater prominence and print size than any of the listing agent's names.

*Other positions are acceptable if the firm name appears clearly larger and more prominently than licensee names*

218

## **License Law for Agents & Brokers**

### **Advertising Rules (GREC 520-1-.09<sup>(8)</sup>)**

A licensee shall not advertise to sell real estate in a manner indicating that the offer to sell such real estate is being made by a private party not licensed by GREC.

219

## **License Law for Agents & Brokers**

### **Advertising Rules (GREC 520-1-.09<sup>(8)</sup>)**

Every licensee is prohibited from advertising under the licensee's individual name to buy any real estate or offer for sale any real estate.

220



## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(8)</sup>)

All advertising by licensees must be under the direct supervision of their broker and in the name of their firm.

221

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(8)</sup>)

However, when a licensee wishes to advertise real estate owned by the licensee and which is not under a brokerage engagement, the licensee may do so provided:

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## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(8)</sup>)

1. Broker has been notified in writing
2. Broker gives written consent to advertising the specific property, and approves the advertising
3. Whether active or inactive, ads must include a legend:
  - a) “Seller holds a real estate license”; or
  - b) “Georgia Real Estate License#...”  
(or “GA RE Lic#)

223

## License Law for Agents & Brokers

### Advertising Rules (GREC 520-1-.09<sup>(10)</sup>)

Notwithstanding any other provision of this Rule, a licensee shall make every reasonable attempt in advertising to assure the public knows that they are being contacted by a licensee

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## Summary of Advertising Laws

- **Marketing/Advertising**
- You are required to review the GREC advertising rules & regulations: Complete rules on advertising can be found in **Rule 520-1-.09** [www.grec.state.ga.us](http://www.grec.state.ga.us)
- All advertising (print media, signs, website, e-mail, business cards, blogs, vlogs, Craigslist, Facebook, etc...) by an affiliate licensee must be done in the name of firm and under the supervision of the broker. When a licensee advertises a specific property or properties for sale, for rent, or for exchange, the name of the licensed firm offering the property must appear in equal or greater size, prominence, and frequency than the name or names of any affiliated licensees or groups of licensees. Additionally, the telephone number of the firm must appear in equal or greater size, prominence, and frequency than any telephone numbers of any affiliated licensees or groups of licensees. *See also Rule 520-1-.09*
- All marketing materials must be approved by your Broker or the Managing Broker
- Any advertising on the Internet by a licensee of real estate for sale shall disclose the name and telephone number of the licensee's firm on every viewable web page of a website except as herein otherwise provided
- Licensee must make every reasonable attempt to assure that the public knows they are being contacted by a real estate agent

225

## Summary of Advertising Laws

- **GREC Advertising Guide**
- **ALL Advertising (Including Specific Property)**
  - Is Not Misleading or Inaccurate
  - Does Not Discriminate
  - In the Name of the Broker (Firm not the person)
    - Corporate Name or Trade Name as approved by GREC
    - In a manner reasonably calculated to attract the attention of the public
  - Reviewed & Approved by the Broker

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## Summary of Advertising Laws

- Advertising **Specific Property** (House, Apartment, Subdivision, Condo, Land, Etc.)
  - **REQUIRED**
    - Brokerage Name – Corporate or Trade Name as Registered with GREC
    - Brokerage Phone Number as registered with GREC (but can have agent extension afterwards as long as when public calls there is an option for them to get to Broker without having to go through agent)
    - Broker's Name equal or greater size, frequency or prominence than agent(s).
    - Broker's telephone number is equal or greater size, frequency or prominence than telephone number of agent(s).
    - Can use the size of Broker's Logo in name as measurement "yardstick" for size
  - **OPTIONAL**
    - Affiliate Licensee(s) or Team Name
    - Telephone number other than broker
    - E-mail/Web address

227

## Summary of Advertising Laws

- Advertising **Licensee-Owned Property**
  - Written notification to Broker **PRIOR** to signing contract for listing / purchase / sale / lease / option / exchange
  - Broker's written consent & approval
  - Includes appropriate licensee disclosure – This is required even for **INACTIVE** agents who still hold a real estate license
    - "Seller holds a real estate license in Georgia" or
    - "Georgia Real Estate License Number \_\_\_\_\_"
  - Complies with Rules on advertising specific property
- **ELECTRONIC** Marketing:
  - Agent Website - EVERY page must include Brokerage Name & Brokerage Phone Number
  - All other Electronic Marketing - if you don't have enough room for all of GREC compliance, you **MUST** include a link to a website (yours or your Broker's) that **IS** in full-blown GREC compliance - i.e. the public must be 1 click away from something that does meet GREC marketing compliance laws

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## Summary of Advertising Laws

- **Broker's Address:**
  - There is NOTHING in GREC License Law about a Brokerage Address being on anything - not required on signs, business cards, postcards, etc.
  - BUT GREC does allow for a Brokerage to have a policy requiring the Brokerage address being business cards or anything else
- 
- **Business Cards:**
  - Must meet terms of ALL Marketing
  - Does not need Broker's Phone Number UNLESS
    - Broker requires by policy
    - That Business Card will ever be in a listing
- 
- **Directionals:**
  - They are marketing a specific property so per GREC, directional should meet the terms of marketing a specific property
- **Resources:**
- GREC Article: <https://www.grec.state.ga.us/articles/advertising.html>
- GREC Rule: 520-1-.07 (6) – Utilizing Support Personnel – Task Guidelines

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## GREC Proposed License Law Changes – as of February 2022

- The proposed rule amendments were considered for adoption by the Commission at its meeting on March 11, 2020, at 9:30 a.m. following the public hearing.
- **Update as of 3/12/20 - GREC Rule Change - Teams Definitions & Prohibited Words for Advertising:** GREC met on March 11th and had a public hearing and was scheduled to vote. Based on the calls & emails and discussions at the Public Hearing, GREC is going to propose an UPDATED Rule Change to the definition of "Team" & "Team Captain" as well as what words may be used in marketing & advertising. It appears that GREC may allow the use of "Real Estate" "Realty" Broker" "Associate Broker" and some others. They will vote on the new Proposal in their April meeting and then bring up for a public hearing before voting it into law. Other issues they are taking into consideration: grandfathering in marketing (i.e. YouTube videos) that includes any prohibited words, giving a several month "grace" period for agents to switch over their marketing, and more. Many issues were discussed at the Public hearing.
- 
- **Note as of 4/14/20:** Due to the Coronavirus Pandemic, GREC has suspended their meetings. This issue will most likely be delayed until later this year or 2021.
- **Note as of 2/3/22:** GREC had a meeting 7/14/21 where additional discussion caused additional law changes. Another Public Hearing was scheduled for 10/13/21. I have no further information and nothing has been published by GREC as of 2/3/22.

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## GREC Proposed License Law Changes – as of February 2022

- **SYNOPSIS OF PROPOSED AMENDMENTS TO THE GEORGIA REAL ESTATE COMMISSION RULES  
CHAPTER 520 Rule 520-1-.02 - Terms**
- **Purpose:** The purpose of this proposed amendment is to define the terms “Team” and “Team Leader” as they relate to real estate brokerage activity in Georgia.
- **Main Feature:** Defining the terms “Team” and “Team Leader”.
- 
- **CHAPTER 520 Rule 520-1-.02 (2) - Terms**
- (u) “**Team**” is comprised of two or more licensees who
  1. act on behalf of, and are affiliated with, the same firm;
  2. work together on a regular basis to provide real estate brokerage services;
  3. represent themselves to the public as a team; and
  4. are identified by a team name.
- 
- (v) “**Team Leader**” is a licensee designated by his or her qualifying broker or broker as a Team Leader. Each Team in a firm must have a Team Leader. Each Team Leader shall maintain an accurate list of the names, license numbers, contact information for each team member, and provide the list to the qualifying broker or broker of the firm.

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## GREC Proposed License Law Changes – as of February 2022

- **SYNOPSIS OF PROPOSED AMENDMENTS TO THE GEORGIA REAL ESTATE COMMISSION RULES - CHAPTER 520 Rule 520-1-.09 - Advertising**
- **Purpose:** The purpose of this rule is to provide guidance for real estate firms and to help prevent confusion by the general public, regarding the advertising of real estate Teams in Georgia, by identifying requirements that are specific to the advertising of Teams for Georgia real estate salespersons, brokers and firms.
- 
- **Main Features:** Identifying the responsibilities of Team Leaders, qualifying brokers or brokers when advertising Teams. Identifying required and prohibited words and phrases used in Team advertising.
- 
- **CHAPTER 520 Rule 520-1-.02 (11) – Advertising as Teams**
- (a) It shall be the Team Leader’s responsibility to submit all team advertising to the qualifying broker or broker of the Firm of which the Team is affiliated. The qualifying broker or the broker shall timely review all advertising by Teams to assure compliance with the advertising rules of Chapter 520-1-.09.
- (b) The word “**team**” or “**group**” **must be included** as part of the name for all Teams. Real estate team or group names may **not include** the following words or phrases, or variations thereof:
- 
- \* Brokerage                      \* Company                      \* Corp                      \* Inc
- \* Broker                              \* Corporation                      \* Incorporated                      \* LLC
- \* Firm

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## License Law for Agents & Brokers

### Topics for Review:

- Effects of prohibited conduct on your license
- Requirements for transfer to another firm
- Requirements for handling Escrow funds
- Unfair trade practices prohibited in GA
- Broker Relationships/Handling Transactions
- Management responsibilities of RE firms
- Advertising Rules
- **Licensees acting as Principals**

233

## License Law for Agents & Brokers

### Licensees as Principals (GREC 520-1-.11(1))

Paraphrased:

***You can't do anything without notifying your broker in writing, and gaining their consent.***

Actual GREC rule is written as:

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## License Law for Agents & Brokers

### **Licensees as Principals (GREC 520-1-.11(1))**

No licensee shall be permitted to list, sell, buy, exchange, rent, lease, or option, or offer to list, sell, buy, exchange, rent, lease, or option real estate, either in individual or multiple parcels...

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## License Law for Agents & Brokers

### **Licensees as Principals (GREC 520-1-.11(1))**

...in the licensee's own name or in the name of any other firm or entity in which the licensee is an officer, employee, beneficiary, or member of such firm or entity...

236



## License Law for Agents & Brokers

### Licensees as Principals (GREC 520-1-.11(1))

...acting as a principal, without first advising, in writing, the broker for whom the real estate licensee is acting

237

## License Law for Agents & Brokers

### Licensees as Principals (GREC 520-1-.11(2))

When a licensee offers to [buy] a property as a condition to obtaining a [listing agreement] or on which the licensee is extending the expiration date of an existing agreement, the licensee must enter into a written contract to purchase which expresses all the terms and conditions of the licensee's purchase...

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## License Law for Agents & Brokers

### Licensees as Principals (GREC 520-1-.11(2))

...**prior to or at the time of** entering into the proposed [listing agreement] or into the extension of the existing agreement.

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## License Law for Agents & Brokers

### Licensees as Principals (GREC 520-1-.11(2))

[Similarly], when a licensee offers to buy a property in order to enable a party to purchase, sell, lease, or exchange another property, the licensee must do the same as above [enter into a written agreement with the purchase terms expressed].

240

## License Law for Agents & Brokers

### **Licensees as Principals (GREC 520-1-.11(3))**

Licensees advertising to buy, sell, exchange real property for their own accounts must comply with the advertising requirements of Rule 520-1-.09 - *Advertising*

241

## License Law for Agents & Brokers

### **Licensees as Principals (OCGA 43-40-29(c))**

“In order to protect the public, it requires a licensee to comply with its provision whether acting as an agent or as a principal.”

*Brokers are required to review all of their affiliated licensees' activities for compliance with the law, whether the activity is that of an agent or of a principal and agent.*

242

## License Law for Agents & Brokers

### Property Management of Real Estate Owned by Licensee & Trust Funds

(GREC Rule 520-1-.08 (9))

All Trust monies must be placed in the Trust Account of Broker Holding License if property not owned 100% by licensee =

- Deed only in name of licensee OR
- Deed only in name if business entity of which licensee is SOLE owner, member, stockholder

243

## License Law for Agents & Brokers

### Property Management of Real Estate Owned by Licensee & Trust Funds

Broker may give licensee permission to set up a personal Trust Account that Broker must register with GREC... all rules & laws regarding trust accounts shall apply

If not owned 100% by licensee, this is not an option.

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## Agent as Principal Summary

**If you are the principal in any transaction involving real property (i.e. personal residence or investment property) you must:**

- You must send your Broker an email with the property address (if you have one yet) of your desire / intent to buy / sell / rent / lease / option / exchange real property – prior to signing a contract / agreement (**GREC 520-1-.11(1)**)
- Create a transaction with your Broker & upload all the documents into that transaction in whatever Transaction Management System your firm uses
- All transactions must go through a Compliance review
- You may not hold any trust funds (earnest money or security deposits) in your own account – based on your company's policy, all escrow funds must be deposited with either your Broker, another Broker or a Property Management Company

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## Agent as Principal Summary

- All agents must identify themselves as being a licensed agent in Georgia and include their Real Estate License Number
- Reveal any material relationship with any one else on the contract – including any business entity acting as principal – i.e. “Listing Agent is member of \_\_\_\_ LLC which is selling the property”
- If this is your personal primary residence, if you complete the “Agent Owner Letter” in FMLS & upload to your transaction for a Broker signature, there is no FMLS fee **IF** Closing Settlement Statement & FMLS #118 & Agent Owner Information is provided to FMLS within 3 Business days of Closing – PER FMLS as of 2022
- If any of the parties in the transaction require Broker's permission to take \$0 commission, please make that request for a Broker Commission Permission Letter in your transaction if your company allows this so that your Broker may initiate & sign this permission to cut the commission

246

## Agent as Principal Summary

- The license law requires brokers to review all of their affiliated licensees' activities for compliance with the law, whether the activity is that of an agent or of a principal and agent. Thus, whenever an affiliate intends to act as a principal or as a principal and an agent in handling her own real property, the license law requires the affiliate to disclose her intentions in writing.

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## Agent as Principal Summary

- ***Why do I have to tell my broker that I am marketing a property that I own if I am not paying her a commission?***
- 
- In order to protect the public, it requires a licensee to comply with its provisions whether acting as an agent or as a principal
- [ [See O.C.G.A. Section 43-40-29 \(c\)](#) ].
- **See Handout**

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## License Law for Agents & Brokers

### Inactive Licensee Practicing Real Estate OCGA 43-40-12(g)

- The license law provides that a licensee on inactive status may perform the acts of a licensee *only concerning property he or she personally owns.*

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## License Law for Agents & Brokers

### Inactive Licensee Practicing Real Estate OCGA 43-40-12(g)

- However, even in this situation involving personally owned property, the inactive licensee remains subject to the provisions of the license law requiring disclosure of his or her licensed status in real estate sales contracts and leases

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## License Law for Agents & Brokers

### Inactive Licensee Practicing Real Estate OCGA 43-40-12(g)

- Active or inactive licensees must have in any advertisement done in their own names for property that they own the phrase, "(seller, buyer, landlord, or tenant) is a licensed real estate agent;"

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Thank you!



Remember to Confirm all Law Questions with your Broker & GREC & all Contract Questions with your Broker!



Please attend Additional Courses:  
[www.RealEstateAcademyofAmerica.com](http://www.RealEstateAcademyofAmerica.com)



Course Offered through: *Real Estate Academy of America (GREC School #6915)*



Credits for Virtual CE classes to be recorded 3 to 5 Business Days from class



Video Contract Tips:  
[www.YouTube.com/RealEstateMadeCrystalClear](http://www.YouTube.com/RealEstateMadeCrystalClear)

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**Georgia Real Estate Commission (GREC) <http://www.grec.state.ga.us/about/grec.html>**

The Georgia Real Estate Commission administers the [license law](#) that regulates brokers, salespersons, and community association managers. In addition, the Real Estate Commission supplies staff support to the Georgia Real Estate Appraisers Board but has no authority over the administration of the Georgia Appraisal Act.

As a regulatory body, the role of the Commission is not to protect the industry or the profession that it regulates nor to protect consumers. It is not the role of regulators to be advocates for either a profession or consumers. Instead, the role of the regulators is to protect the public interest.

Protecting the public interest means assuring every individual's right to justice and equal opportunity. Regulators protect the public interest when they deny the right to practice to the incompetent and unscrupulous. Regulators protect the public interest when they eliminate barriers that unreasonably limit entry into a field of practice. Regulators protect the public interest when they refuse to use licensing or registration laws to settle private disputes. Regulators protect the public interest when they refuse to use licensing or registration laws to advance the interest of private trade associations. Regulators protect the public interest when they encourage free and open markets. Therefore, the public interest demands that regulators use their best efforts to achieve impartiality.

To enforce these laws fairly and impartially, the members of the Real Estate Commission and its staff must:

- understand the attitudes and actions of both consumers and licensees in brokerage transactions and in their relationship with the Commission while relying on their experience as consumers and licensees to provide background for this understanding and to render fair and impartial treatment;
- make judgments and reach conclusions only after careful review of all relevant facts and opinions regarding allegations of wrongdoing and recommend modifications to the existing laws or new laws or regulations;
- supervise and administer the regulatory and disciplinary powers of the license law to provide that licensees and the public receive due process rights;
- generate rules and regulations that are reasonable, within the limits of the legislative law, and economically feasible to administer and enforce;
- communicate with licensees and the public to assure the appropriate dissemination of the laws and to obtain opinions and concerns regarding the nature and content of the laws;
- develop policies and procedures that are administratively feasible and not unduly burdensome to the public and licensees;
- respect and consider all opinions and views concerning the nature of the laws and their administration;
- express opinions on matters of conscience and policy in appropriate forums;
- and cooperate with their colleagues in the real estate community to improve the level of professionalism and knowledge concerning the nature and transaction of real property.

LICENSE LAW

[Title 43 Chapter 40](#)

OTHER RELATED LAWS

[Title 10 Chapter 6A](#) Brokerage Relationships in Real Estate Transactions Act

[Title 16 Chapter 13 Section 110](#) Definitions.

[Title 16 Chapter 13 Section 111](#) Notification of conviction of licensed individual to licensing authority; reinstatement of license; imposition of more stringent sanctions.

[Title 16 Chapter 13 Section 112](#) Applicability of administrative procedures.

[Title 16 Chapter 13 Section 113](#) Article as supplement to power of licensing authority.

[Title 16 Chapter 13 Section 114](#) Period of applicability of article.

[Title 43 Chapter 6 Section 9](#) License requirement for auctioneers and apprentice auctioneers; restrictions as to sales of real property.

[Title 44 Chapter 1 Section 16](#) Failure to disclose in real estate transaction that property was occupied by diseased person or was site of homicide.

[Title 48 Chapter 13 Section 17](#) (Effective January 1, 1995) Levy of license, occupation, or professional tax by counties and municipalities upon real estate brokers.

RULES AND REGULATIONS

[Chapter 520-1](#) \* Licensure and Brokerage

[Chapter 520-2](#) \* Standards for Real Estate Courses

[Chapter 520-4](#) \* Procedural Rules

[Chapter 520-5](#) \* Standards for Contracts for Education or Research

APPENDIX

[Comparison Guide to the Reorganized Rules Chapter 520-1](#)

## License Law Class Quiz

---

I can name the 7 federally protected classes of the Fair Housing Act	True / False
Your "original" RE license wall certificate must be held by your broker	True / False
Licensees who have moved from one firm to another are entitled to continue working on Pending sales from their old firm	True / False
Agents who own rental property may hold security deposits in their own business bank account	True / False
A broker may never pay a commission to a non-licensed person/entity	True / False
Licensee shall place Earnest Money into the custody of their broker within 3 business days	True / False
A broker who disburses Earnest Money contrary to the terms of a contract can be deemed "incompetent" by the commission	True / False
Agents are allowed to collect commissions and/or fees from someone other than their broker, at any time	True / False
Failure to include a specific expiration date in a listing agreement is considered an unfair trade practice	True / False
Fees being paid for referrals must be disclosed in writing to the principal, when he/she is being referred for real estate services or relocation	True / False
Acting for more than one party in a transaction without the expressed written consent of all parties, is considered an unfair trade practice	True / False
Agents must provide a copy of any document utilized in a RE transaction to any individual signing such document	True / False
An Agent may rebate a portion of their commission to a client or customer, after the sale closes	True / False
An Agent's assistant may do anything an Agent is allowed to do, as long as the Agent and their broker supervise that activity	True / False
<u>ALL</u> advertising by licensees must be done under the direct supervision of their broker and in the name of their firm	True / False

## **License Law Class Quiz**

---

I can name the 7 federally protected classes of the Fair Housing Act	True
Your "original" RE license wall certificate must be held by your broker	True
Licensees who have moved from one firm to another are entitled to continue working on Pending sales from their old firm	False
Agents who own rental property may hold security deposits in their own business bank account	False
A broker may never pay a commission to a non-licensed person/entity	False
Licensee shall place Earnest Money into the custody of their broker within 3 business days	False
A broker who disburses Earnest Money contrary to the terms of a contract can be deemed "incompetent" by the commission	True
Agents are allowed to collect commissions and/or fees from someone other than their broker, at any time	False
Failure to include a specific expiration date in a listing agreement is considered an unfair trade practice	True
Fees being paid for referrals must be disclosed in writing to the principal, when he/she is being referred for real estate services or relocation	True
Acting for more than one party in a transaction without the expressed written consent of all parties, is considered an unfair trade practice	True
Agents must provide a copy of any document utilized in a RE transaction to any individual signing such document	True
An Agent may rebate a portion of their commission to a client or customer, after the sale closes	False
An Agent's assistant may do anything an Agent is allowed to do, as long as the Agent and their broker supervise that activity	False
<u>ALL</u> advertising by licensees must be done under the direct supervision of their broker and in the name of their firm	True

GEORGIA COMMISSION ON EQUAL OPPORTUNITY  
 FAIR HOUSING ADVERTISING  
 WORD AND PHRASE USAGE LIST  
 Version 1: issued February, 1999

This list is intended to assist all persons in complying with the advertising provisions of the Georgia Fair Housing Law. The Georgia Commission On Equal Opportunity (GCEO) will render its determinations based upon this list. From time to time, revisions to the law or court decisions may require that this list be revised. No word list can take all possible situations into account, and we strongly recommend that you contact the GCEO or your attorney to seek guidance on any language which seems questionable to you.

This list is not approved by or binding upon the U.S. Department of Urban Development (HUD). The GCEO does not guarantee that HUD will agree with the opinions expressed in this list.

Words/phrases which probably violate the law: Do NOT use.	Words/phrases which may violate the law, depending on context. Use with caution. Legal consultation is recommended.	Words/phrases which do not or are very unlikely to violate the law. Use with confidence.
(ethnic references)	active	accessible
(nationality)	close to	apt. complex with chapel
able-bodied	congregation	bedrooms, number of
adult building	Catholic	bus, near
adult community	executive	credit check required
adult living	female(s) only	den
adult-only swimming pool	fisherman's retreat	desirable neighborhood
adults	gender	domestic quarters
adults only	gentleman's farm	drinking, no
African	grandma's house	drugs, no
agile	golden agers only	drug users, no
alcoholics, no	handyman's dream	Easter Bunny
American Indian(s)	integrated	Equal opportunity housing
Anglo Saxon	male(s) only	family, great for
Asian	male roommate	family room
bachelor	man only	fixer-upper
bachelor pad	mature	golf course, near
black(s)	membership approval req'd.	great view
blind, no	men only	handicapped access
Caucasian	Mormon Temple	Happy Easter
Chicano	no Section 8	hobby farm

children, no	parish	jogging trails
children, number of	private	kosher meals available
Chinese	restricted	luxury apartment
Christian	retired	luxury townhouse
colored	retiree(s)	master bedroom
couple	senior(s)	Merry Christmas
couples only	senior citizen(s)	mother-in-law apartment
crippled, no	senior housing	mother-in-law suite
deaf, no	shrine	nanny's room
disabled, no	single man	near
disabled, not for	single woman	near country club
employed, must be	synagogue	near church
empty nesters	temple	near golf course
exclusive	traditional	near public transportation
Filipino	walking distance to specified church or synagogue	near schools
foreigner(s)	woman only	(neighborhood name)
healthy only	women only	nice
Hispanic	no students	no bicycles allowed
Hungarian	no gays	no drinking
immigrants, no	number of persons	no drug use permitted
impaired, no	student(s)	no drugs
Indian	membership approval	no smoking
Irish	required.	
Italian	integrated	non-smoking
Jewish	must comply with park rules	number of bedrooms
Korean	newly-weds	nursery
Latino	no more than two (2) persons per bedroom	nursing home
mature couple	responsible	play area
mature individual	Spanish speaking	privacy
mentally disabled, no	stable	private
mentally ill, no		private driveway
mentally impaired		private entrance
Mexican-American		private property
must be employed		private setting

nationality  
Negro  
no alcoholics  
no blind  
no children  
no crippled  
no deaf  
no impaired  
no Jews  
no lesbians  
no mentally disabled  
no mentally ill  
no play area  
no retarded  
no seasonal workers  
no Social Security Insurance  
(SSI)  
no unemployed  
no wheelchairs  
not for disabled  
older person(s)  
one child  
one person  
Oriental  
physically fit only  
Polish  
Protestant  
Puerto Rican  
single person  
single sex club  
singles  
singles only  
unemployed, no  
Vietnamese  
white  
white only  
white private home

professional  
public transportation, near  
quality construction  
quality neighborhood  
quiet  
quiet neighborhood  
quiet streets  
Santa Claus  
(school district)  
(school name)  
secluded  
secure  
security provided  
senior discount  
St. Valentine's Day  
square feet  
  
townhouse  
traditional style  
tranquil setting  
two-bedroom  
verifiable income  
view of  
walk-in closet  
walk to bus stop  
wheel chair ramp  
with view  
prestigious  
straight only  
non-smokers  
quiet tenants

# Fair Housing Advertising Word List

(Note: This list is not all-inclusive. Each word must be considered in context.)

## Avoid

Able-bodied  
Adult living  
Adult community  
African  
Agile  
Alcoholics, no  
Asian  
Bachelor  
Black(s)  
Blind, no  
Board approval required  
Caucasian  
Chicano  
Child(ren), (number of)  
Colored  
Couple  
Couples only  
Crippled, no  
Deaf, no  
Disabled, not suitable for  
Drinker(s), no  
Employed, must be  
Empty nesters  
(Ethnic references)  
Gay(s) no (in RI)  
Handicapped, not suitable for  
Healthy only  
Heterosexual (RI)  
Hispanic  
Homosexual (RI)  
Impaired, no  
Indian  
Irish  
Integrated  
Jewish  
Landlord (description of)  
Latino  
Lesbian(s), no  
Married  
Mature couple  
Mature individual  
Mature person(s)  
Membership approval required  
Mentally disabled, no  
Mentally ill, no  
Mexican-American  
Migrant workers, no  
(Nationality)  
Newlyweds  
Non-drinkers  
Non-smokers  
Older person(s)  
One child  
One person  
Oriental

Park rules, must comply with  
Physically fit only  
Polish  
Puerto Rican  
Quiet tenant(s)  
(Religious references)  
Responsible  
Retarded, no  
Seasonal workers, no  
Singles only  
Single person  
Smoker(s) no  
Social Security Insurance  
(SSI) no  
Stable  
Straight only (RI)  
Tenant(s), description of  
Two people  
Unemployed, no  
White, white only

## Use With Caution

Active  
Bachelor pad  
Close to  
Country club, near  
Exclusive  
Executive  
Female(s) only  
Female roommate  
Fisherman's retreat  
(Gender)  
Gentleman's farm  
Grandma's house  
Golden Agers Only  
Handyman's dream  
Male(s) only  
Male roommate  
Man, men only  
Mormon Temple  
Mother-in-law apt.  
Nanny's room  
Near  
Person(s), number of  
Play area, no  
Prestigious  
Quality neighborhood  
Restricted  
Retired  
Retiree(s)  
Section 8, no  
Secure  
Seeking same  
Senior(s)  
Senior citizen(s)  
Senior housing

(Sex or gender)  
Shrine  
Single woman, man  
Sophisticated  
Student(s)  
Students, no  
Temple  
Walking distance to...  
Woman, women only

## Acceptable

Accessible  
Alcohol, no  
Bedrooms, (number of)  
Bus, near  
Credit check required  
Den  
Desirable neighborhood  
Domestic quarters  
Drugs, no  
Drug use, no  
Family room  
Fixer-upper  
Golf course, near  
Hobby farm  
Luxury townhouse  
(Neighborhood name)  
Nice  
Nursery  
Nursing home  
Places of worship, near  
Play area  
Privacy  
Private driveway  
Private entrance  
Private property  
Private setting  
Public transportation, near  
Quality construction  
Quiet  
(School district)  
(School name)  
Secluded  
Security provided  
Senior discount  
Sleeping area(s), number of  
Smoking, no  
(Square feet)  
Townhouse  
Traditional style  
Tranquil setting  
Verifiable income  
View of  
View with

## Describe the Property Not the People

Source: Oregon Newspaper Publishers Association 2000





Miami Valley Fair Housing Center, Inc.

21-23 East Babbitt Street

Dayton, OH 45405-4968

937-223-6035 • Fax 937-223-6279

Jim McCarthy, President/CEO

## FAIR HOUSING ADVERTISING WORD AND PHRASE LIST

Revised 05/01/09

*This word and phrase list is intended as a guideline to assist in complying with state and federal fair housing laws. It is not intended as a complete list of every word or phrase that could violate any local, state, or federal statutes.*

*This list is intended to educate and provide general guidance to the many businesses in the Miami Valley that create and publish real estate advertising. This list is not intended to provide legal advice. By its nature, a general list cannot cover particular persons' situations or questions. The list is intended to make you aware of and sensitive to the important legal obligations concerning discriminatory real estate advertising.*

*For additional information, contact the Miami Valley Fair Housing Center at (937) 223-6035.*

**BOLD** — not acceptable

*ITALIC* — caution

STANDARD — acceptable

**able-bodied**

*Active*

**adult community**

**adult living**

**adult park**

**adults only**

**African, no**

**Agile**

**AIDS, no**

**Alcoholics, no**

**Appalachian, no**

**American Indians, no**

**Asian**

Assistance animal(s)

Assistance animal(s) only

*Bachelor*

**Bachelor pad**

**Bisexuals, no** (City of Dayton)

**Blacks, no**

**blind, no**

*board approval required*

*Catholic*

**Caucasian**

**Chicano, no**

**children, no**

**Chinese**

*Christian*

**Churches, near**

college students, no

**Colored**

**Congregation**

Convalescent home

Convenient to

**Couple**

**couples only**

Credit check required

**crippled, no**

*Curfew*

**Deaf, no**

Den

**disabled, no**

*domestics, quarters*

Drug users, no

Drugs, no

**employed, must be**

**empty nesters**

**BOLD — not acceptable**

*ITALIC — caution*

STANDARD — acceptable

**English only**

Equal Housing Opportunity

**ethnic references**

*Exclusive*

*Executive*

**families, no**

families welcome

family room

family, great for

*female roommate\*\**

*female(s) only\*\**

*55 and older community\**

fixer-upper

gated community

*Gays, no*

**Gays, no** (City of Dayton)

*Gender*

**golden-agers only**

golf course, near

**group home(s) no**

guest house

handicap accessible

**handicap parking, no**

**Handicapped, not for**

**healthy only**

*Hindu*

**Hispanic, no**

**HIV, no**

**Homosexuals, no** (City of Dayton)

*housing for older persons/seniors\**

**Hungarian, no**

*Ideal for . . .* (should not describe people)

**impaired, no**

**Indian, no**

**Integrated**

**Irish, no**

**Italian, no**

*Jewish*

kids welcome

*Landmark reference*

**Latino, no**

*Lesbians, no*

**Lesbians, no** (City of Dayton)

*male roommate\*\**

**males(s) only\*\***

*man (men) only\*\**

*Mature*

**mature complex**

**mature couple**

**mature individuals**

**mature person(s)**

membership available

*Membership approval required*

**Mentally handicapped, no**

**Mentally ill, no**

**Mexican, no**

**Mexican-American, no**

**Migrant workers, no**

**Military, no** (State of Ohio)

*Mormon Temple*

**Mosque**

Mother in law apartment

*Muslim*

*Nanny's room*

**Nationality**

*Near*

**Negro, no**

Neighborhood name

**Newlyweds**

Nice

non- smokers

# of bedrooms

**# of children**

*# of persons*

# of sleeping areas

Nursery

nursing home

*Older person(s)*

**one child**

*one person*

**Oriental, no**

**Parish**

*perfect for . . .* (should not describe people)

pets limited to assistance animals

*pets, no*

**Philippine or Philipinos, no**

**physically fit**

**play area, no**

**preferred community**

*Prestigious*

Privacy

*Private*

Private driveway

Private entrance

Private property

Private setting

Public transportation(near)

**Puerto Rican, no**

**BOLD — not acceptable**

*ITALIC — caution*

STANDARD — acceptable

Quality construction  
*quality neighborhood*  
Quiet  
Quiet neighborhood  
references required  
**religious references**  
Responsible  
**Restricted**  
**retarded, no**  
*Retirees*  
*Retirement home*  
*safe neighborhood*  
*school name or school district*  
se habla espanol  
seasonal rates  
seasonal worker(s), no  
*Secluded*  
section 8 accepted/ welcome  
*section 8, no*  
*Secure*  
security provided  
*senior adult community\**  
*senior citizen(s)\**  
**senior discount**  
*senior housing\**  
*senior(s)\**  
*sex or gender\*\**  
**Shrine**  
single family home  
**single person**  
*single woman, man\*\**  
**singles only**

*sixty-two and older community\**  
Smoker(s), no  
Smoking, no  
*Snowbirds\**  
*sober*  
*Sophisticated*  
Spanish speaking  
**Spanish speaking, no**  
Square feet  
*Straight only*  
student(s)  
*Students, no*  
**Supplemental Security Income (SSI), no**  
**Synagogue, near**  
**temple, near**  
**tenant (description of)**  
Townhouse  
**traditional neighborhood**  
traditional style  
*tranquil setting*  
**Transgenders, no** (City of Dayton)  
*two people*  
**Unemployed, no**  
Verifiable Income  
*walking distance of , within*  
**Wheelchairs, no**  
**White**  
**White(s) only**  
winter rental rates  
*winter/summer visitors\**  
*woman ( women) only\*\**

\* *Permitted to be used only when complex or development qualifies as housing for older persons*

\*\* *Permitted to be used only when describing shared living areas or dwelling units used exclusively as dormitory facilities by educational institutions.*

**All cautionary words are unacceptable if utilized in a context that states an unlawful preference or limitation. Furthermore, all cautionary words are "red flags" to fair housing enforcement agencies. Use of these words will only serve to invite further investigation and/or testing.**

**This word and phrase list is intended as a guideline to assist in complying with state and federal fair housing laws. It is not intended as a complete list of every word or phrase that could violate any local, state, or federal statutes.**

**This list is intended to educate and provide general guidance to the many businesses in the Miami Valley that create and publish real estate advertising. This list is not intended to provide legal advice. If you are in need of legal advice, please see an attorney. By its nature, a general list cannot cover particular persons' situations or questions. The list is intended to make you aware of and sensitive to the important legal obligations concerning discriminatory real estate advertising.**

## Fair Housing & Sexual Orientation

**Question:** What about sexual orientation? Is that a protected class?

**Answer:**

Federal law does not protect people against housing discrimination based on their sexual orientation. However, the District of Columbia, several cities and towns, and the following states include sexual orientation as a protected class in their housing discrimination laws:

- California
- Colorado
- Connecticut
- Hawaii
- Illinois
- Maine
- Maryland
- Massachusetts
- Minnesota
- New Hampshire
- New Jersey
- New Mexico
- New York
- Rhode Island
- Vermont
- Washington
- Wisconsin

# AGREEMENT BETWEEN NEW BROKER AND FORMER BROKER OF A TRANSFERRING LICENSEE



**2024 Printing**

This AGREEMENT ("Agreement") is entered into pursuant to O.C.G.A. 43-40-19(c) and Rule 520-1-.07(5)(e) this date of \_\_\_\_\_, by and between \_\_\_\_\_

(hereinafter "New Broker") and \_\_\_\_\_ (hereinafter "Former Broker")  
for the purpose of allowing \_\_\_\_\_ (hereinafter "Licensee") to continue  
to act as a licensee for the former broker with regard to transactions begun prior to the transfer.

The licensee shall not have any contact of any kind whatsoever with any Seller, Buyer, Landlord, or Tenant client of the Former Broker until both brokers have signed and received a copy of this agreement.

The Former Broker agrees to assume full responsibility for the licensee's activities in the following sale/lease Transactions:

	MLS#	PROPERTY ADDRESS	LICENSEE'S COMPENSATION
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

The Former Broker agrees to assume full responsibility for the licensee's activities on the following Listings for sale/lease:

	MLS#	PROPERTY ADDRESS	LICENSEE'S COMPENSATION
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

The Former Broker agrees to assume full responsibility for the licensee's activities with the following buyers/tenants:

	NAME	LICENSEE'S COMPENSATION
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

**Additional Pages are attached.**

IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals to this Agreement, this date of \_\_\_\_\_:

NEW BROKER: \_\_\_\_\_

Address \_\_\_\_\_

Phone: \_\_\_\_\_

Fax # \_\_\_\_\_

REALTOR® Membership \_\_\_\_\_

FORMER BROKER: \_\_\_\_\_

Address \_\_\_\_\_

Phone: \_\_\_\_\_

Fax # \_\_\_\_\_

REALTOR® Membership \_\_\_\_\_

**License Law for Agents & Brokers**  
**GREC 520-1-.083c**  
**Disputed Earnest Money Contractual Language**

GAR Forms (Form F-201 Paragraph B7b & c)

**7. Earnest Money.**

- a. Entitlement to Earnest Money:** Subject to the paragraph below, Buyer shall be entitled to the earnest money upon the: (1) failure of the parties to enter into a binding agreement; (2) failure of any unexpired contingency or condition to which this Agreement is subject; (3) termination of this Agreement due to the default of Seller; or (4) termination of this Agreement in accordance with a specific right to terminate set forth in the Agreement. Otherwise, the earnest money shall be applied towards the purchase price of the Property at Closing or if other funds are used to pay the purchase price then the earnest money shall be returned to Buyer.
- b. Disbursement of Earnest Money:** Holder shall disburse the earnest money upon: (1) the Closing of the Property; (2) a subsequent written agreement of Buyer and Seller; (3) an order of a court or arbitrator having jurisdiction over any dispute involving the earnest money; or (4) the failure of the parties to enter into a binding agreement (where there is no dispute over the formation or enforceability of the Agreement). In addition, Holder may disburse the earnest money upon a reasonable interpretation of the Agreement, provided that: 1) Holder first gives all parties at least ten (10) days notice stating to whom and why the disbursement will be made; and 2) no interpretation shall be made by Holder dividing the earnest money between Buyer and Seller. Any party, real estate licensee or any other person having knowledge of or an interest in the disbursement of the earnest money may object to or provide information regarding the proposed disbursement by giving written notice of the same to Holder within the above referenced notice period. Objections not timely made in writing shall be deemed waived. If Holder receives an objection or other information and, after considering it, decides to disburse the earnest money as originally proposed, Holder may do so and send notice to the parties of Holder's action. If Holder decides to modify its proposed disbursement, Holder shall first send a new ten (10) day notice to the parties stating the rationale for the modification and to whom the disbursement will now be made. Holder shall disburse the earnest money to Seller by check in the event Holder: (1) makes a reasonable interpretation of the Agreement that the Agreement has been terminated due to Buyer's default; and (2) sends the required ten (10) day notice of the proposed disbursement to Buyer and Seller. The above-referenced check shall constitute liquidated damages in full settlement of all claims of Seller against Buyer and the Brokers in this transaction. Holder may require Seller to sign a W-9 before issuing a check to Seller for liquidated damages of \$600 or more. Such liquidated damages are a reasonable pre-estimate of Seller's actual damages, which damages the parties agree are difficult to ascertain and are not a penalty.
- c. Interpleader:** If an earnest money dispute cannot be resolved after a reasonable time, Holder may interplead the earnest money into a court of competent jurisdiction if Holder is unsure who is entitled to the earnest money. Holder shall be reimbursed for and may deduct its costs, expenses and reasonable attorney's fees from any funds interpleaded. The prevailing defendant in the interpleader lawsuit shall be entitled to collect its attorney's fees, court costs and the amount deducted by Holder to cover Holder's costs and expenses from the non-prevailing defendant.
- d. Hold Harmless:** All parties hereby covenant and agree to: (1) indemnify and hold Holder harmless from and against all claims, injuries, suits and damages (collectively, "Claims") arising out of the performance by Holder of its duties, including Claims caused, in whole or in part, by the negligence of the Holder; (2) not to sue Holder for any decision of Holder to disburse earnest money in accordance with this Agreement.

RE Forms (Form RE1 - Standard Terms Paragraph 3.4 vi)

**3.4. Disbursement of Earnest Money if Held by Escrow Agent -** After receiving reasonable assurance that the bank has credited the deposit to the account where the Earnest Money is being held, the Escrow Agent may (i) disburse the Earnest Money to Buyer if contract is not accepted, unless that issue is disputed; (ii) disburse the Earnest Money for credit to Buyer at Closing; (iii) disburse the Earnest Money to Buyer at time of Closing if it is not credited towards the purchase price at Closing; (iv) disburse the Earnest Money pursuant to a separate written agreement signed by the parties, agreeing to the terms of disbursement of the

Cont'd on next page

Earnest Money; (v) disburse the Earnest Money upon order of a court or arbitrator which has jurisdiction over the matter; or (vi) if Escrow Agent has received notice from any party that the Contract has been terminated or Closing has failed to occur, no more than thirty (30) days after said notice has been received Escrow Agent shall notify all parties of Escrow Agent's disbursement decision. Upon receipt of Escrow Agent's notification of disbursement, a party shall have ten (10) days to object to the disbursement. After receipt of a party's objection, Escrow Agent may change its decision or proceed according to Escrow Agent's original notification, but shall, in any event, notify the parties of said final disbursement.

In addition, if the disbursement of the Earnest Money is in dispute, Escrow Agent may file an action to interplead the Earnest Money to allow a court of competent jurisdiction to decide how it is to be disbursed, and Escrow Agent may disburse Earnest Money as part of the required procedures related to this filing. Additionally, Escrow Agent may deduct any attorney's fees, court costs and other related expenses from the Earnest Money as necessary to reimburse Escrow Agent for costs related to the interpleader action, and Escrow Agent shall be entitled to recover additional costs as described above if Escrow Agent's expenses exceed the amount of the Earnest Money. The party that the court deems to be entitled to the Earnest Money may seek to recover its attorney's fees, court costs and the amount deducted by the Escrow Agent from the party that was not deemed to be entitled to the Earnest Money. In performing any of its duties under this Agreement, Escrow Agent shall not be liable for any loss, cost or damage which may incur as a result of serving as Escrow Agent hereunder, except for any loss, cost or damages arising out of its willful default or gross negligence. The parties agree to release Broker from liability for any costs, fees, or damages resulting from Escrow Agent's duties described in the Contract.

If no objection to the disbursement of the Earnest Money is received by Escrow Agent prior to the disbursement of the Earnest Money, the right to object to said disbursement shall be deemed waived by the parties.

# SAMPLE

## AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

This Agreement is dated: \_\_\_\_\_, 20\_\_\_\_ and relating to the contract for purchase and sale of real property in Georgia and shall control over any conflicting language in any Contract / Exhibits / Amendments / Addenda for the purchase & sale of real property in Georgia.

### Affiliated Business Arrangement Disclosure Statement:

Pursuant to the Real Estate Settlement Procedures Act, this disclosure is required in order to disclose to you that Brokers Listed in Agreement may have entered into Business Arrangements in the form of Marketing Alliances with Affiliated Partners including but not limited to Lenders, Attorneys and Warranty Providers and other service providers. Due to the Marketing Alliance set forth, Brokers may benefit financially from the Marketing Agreement with Affiliated Partners. You are not required to use the services of affiliated partners. Brokers have carefully cultivated these partnerships as a convenience and customer service to their clients and customers. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

All Names should be signed on the line provided and printed in space below.

\_\_\_\_\_  
Client/Customer Signature

\_\_\_\_\_  
Client/Customer Signature

\_\_\_\_\_  
Client/Customer Name

\_\_\_\_\_  
Client/Customer Name

\_\_\_\_\_  
Client/Customer Signature

\_\_\_\_\_  
Client/Customer Signature

\_\_\_\_\_  
Client/Customer Name

\_\_\_\_\_  
Client/Customer Name

\_\_\_\_\_  
Buyer's Brokerage/Firm Name

\_\_\_\_\_  
Seller's Brokerage/Firm Name

\_\_\_\_\_  
Agent's Name

\_\_\_\_\_  
Agent's Name



## **Paying Commissions to Affiliated Licenses**

In the late 1970s and early 1980s many salespersons and associate brokers began to want to have their real estate commissions paid to a corporation or partnership in order to receive certain perceived business and tax advantages. Later, when Georgia created the limited liability company business entity, it was added to that list. Since the License Law permitted commissions to be paid only to licensed persons, the legislature changed the law to require such business entities also to be licensed as salespersons or associate brokers. That law (a) restricted the business entity to having only one licensed individual affiliated with the entity and (b) required that the licenses of both that entity and the individual licensee to be affiliated with the same broker.

That system worked well for many years. However, it did not permit more than one licensee to be an owner of such a business entity. Thus, family members working for the same team or teams could not have their commissions paid to a single such firm. For several years the Commission has sought to find a way to accommodate those differing methods of business operation. The new law eliminates the dual license requirement and permits such payments when the brokerage firm maintains and retains a written agreement that:

1. authorizes the brokerage firm to pay the commission to the unlicensed firm,
2. affirms that the individual licensee affiliated with the brokerage firm owns more than a 20 percent interest in the unlicensed firm,
3. provides that the individual licensee earned the commission in behalf of the brokerage firm, and
4. affirms that the unlicensed firm does not perform real estate brokerage activity. [O.C.G.A. Section 43-40-25 \(b\) \(17\) \(c\):](#)

Effective July 1, 2006, the License Law will no longer require a separate license for such business entities to be able to receive real estate commissions. On July 1, 2006, any such licenses already issued will terminate; and the Commission will issue no new such licenses. Brokers and their affiliate licensees who want commission paid to a separate business entity must then enter into new agreements as required by sub-paragraph (C) above.

*The information contained in this article is believed to be current and accurate. The GREC staff reviews the contents periodically and updates it when appropriate. If you have questions or comments about this article, you may contact us at [greccmail@grec.state.ga.us](mailto:greccmail@grec.state.ga.us). Last reviewed August, 2006*

# REFERRAL AGREEMENT (BROKER TO BROKER)

Date: \_\_\_\_\_



2024 Printing

For and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned parties do hereby agree as follows:

## 1. Broker to Broker Referral.

\_\_\_\_\_ (“Referring Broker”) does hereby refer the following prospect(s)  
\_\_\_\_\_ (“Prospect(s)”) to \_\_\_\_\_ (“Receiving Broker”) for the provision of real estate brokerage and/or relocation services.

## 2. Prospect(s) Contact Information.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Prospect(s) Have Consented to Referral. Referring Broker has obtained the Prospect(s) written agreement to be referred to Receiving Broker and has informed the Prospect(s) that the Referring Broker will receive a valuable consideration for such referral.

4. Compensation to Referring Broker. In consideration of the referral, Receiving Broker hereby agrees to compensate Referring Broker as follows: [Select one below. The sections not marked shall not be a part of this Agreement.]

- A. \$ \_\_\_\_\_.
- B. \_\_\_\_\_ percent (%) of the listing commission (including any monetary bonus) received by Receiving Broker on any real estate transaction involving Prospect. If an in-house sale (no cooperating broker), the listing commission shall not be less than \_\_\_\_\_% of the total commission.
- C. \_\_\_\_\_ percent (%) of the selling commission (including any monetary bonus) received by Receiving Broker on any real estate transaction involving Prospect. If an in-house sale (no cooperating broker), the selling commission shall not be less than \_\_\_\_\_% of the total commission.
- D. Other: \_\_\_\_\_

5. Rights and Obligations of Brokers. The rights of the Referring Broker and all obligations of the Receiving Broker shall terminate after \_\_\_\_\_ transactions have been completed and compensated. In the event this section is not completed, it is the agreement between the Referring Broker and Receiving Broker that this Referral Agreement shall be only for one (1) transaction which the parties agree shall mean the purchase or sale of one property.

Receiving Broker shall pay the above-referenced referral fee to Referring Broker within \_\_\_\_\_ days of Receiving Broker’s receipt of compensation on the transaction(s) involving Prospect and receipt of the W-9 Form from the Referring Broker. Receiving Broker shall have no obligation to pay Referring Broker the above-referenced referral fee until and unless Receiving Broker is paid a commission, fee or bonus on a real estate transaction involving the Prospect(s).

## 6. Miscellaneous

**A. Entire Agreement.** This Agreement is the entire agreement between Referring Broker and Receiving Broker and shall supersede all prior agreements between the parties. Neither party is relying on any inducements, representations or agreements not contained herein.

**B. Time is of the Essence.** Time is of the essence in this Agreement.

**C. Applicable Law.** This Agreement shall be interpreted in accordance with the laws of the state of Georgia.

**D. Definition of Prospect.** For the purposes herein, the term “Prospect” shall include any of the above-named Prospect(s) and their immediate family members, and any legal entity in which any of the Prospect(s) may be an owner, director, member, employee or officer. So, for example, if Prospect sets up a limited liability company to contract, purchase or sell a property, Receiving Broker shall still be obligated to pay Referring Broker the compensation referred above.

FOR TRAINING ONLY

Referring Broker \_\_\_\_\_ ( \_\_\_\_\_ )  
MLS Office Code

Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Broker

Print or Type Name: \_\_\_\_\_

Bus. Phone: \_\_\_\_\_

FAX # \_\_\_\_\_

E-mail: \_\_\_\_\_

REALTOR® Membership \_\_\_\_\_

Receiving Broker \_\_\_\_\_ ( \_\_\_\_\_ )  
MLS Office Code

Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Broker

Print or Type Name: \_\_\_\_\_

Phone: \_\_\_\_\_

FAX # \_\_\_\_\_

E-mail: \_\_\_\_\_

REALTOR® Membership \_\_\_\_\_

# REFERRAL AUTHORIZATION



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I/We, the undersigned, do hereby authorize \_\_\_\_\_,

("Referring Broker") to refer me/us to another real estate broker or builder for real estate brokerage, relocation and/or related services and acknowledges that the Referring Broker may be paid a valuable consideration for facilitating such referral.

Date: \_\_\_\_\_

Party Being Referred

Date: \_\_\_\_\_

Party Being Referred

FOR TRAINING ONLY

*License Law for Agents & Brokers:*  
*Additional Law/Rules for **Property Management and Community Association Management***

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**Handling Escrow Funds (GREC 520-1-.08(4))**

- a. Brokers who manage real property or community associations may maintain designated “rental” or “assessment” trust accounts separate from their other trust accounts.
- b. Security deposits, if kept in a designated rental account, must be clearly identified and credited to the tenant and there must always be a balance in the account equal to the total of said security deposits.

**Handling Escrow Funds (GREC 520-1-.08(4a))**

In paying bills on behalf of an owner or an association, from any designated rental or assessment trust account, there must be enough money credited and deposited to the owner’s or the association’s account to cover said bill.

**Unfair Trade Practices (OCGA 43-40-25b(26))**

Obtaining a brokerage agreement or contract from a party while knowing or having reason to believe that another broker has an exclusive agreement with such party, unless the licensee has written permission from the broker having the first exclusive brokerage agreement provided, however, a licensee shall be permitted to present a proposal or bid for CAM if requested to do so in writing from a community association board of directors.

**Unfair Trade Practices (OCGA 43-40-25b(31))**

Attempting to perform any act authorized by this chapter to be performed only by a broker, associate broker, or salesperson while licensed as a CAM.

**Unfair Trade Practices (OCGA 43-40-25b(32))**

Attempting to sell the property of any member of a community association to which a licensee is providing CAM services, without the express written consent of that association to do so.

**Unfair Trade Practices (OCGA 43-40-25b(33))**

Failure to deliver the following to a community association terminating a management contract (within 30 days of the termination, or within such other time period as the management contract shall provide):

- A. A complete and accurate record of all funds and transactions handled during the period of the contract and not previously accounted for;
- B. All records and documents received from the community association or received on the association's behalf; and
- C. Any funds held on behalf of the community association

**Unfair Trade Practices (OCGA 43-40-25b(34))**

Failure to deliver the following to a property owner terminating a management contract (within 30 days of the termination, or within such other time period as the management contract shall provide):

- A. A complete and accurate record of all funds and transactions handled during the period of the contract and not previously accounted for;
- B. All records and documents received from the property owner or received on the owner's behalf; and
- C. Any funds held on behalf of the property owner

**Broker Relationships (GREC 520-1-.06(2))**

- a. Every written property management agreement or other written authorization to manage real property between a broker and the owners of the real property shall:
1. Identify the property to be managed;
  2. Contain all the terms and conditions under which the property is to be managed;
  3. Specify the terms and conditions on which the broker will remit property income to the owner and on which the broker will provide periodic written statements of property income and expenses to the owner, provided that the periodic written statements shall be submitted to the owner on at least an annual basis
  4. Specify which payments of property related expenses are to be made by the broker to third parties and how such payments are to be funded;
  5. State the amount of fee or commission to be paid and when the fee or commission will be paid;
  6. Specify whether security deposits and prepaid rents will be held by the broker or the owner;
  7. Contain the effective date of the agreement and its termination date;
  8. Provide the terms and conditions for termination of the property management agreement by the broker or the owner of the property; and
  9. Contain signatures of broker and owner or their authorized agent
- b. The licensee shall give to the owner a legible copy of each written PM agreement or other written authorization to manage real property at the time the signature of the owner is obtained; and the licensee's broker shall retain a copy

**Broker Relationships (GREC 520-1-.06(3))**

Any broker who provides CAM services and who collects, maintains, controls, has access to, or disburses community association funds shall be covered at all times under a fidelity bond/insurance policy that complies with the requirements of paragraph (a) below unless such broker at no time collects, maintains, controls, has access to, or disburses community association funds totaling more than \$60,000.

- a. Any fidelity bond/insurance policy required by this rule shall:
1. be written by an insurance company authorized to write such bonds or policies in this state;
  2. cover the maximum amount of funds that the broker collects, maintains, controls, has access to, or disburses at any time the bond or insurance policy is in effect; coverage shall not be less than three months assessments due from all the members of the association or associations managed by the broker plus reserves required to be maintained by the broker
  3. name the community association(s) as an additional insured party;
  4. cover the broker and all partners, officers, licensed affiliates, and employees of the broker and may cover other persons collecting, maintaining, controlling, having access to, or disbursing community association funds as well
  5. provide that the company issuing the bond or policy may not cancel, substantially modify, or refuse to renew the bond or policy without giving thirty days prior written notice to the broker and to the community association; except that in the case of non-payment of premiums, no less than ten days prior written notice shall be given.
- b. Each broker shall maintain a separate fidelity bond/insurance policy for each community association for which the broker provides CAM services and collects, maintains, controls, has access to, or disburses funds, or such alternate fidelity coverage as is acceptable to GREC
- c. Each broker shall maintain a copy of each fidelity bond/insurance policy along with a current certificate of each such bond or insurance policy showing current coverage and shall provide a copy thereof to the community association.

# AGREEMENT FOR LICENSEE USE OF A REAL ESTATE ASSISTANT



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THIS AGREEMENT for the use of a real estate assistant ("Agreement") is entered into this date of \_\_\_\_\_, by and between \_\_\_\_\_ (hereinafter "Broker") and \_\_\_\_\_ (hereinafter "Licensee") and \_\_\_\_\_ ("Assistant") is intended as a three party Agreement between Broker, Licensee and Assistant;

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, Broker, Licensee and Assistant do hereby agree as follows:

1. **Nature of Agreement.** This Agreement is intended to serve as the following:
- A. The agreement between Broker and Licensee authorizing the use of an Assistant on the terms and conditions set forth herein.
  - B. The agreement between Broker and Assistant setting forth the basis upon which Assistant shall perform Assistant's duties hereunder and the scope of Broker's duties to supervise Assistant.
  - C. The agreement between Licensee and Assistant setting forth the duties and obligations of each of the parties in working together in a Licensee-Assistant capacity including the compensation of Assistant.

2. **Nature of Relationship.** All parties agree that Assistant is:  
*[Check all that apply, the boxes not checked shall not be a part of this Agreement.]*
- |  |  |
|--|--|
| <input type="checkbox"/> An employee of Licensee | <input type="checkbox"/> An Independent Contractor of Licensee |
| <input type="checkbox"/> An employee of Broker   | <input type="checkbox"/> An Independent Contractor of Broker   |
- If Assistant is licensed, Assistant certifies that Assistant has entered into an Independent Contractor Agreement with Broker.

3. **Disclaimer and Compensation of Licensee.** Unless expressly designated above Broker and Licensee agree that at no time shall Assistant be considered an employee of Broker, nor shall Broker have any responsibility to compensate Assistant for services rendered to Licensee.

4. **Compensation.**  
**A. Independent Contractor Assistant:** Broker and Licensee agree that any and all fees or commissions earned for real estate brokerage activities of Licensee shall be payable directly to Licensee. Broker consents to Licensee paying Assistant the following compensation:

\_\_\_\_\_

\_\_\_\_\_

**B. Employer Assistant:** Broker and Licensee agree that any and all fees or commissions earned for real estate brokerage activities of Licensee shall be payable directly to Licensee. Broker consents to Licensee paying Assistant the following compensation:

\_\_\_\_\_

\_\_\_\_\_

BROKER SHALL HAVE NO RESPONSIBILITY FOR ANY FEES OR COMMISSIONS OWED BY LICENSEE TO ASSISTANT.

5. **Term.** The work to be accomplished under this Agreement shall commence on the date of \_\_\_\_\_. This Agreement shall continue until terminated by written notice from any party to this Agreement to the other parties to this Agreement with or without cause and without any prior notice. A copy of this Agreement must be provided to Broker and executed by Broker prior to the commencement of any work by Assistant. If the Assistant is licensed, Assistant agrees that he or she will not perform services for or on behalf of either Assistant or another licensee without the prior written permission of Licensee.

6. **Types of Assistants.**  
**A. The parties agree that for the purposes of this Agreement there are two types of assistants as follows:**

- (1) **Licensed Assistant:** Licensed Assistant shall mean: (a) an affiliated real estate sales person who is licensed to sell real estate in Georgia; (b) has entered into an Independent Contractor Agreement with Broker; and (c) who will perform such duties and tasks on behalf of one or more licensees in Broker's office.
- (2) **Unlicensed Assistant:** Unlicensed Assistant shall mean a person for one or more licensees in Broker's office, who performs only ministerial duties which do not require the exercise of the Assistant's discretion or judgment and who does not perform services for which a license as a real estate sales person in Georgia is required.

- B. The Assistant certifies the assistant  is **OR**  is not presently holding an active Georgia Real Estate License in good standing with the Georgia Real Estate Commission. If during the term of this Agreement, an Unlicensed Assistant becomes a Licensed Assistant, the Assistant shall provide written notice of the same to the Broker and to the Licensee(s) for whom Assistant is working. Upon such notice being given and Assistant entering into an Independent Contractor Agreement with Broker, Assistant may thereafter perform the duties of a Licensed Assistant as described herein.

## 7. Duties of Assistant.

### A. Licensed Assistant

- (1) A Licensed Assistant may perform such duties and tasks for and on behalf of Licensee to increase the business productivity of Licensee. The work shall include those brokerage activities permitted pursuant to O.C.G.A. § 43-40, the rules of the Georgia Real Estate Commission, and the Independent Contractor Agreement executed with Broker and any and all duties specifically assigned by Licensee.
- (2) If, during the term of this Agreement, the real estate license of Assistant either lapses or becomes inactive, then at such time and until the license is again active and in good standing, Assistant shall only perform the duties and tasks of an Unlicensed Assistant set forth below.

### B. Unlicensed Assistant

- (1) Work Unlicensed Assistant may perform. Unlicensed Assistant agrees that he or she shall not perform any duties or tasks of a Georgia Real Estate Licensee. Assistant shall only perform such ministerial duties as are set forth in Commission Rule 520-1-.07(6) (e), which are designed to increase the business productivity of Licensee:
  - (a) Answer the phone and forward calls to Licensee;
  - (b) Submit data on listings to a multiple listing service;
  - (c) Check on the status of loan commitments after a contract has been negotiated;
  - (d) Assemble documents for closings;
  - (e) Secure documents that are public information from the courthouse and other sources available to the public;
  - (f) Have keys made for company listings and installing or removing lockboxes from company listings;
  - (g) Write advertisements and promotional materials for the approval of the licensee and supervising broker;
  - (h) Place advertisements in magazines, newspapers, and other media as directed by the supervising broker;
  - (i) Receive, record and deposit earnest money, security deposits, and advance rents;
  - (j) Type contract forms as directed by the licensee and the supervising broker;
  - (k) Monitor personnel files and license reports from the Commission;
  - (l) Compute commission checks;
  - (m) Place signs on property and remove such signs;
  - (n) Order items of routine repair as directed by Licensee;
  - (o) Act as a courier service for such purposes as delivering documents or picking up keys [the Licensee shall remain responsible for assuring delivery of contracts and closing documents as required by O.C.G.A. § 43-40-25(a)(19) and (20)];
  - (p) Schedule appointments with the owner or the owner's agent in order for a licensee to show listed property;
  - (q) Arrange dates and times for inspections;
  - (r) Arrange dates and times for the mortgage application, the preclosing walk-through, and the closing;
  - (s) Schedule an open house;
  - (t) Accompany Licensee to an open house or a showing only for security purposes;
  - (u) Perform physical maintenance on a property; and
  - (v) Perform such other work as may be requested by Licensee to aid in the purchase or sale of real property, provided such other work involves performing secretarial or ministerial duties or tasks and provided further that such other work does not under any circumstances involve performing brokerage duties or services which must be performed by a real estate licensee.
- (2) Work Unlicensed Assistant May Not Perform. Assistant shall not perform or undertake any of the activities prohibited to an Unlicensed Assistant set forth in Commission Rule 520-1-.07(6)(f) as follows:
  - (a) Make cold calls by telephone or in person or otherwise contacting the public for the purpose of securing prospects for listings, leasing, sales, exchanges, or property management;
  - (b) Host open houses, kiosks, home show booths, or fairs;
  - (c) Prepare promotional materials or advertisements without the review and approval of licensee and supervising broker;
  - (d) Show property;
  - (e) Answer any questions on title, financing, or closings (other than the time and place);
  - (f) Answer any questions regarding a listing except for information on price and amenities expressly authorized in writing by the licensee;
  - (g) Discuss or explain a contract, listing, lease, agreement, or other real estate document with anyone outside the firm;
  - (h) Negotiate or agree to any commission, commission split, management fee, or referral fee on behalf of a licensee;
  - (i) Discuss the attributes or amenities of a property, under any circumstances, with a prospective purchaser or lessee;
  - (j) Discuss with the owner of real property, the terms and conditions of the real property offered for sale or lease;
  - (k) Collect or hold deposit monies, rent, other monies or anything of value received from the owner of real property or from a prospective purchaser or lessee;
  - (l) Provide owners of real property or prospective purchasers or lessees with any advice, recommendations or suggestions as to the sale, purchase, exchange, or leasing of real property that is listed, to be listed, or currently available for sale or lease; and
  - (m) Hold himself or herself out in any manner, orally or in writing, as being licensed or affiliated with a particular firm or real estate broker as a licensee.



8. **Approval to Perform Additional Work.** During the term of this Agreement, unless Broker and Licensee consent in writing thereto, Assistant is expressly prohibited from assisting any other licensees in performance of real estate brokerage activities.
9. **Liability for Acts of Assistant.** Broker and Licensee shall both be responsible for ensuring that Assistant performs his or her duties and responsibilities in strict accordance with the rules of the Georgia Real Estate Commission. Broker shall have the right to take any action(s) which it deems necessary to ensure such compliance. Licensee agrees to immediately report to Broker any apparent violation by Assistant of any of the rules governing brokerage activities as issued by the Georgia Real Estate Commission.
10. **Assignment.** Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Broker or Licensee without the prior written consent of both parties.
11. **Confidential Information.** Assistant acknowledges that certain information received or developed by Assistant while performing tasks for Licensee pursuant to this Agreement constitutes proprietary information ("Proprietary Information"), in that such information as it relates to Licensee or Broker: (1) derives economic value, actual or potential, from being not generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
- In accordance with the foregoing criteria, Assistant further acknowledges that all lists of potential and actual clients and customer listings and sales files maintained by Licensee or Broker and any and all correspondence, papers, documents, and other materials furnished to the Assistant by Licensee or obtained by Assistant while performing tasks under this Agreement, are Proprietary Information and as such are confidential to and are and will remain the sole and exclusive property of Licensee. Except to the extent to perform the duties assigned to him or her by Licensee, Assistant will hold such Proprietary Information in trust and in strict confidence, and will not use, reproduce, distribute, disclose, or otherwise disseminate the Proprietary Information or any physical embodiments thereof and may in no event take any action causing, or fail to take the action necessary in order to prevent, any Proprietary Information disclosed to or developed by the Assistant to lose its character or cease to qualify as Proprietary Information.
- Upon request by Licensee, and in any event upon the termination of Assistant for any reason whatsoever or this Agreement is terminated or ends, Assistant will promptly deliver to Licensee all such lists, files, papers, and materials as well as any other property belonging to Licensee, including, without limitation, all Proprietary Information (and all physical embodiments thereof then in his or her custody, control, or possession). During the term of this Agreement and for a period of twelve (12) months following the termination of this Agreement for any reason whatsoever, the Assistant shall not (except on behalf of or with the prior written consent of Licensee), either directly or indirectly, on the Assistant's own behalf or on behalf of others solicit, divert, appropriate to or attempt to solicit, divert, or appropriate to Assistant's own advantage, or to the advantage of any other person or entity, any business from any client or actively sought prospective client of Licensee referenced in such lists, files, papers, and materials and about whom Assistant has acquired Proprietary Information. Assistant acknowledges and agrees that the foregoing provisions contained in this Section are reasonable and necessary and are the least restrictive means available to protect the legitimate business interests of Licensee.
12. **Management of Property.** The Assistant  may OR  may not perform property management activities permitted by O.C.G.A. § 43-40-29(10), if approved by Broker or Licensee.
13. **Conflicts.** In the event of a conflict between this Agreement and any Independent Contract Agreement entered into between a Licensed Assistant and Broker the terms and provisions of this Agreement shall control.
14. **Entire Agreement.** This Agreement supersedes any and all agreements, both oral and written, and contains all of the covenants and agreements between the parties with respect to the authorizations granted by Broker to Licensee regarding the use by Licensee of an assistant, the delineation of duties such Assistant may perform and the approval by Broker of the compensations to be paid to Assistant by Licensee. Each party acknowledges that no representations, inducements, promises, or agreements, written or oral, have been made by either party, or by anyone acting on behalf of either party, that are not embodied in this Agreement. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.
15. **Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
16. **Governing Law.** This Agreement may be signed in multiple counterparts and shall be governed by and interpreted pursuant to the laws of the State of Georgia.

**THIS AGREEMENT IS A CONDITION PRECEDENT TO LICENSEE ENGAGING THE SERVICES OF AN ASSISTANT. IT IS INTENDED TO: (1) AUTHORIZE THE USE BY LICENSEE OF A LICENSED OR UNLICENSED ASSISTANT; (2) DELINEATE THE DUTIES THAT THE ASSISTANT IS AUTHORIZED TO PERFORM FOR AND ON BEHALF OF LICENSEE; AND (3) SPECIFY THE COMPENSATION TO BE PAID TO ASSISTANT.**

IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals to this Agreement, this date of:

**BROKER:** \_\_\_\_\_

DATE: \_\_\_\_\_

LICENSE #: \_\_\_\_\_

**LICENSEE:** \_\_\_\_\_

DATE: \_\_\_\_\_

LICENSE #: \_\_\_\_\_

**ASSISTANT:** \_\_\_\_\_

DATE: \_\_\_\_\_

LICENSE #: \_\_\_\_\_

If the Assistant named above is actively licensed with a different brokerage firm than the firm named herein, the Assistant must also have the written consent of the Broker of that firm. Per Rule 520-1-.07(6)(c).

**FIRM:** \_\_\_\_\_

**BROKER:** \_\_\_\_\_

DATE: \_\_\_\_\_

LICENSE #: \_\_\_\_\_

## 520-1-.07(6e)

In order to provide reasonable guidelines for licensees and their support personnel, but without defining every permitted or prohibited activity, the commission has identified the following tasks that **unlicensed support personnel** under the direct supervision of a licensee affiliated with a broker can perform:

1. answering the phone and forward calls to a licensee
2. submitting data on listings to a multiple listing service
3. checking on status of loan commitments, after a contract has been negotiated
4. assembling documents for closings
5. securing documents that are public information from the courthouse and other sources available to the public
6. having keys made for company listings and installing/removing lock boxes
7. writing ads/promotional materials for the approval of the broker
8. placing ads in magazines, newspapers, and other media as directed by the supervising broker
9. receiving, recording, and depositing earnest money, deposits, advance rents
10. typing contract forms as directed by the licensee and the broker
11. monitoring personnel files and license reports from the commission
12. computing commission checks
13. placing signs on property and removing such signs
14. ordering items of routine repair as directed by a licensee
15. acting as courier for such purposes as delivering documents or picking up keys [the licensee remains responsible for assuring delivery of contracts and closing documents as required by O.C.G.A. Section 43-40-25 (a)(19) & (20)]
16. scheduling appointments for a licensee to show listed property
17. arranging dates and times for inspections
18. arranging dates and times for mortgage application, walk through, closing
19. scheduling an open house
20. accompanying licensee to an open/showing, only for security purposes
21. performing physical maintenance on a property

## 520-1-.07(6f)

The Commission has identified the following tasks that **unlicensed support personnel** under the direct supervision of a licensee affiliated with a broker cannot perform:

1. making cold calls by telephone or in person or otherwise contacting the public for the purpose of securing prospects for listings, leasing, sales, exchanges, or property management
2. hosting open houses, kiosks, home show booths, or fairs
3. preparing promotional materials or advertisements without the review and approval of licensee and supervising broker
4. showing property
5. answering any questions on title, financing, or closings (other than the time and place)
6. answering any questions regarding a listing except for information on price and amenities expressly authorized in writing by the licensee
7. discussing or explaining a contract, listing, lease, agreement, or other real estate document with anyone outside the firm
8. negotiating or agreeing to any commission, commission split, management fee, or referral fee on behalf of a licensee
9. discussing the attributes or amenities of a property, under any circumstances, with a prospective purchaser or lessee
10. discussing with the owner of real property, the terms and conditions of the real property offered for sale or lease
11. collecting or holding deposit monies, rent, other monies or anything of value received from the owner of real property or from a prospective purchaser or lessee;
12. providing owners of real property or prospective purchasers or lessees with any advice, recommendations or suggestions as to the sale, purchase, exchange, or leasing of real property that is listed, to be listed, or currently available for sale or lease
13. holding himself or herself out in any manner, orally or in writing, as being licensed or affiliated with a particular firm or real estate broker as a licensee

If you are the principal in any transaction involving real property (i.e. personal residence or investment property) you must:

- You must send your Broker an email with the property address (if you have one yet) of your desire / intent to buy / sell / rent / lease / option / exchange real property – prior to signing a contract / agreement (**GREC 520-1-.11(1)**)
- Create a transaction with your Broker & upload all the documents into that transaction in whatever Transaction Management System your firm uses
- All transactions must go through a Compliance review
- You may not hold any trust funds (earnest money or security deposits) in your own account – based on your company’s policy, all escrow funds must be deposited with either your Broker, another Broker or a Property Management Company
- All agents must identify themselves as being a licensed agent in Georgia and include their Real Estate License Number
- Reveal any material relationship with any one else on the contract – including any business entity acting as principal – i.e. “Listing Agent is member of \_\_\_\_\_ LLC which is selling the property”
- If this is your personal primary residence, if you complete the “Agent Owner Letter” in FMLS & upload to your transaction for a Broker signature, there is no FMLS fee.
- If any of the parties in the transaction require Broker’s permission to take \$0 commission, please make that request for a Broker Commission Permission Letter in your transaction if your company allows this so that your Broker may initiate & sign this permission to cut the commission

*Why do I have to tell my broker that I am marketing a property that I own if I am not paying her a commission?*

In order to protect the public, it requires a licensee to comply with its provisions whether acting as an agent or as a principal  
[ [See O.C.G.A. Section 43-40-29 \(c\)](#) ].

The license law requires brokers to review all of their affiliated licensees' activities for compliance with the law, whether the activity is that of an agent or of a principal and agent. Thus, whenever an affiliate intends to act as a principal or as a principal and an agent in handling her own real property, the license law requires the affiliate to disclose her intentions in writing.

**Another aspect of property management concerns real estate owned by licensees. The Commission considers a property “owned by a licensee” if the deed for the property reflects either:**

- (a) only the name of the licensee OR**
- (b) only the name of a business entity of which the licensee is the sole owner, member, or stockholder.**

**If neither of these situations is the case, the property is not 100% owned by the licensee, and all trust monies must be placed in the Trust Account of the Broker holding his/her license.**

**If a Broker (or any licensee under the direction of the Broker) owns rental real estate, all security deposits and other trust funds from those personal real estate assets must be placed into a designated Trust Account registered with the Commission.**

- If a licensee owns 100% of a rental property, the agent could get permission from his/her Broker to set up a separate, personal Trust Account registered with the Commission. He/she must give the Broker holding his/her license quarterly reports on the Trust Account. The Broker is still responsible for those funds.**
- If a licensee (non-broker) does not own 100% (the licensee is a co-owner of the property), the licensee does not have a choice and must use the Broker’s Trust Account to hold security deposits, earnest money, and other funds of others related to personal real estate activities.**

**Many licensees own real estate other than their principal residence. Often licensees do not feel their Broker should be privy to their personal real estate dealings. However, it is the Broker that is liable and responsible for funds related to any real estate activities that come into the licensee’s possession.**

**The Broker can protect him/herself by having good policies, procedures, and independent contractor agreements that address the personal real estate transactions of licensees associated with the firm.**

Consider the following case.

A salesperson owned 4 rental properties. Listed below are the multiple violations she committed. They resulted in a Citation, a fine, reimbursement of legal, investigative, and administrative expenses to the Commission, and additional education requirements for the salesperson.

1. She failed to notify her Broker in writing of leases on 4 of her personal rental properties.
2. She failed to turn over security deposits to her Broker.
3. She commingled the funds of others with her own.
4. She failed to deposit funds received into a Trust Account.
5. She collected a commission from a property owner and failed to turn over said commission to her Broker.
6. She failed to properly account for funds received from others.
7. She failed to include her license number and the firm's license number on leases.
8. She failed to submit copies of all leases on her personal property to her Broker.

An associate broker personally owns 3 rental properties with another unlicensed person. Which of the following is TRUE regarding the security deposits and rental payments?

- A. Security deposits must go in the Broker's Trust Account, but rental payments can be paid directly to the associate broker.
- B. The associate broker must inform his Broker that he is keeping the security deposit and rental payments in his personal checking account.
- C. The associate broker must place both the security deposits and the rental payments in a Trust Account.
- D. Security deposits can be held in the associate broker's Trust Account if his Broker agrees, but the rental payments can be paid directly to the associate broker and he must provide the Broker quarterly reports.

**The associate broker must place both the security deposits and the rental payments in a Trust Account. The rental payments cannot be paid directly to the associate broker because he owns the property with a third party and all the money is technically not his. Security deposits can not be held in the associate broker's Trust Account because he owns the property with another unlicensed person. The associate broker must inform his Broker that he has personal real estate and give any trust funds to his Broker for safekeeping. He cannot keep any trust funds such as security deposits or rental payments in his personal checking account.**

**Those Trust Accounts of the Broker or any of his/her affiliated licensees must be registered with the Commission and treated like any other Trust Account. That means they must adhere to the License Laws, Rules and Regulations regarding registration, necessary journal and ledger entries, monthly reconciliations, and notifying and updating the Commission as required.**

**Brokers or licensees with Trust Accounts registered with the Commission can utilize the [GREC website](#) to update Trust Account information. The Broker can also take advantage of the online services on the site to review a list of all Trust Accounts, including those Trust Accounts maintained by any of his/her affiliates.**

**Property Management activities encompass the following:**

- 1. Those activities conducted for a property owner for a fee**
- 2. Those personal real estate activities of a licensee affiliated with the brokerage firm, including the Broker**

**Every licensee is subject to the Trust Account requirements of the License Laws, Rules, and Regulations for any brokerage Activities he/she conducts, whether it is for a fee or for personal real state business.**



## INACTIVE Licensee Practicing Real Estate

- The license law provides that a licensee on inactive status may perform the acts of a licensee *only concerning property he or she personally owns*. [O.C.G.A. 43-40-12(g)] However, even in this situation involving personally owned property, the inactive licensee remains subject to the provisions of the license law requiring disclosure of his or her licensed status in real estate sales contracts and leases; in advertising to sell, buy, exchange, rent, or lease property, and in handling any earnest money or security deposits. Whenever an individual places his or her license on inactive status, that licensee has not surrendered his or her rights to a license. The individual retains those rights and the attendant responsibilities and may reactivate the license without re-qualifying as an original applicant. A licensee on inactive status may not perform the acts of a licensee for a fee for a licensed individual or company or for an unlicensed individual or company. (See the Section 3.10 of this chapter, "Licensees May Not Work for Unlicensed Persons," for a more detailed discussion of this issue.)
- Active or inactive licensees must have in any advertisement done in their own names for property that they own the phrase, "(seller, buyer, landlord, or tenant) is a licensed real estate agent;"

**(from GREC Rule 520-01-.14 Citations)**

**(3) Schedule of Violations and Penalties.** Violation of the following rules, regulations, and unfair trade practices may become the basis for the issuance of a citation. While the Commission may determine that circumstances warrant the imposition of a lesser penalty, the monetary penalties prescribed constitute the maximum penalty for a single violation of the cited rule, regulation, or unfair trade practice. In the event of any conflict between the description of a violation in the schedule below and the language in the code section or rule, the language in the code section or rule shall control.

(a) Failure of a community association manager, salesperson, or associate broker to turn over trust funds to the broker as soon as practicably possible. 43-40-25(b)(23) & 520-1-.08.	Fine of \$500.00.
(b) Failure of a licensee to include financing terms in a sales contract having a financing contingency. 43-40-25.1.	Fine of \$500.00.
(c) Failure of a licensee to provide a copy of any document used in a real estate transaction to any individual signing such document. 43-40-25(b)(19), 520-1-.06(1) & (2), & 520-1-.10(2).	Fine of \$500.00.
(d) Where a Commission examination of a brokerage firm's operations reveals a violation of requirements set forth in 43-40-11, 43-40-18, 43-40-25.1, 520-1-.06, 520-1-.07, & 520-1-.08(5)(c).	Fine of \$500.00.
(e) Where an examination of an approved school reveals a violation of requirements set forth in Chapter 520 of the Rules of the Commission.	Fine of \$100.00.
(f) Failure of a licensee to present promptly a signed offer to a seller or failure to deliver copies of an accepted contract to the parties within a reasonable time. 43-40-25(b)(19) & 520-1-.07.	Fine of \$600.00.
(g) Conducting business under a name other than that which is registered with the GREC. 520-1-.07.	Fine of \$600.00.
(h) Where a Commission examination of a brokerage firm's operations reveals a trust account violation. 43-40-20 & 520-1-.08.	Fine of \$600.00.
(i) Failure of a community association manager, a salesperson, or an associate broker to notify the broker of personal real estate activities. 520-1-.11.	Fine of \$600.00.
(j) Failure of a licensee to include the correct amount of earnest money, security deposit, or terms in a sales or lease contract. 43-40-25.1.	Fine of \$600.00.
(k) Where an approved school violates the requirements set forth in the Rules of the Commission developing or offering computer-based courses.	Fine of \$200.00.
(l) Where a licensee pays a commission or a referral fee for performing a real estate brokerage activity to a person who does not hold a current, active real estate license in this or some other state except as provided in 43-40-25(b)(17).	Fine of \$600.00.
(m) Advertising that violates a provision of 43-40-25(b)(11) or 520-1-.09(3), (5), or (6); but is not discriminatory or intentionally misleading or inaccurate in violation of 43-40-25(b)(1) or (2) or 520-1-.09(2) or (4).	Fine of \$600.00.

(n) Failure of a licensee to register with the GREC an account into which trust funds have been deposited. 43-40-20(b) & 520-1-.08(1).	Fine of \$600.00 per account not registered.
(o) Failure of a licensee to have the bank designate an account as a trust or escrow account, except where the bank has erred. 43-40-20(b).	Fine of \$600.00 per account not designated.
(p) Failure of a licensee to disclose his or her licensure in a contract requiring such disclosure. 520-1-.11.	Fine of \$600.00 per contract.
(q) Where a broker continues to allow an affiliated licensee to conduct brokerage transactions after the licensee's license has been in a lapsed status for more than one month. 43-40-18 & 520-1-.05(4).	Fine of \$600.00 per brokerage transaction.
(r) Where a licensee performs real estate brokerage activity in violation of 520-1-.05(4) beyond the month in which a license lapses for non-payment of renewal fees.	Fine of \$600.00 per brokerage transaction.
(s) Where an approved school offers a course without prior authorization, if such prior authorization is required.	Fine of \$200.00 per student enrolled, not to exceed the limits set forth in 520-1-.14 (1).
(t) Failure of a licensee to deposit trust funds promptly where the deposit was made more than three business days after receipt unless the contract provides otherwise. 43-40-25(b)(3).	Fine of \$600.00.
(u) Failure of a licensee to notify the Commission of the final disposition of any administrative, civil, or criminal action within ten days of the conclusion of court or administrative proceedings. 520-1-.05(5).	Fine of \$600.00.
(v) Failure of a licensee to obtain written permission before depositing trust funds into an interest-bearing account where the licensee retained the interest. 43-40-25(b)(30) & 520-1-.08(1).	Fine of \$600.00.
(w) Failure of a broker to sign a release form immediately upon personally receiving the request of a community association manager, salesperson, or associate broker to be released from the broker's firm. 520-1-.07(5).	Fine of \$600.00.
(x) Failure of a transferring salesperson or associate broker to account for or to return to the releasing broker all items belonging to that broker. 520-1-.07(5).	Fine of \$600.00.
(y) Failure of a licensee to deposit into a trust account trust funds received in connection with a transaction in which a licensee is a principal. 43-40-20(f), 520-1-.08(1) & (4).	Fine of \$600.00.
(z) Failure of a licensee to include a fixed date of expiration in a listing agreement or failure to leave a copy with the principal. 43-40-25(b)(18).	Fine of \$600.00.
(aa) Where an approved school allows a person who has not been approved by the Commission as a pre-license instructor to instruct a Community Association Managers Course, a Salespersons Prelicense Course, or a Brokers Prelicense Course.	Fine of \$300.00 per course, not to exceed the limits set forth in 520-1-.14 (1).
(bb) Failure of a licensee to deposit earnest money, security deposits or other trust funds according to the terms of a contract. 43-40-25(b)(5) & 520-1-.08(1).	Fine of \$800.00 per contract.
(cc) Where a broker upon disbursing trust funds without obtaining the express agreement to all the parties to the contract, fails to notify all parties in writing of the disbursement. 520-1-.08(3).	Fine of \$800.00.

<p>(dd) Where a licensee has made a false statement of material fact on his or her application or caused to be submitted or been a party to preparing or submitting any falsified application to the commission on paper, electronically, or by any other means or media. 43-40-15(d) &amp; 520-2-.16(1), &amp; 520-3-.07.</p>	<p>Fine of \$800.00.</p>
<p>(ee) Failure to handle trust funds as required by 43-40-20; 43-40-25(b)(3), (4), &amp; (5); &amp; 520-1-.08 in a transaction in which a client or a customer claims a loss and full restitution has been made.</p>	<p>Fine of \$900.00.</p>
<p>(ff) Where the annual percentage of students passing the real estate examination from any prelicense school falls ten percentage points or more below the percentage of all examinees passing the real estate examination in any two consecutive calendar years. 520-2-.16(2).</p>	<p>Fine of \$900.00.</p>
<p>(gg) Where an approved school fails to have students complete the required number of hours in any course or to complete all exercises and/or examinations required by the school. 520-2-.10(3), (4), (5), &amp; (6).</p>	<p>Fine of \$400.00 or \$100.00 per student, whichever is greater, but not to exceed the limits set forth in 520-1-.14 (1).</p>
<p>(hh) Failure to reconcile a trust or escrow account at least monthly; to provide the required information in the reconciliation statement; or, in the event of a discrepancy in the account, to provide an explanation or description of the discrepancy and the corrective action taken. 520-1-.08(6).</p>	<p>Fine of \$600.00 per violation if the account balances; fine of \$900.00 per violation if the account is not in balance. And such other violations and fines as the Commission and the respondent parties agree upon.</p>

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## Marketing/Advertising

- You are required to review the GREC advertising rules & regulations: Complete rules on advertising can be found in **Rule 520-1-.09** [www.grec.state.ga.us](http://www.grec.state.ga.us)
- All advertising (print media, signs, website, e-mail, business cards, blogs, vlogs, Craigslist, Facebook, etc...) by an affiliate licensee must be done in the name of firm and under the supervision of the broker. When a licensee advertises a specific property or properties for sale, for rent, or for exchange, the name of the licensed firm offering the property must appear in equal or greater size, prominence, and frequency than the name or names of any affiliated licensees or groups of licensees. Additionally, the telephone number of the firm must appear in equal or greater size, prominence, and frequency than any telephone numbers of any affiliated licensees or groups of licensees. *See also Rule 520-1-.09*
- All marketing materials must be approved by your Broker or the Managing Broker
- Any advertising on the Internet by a licensee of real estate for sale shall disclose the name and telephone number of the licensee's firm on every viewable web page of a website except as herein otherwise provided
- Licensee must make every reasonable attempt to assure that the public knows they are being contacted by a real estate agent

## GREC Advertising Guide

- **ALL Advertising** (Including Specific Property)
  - Is Not Misleading or Inaccurate
  - Does Not Discriminate
  - In the Name of the Broker (Firm not the person)
    - Corporate Name or Trade Name as approved by GREC
    - In a manner reasonably calculated to attract the attention of the public
  - Reviewed & Approved by the Broker
- **Advertising Specific Property** (House, Apartment, Subdivision, Condo, Land, Etc.)
  - REQUIRED
    - Brokerage Name – Corporate or Trade Name as Registered with GREC
    - Brokerage Phone Number as registered with GREC (but can have agent extension afterwards as long as when public calls there is an option for them to get to Broker without having to go through agent)
    - Broker's Name equal or greater size, frequency or prominence than agent(s).
    - Broker's telephone number is equal or greater size, frequency or prominence than telephone number of agent(s).
    - Can use the size of Broker's Logo in name as measurement "yardstick" for size
  - OPTIONAL
    - Affiliate Licensee(s) or Team Name
    - Telephone number other than broker
    - E-mail/Web address

## Advertising Licensee-Owned Property

- Written notification to Broker PRIOR to signing contract for listing / purchase / sale / lease / option / exchange
- Broker's written consent & approval
- Includes appropriate licensee disclosure – This is required even for INACTIVE agents who still hold a real estate license
  - “Seller holds a real estate license in Georgia” or
  - “Georgia Real Estate License Number \_\_\_\_\_”
- Complies with Rules on advertising specific property

## ELECTRONIC Marketing:

- Agent Website - EVERY page must include Brokerage Name & Brokerage Phone Number
- All other Electronic Marketing - if you don't have enough room for all of GREC compliance, you MUST include a link to a website (yours or your Broker's) that IS in full-blown GREC compliance - i.e. the public must be 1 click away from something that does meet GREC marketing compliance laws

## Broker's Address:

- There is NOTHING in GREC License Law about a Brokerage Address being on anything - not required on signs, business cards, postcards, etc.
- BUT GREC does allow for a Brokerage to have a policy requiring the Brokerage address being business cards or anything else

## Business Cards:

- Must meet terms of ALL Marketing
- Does not need Broker's Phone Number UNLESS
  - Broker requires by policy
  - That Business Card will ever be in a listing

## Directionals:

- They are marketing a specific property so per GREC, directional should meet the terms of marketing a specific property

## Resources:

- GREC Article: <https://www.grec.state.ga.us/articles/advertising.html>
- GREC Rule: 520-1-.07 (6) – Utilizing Support Personnel – Task Guidelines

## Proposed Rule Changes as of GREC Hearing 3/11/20

- The **proposed rule amendments** were considered for adoption by the Commission at its meeting on March 11, 2020, at 9:30 a.m. following the public hearing.
- 
- **Update as of 3/12/20** - GREC Rule Change - Teams Definitions & Prohibited Words for Advertising: GREC met on March 11th and had a public hearing and was scheduled to vote. Based on the calls & emails and discussions at the Public Hearing, GREC is going to propose an UPDATED Rule Change to the definition of "Team" & "Team Captain" as well as what words may be used in marketing & advertising. It appears that GREC may allow the use of "Real Estate" "Realty" Broker" "Associate Broker" and some others. They will vote on the new Proposal in their April meeting and then bring up for a public hearing before voting it into law. Other issues they are taking into consideration: grandfathering in marketing (i.e. YouTube videos) that includes any prohibited words, giving a several month "grace" period for agents to switch over their marketing, and more. Many issues were discussed at the Public hearing.
- 
- **Note as of 4/14/20:** Due to the current Coronavirus Pandemic, GREC has suspended their meetings. This issue will most likely be delayed .
- **Note as of 2/3/22:** GREC had a meeting 7/14/21 where additional discussion caused additional law changes. Another Public Hearing was scheduled for 10/13/21. I have no further information and nothing has been published by GREC as of 2/3/22.
- **\*\*\*AS OF 2/3/22 THERE HAVE BEEN NO DEFINITIVE RULE CHANGES MADE BY GREC TO THE BEST OF THE SCHOOL'S KNOWLEDGE.** –For More Information See: <https://grec.state.ga.us/>

## SYNOPSIS OF PROPOSED AMENDMENTS TO THE GEORGIA REAL ESTATE COMMISSION RULES CHAPTER 520 Rule 520-1-.02 - Terms

- **Purpose:** The purpose of this proposed amendment is to define the terms "Team" and "Team Leader" as they relate to real estate brokerage activity in Georgia.
- 
- **Main Feature:** Defining the terms "Team" and "Team Leader".
- 
- **CHAPTER 520 Rule 520-1-.02 (2) - Terms**
- (u) "Team" is comprised of two or more licensees who
  1. act on behalf of, and are affiliated with, the same firm;
  2. work together on a regular basis to provide real estate brokerage services;
  3. represent themselves to the public as a team; and
  4. are identified by a team name.
- 
- (v) "Team Leader" is a licensee designated by his or her qualifying broker or broker as a Team Leader. Each Team in a firm must have a Team Leader. Each Team Leader shall maintain an accurate



list of the names, license numbers, contact information for each team member, and provide the list to the qualifying broker or broker of the firm.

## SYNOPSIS OF PROPOSED AMENDMENTS TO THE GEORGIA REAL ESTATE COMMISSION RULES - CHAPTER 520 Rule 520-1-.09 - Advertising

- **Purpose:** The purpose of this rule is to provide guidance for real estate firms and to help prevent confusion by the general public, regarding the advertising of real estate Teams in Georgia, by identifying requirements that are specific to the advertising of Teams for Georgia real estate salespersons, brokers and firms.
- 
- **Main Features:** Identifying the responsibilities of Team Leaders, qualifying brokers or brokers when advertising Teams. Identifying required and prohibited words and phrases used in Team advertising.
- 
- CHAPTER 520 Rule 520-1-.02 (11) – **Advertising as Teams**
- (a) It shall be the **Team Leader’s responsibility** to submit all team advertising to the qualifying broker or broker of the Firm of which the Team is affiliated. The qualifying broker or the broker shall timely review all advertising by Teams to assure compliance with the advertising rules of Chapter 520-1-.09.
- (b) The **word “team” or “group”** must be included as part of the name for all Teams. Real estate team or group names may **not include** the following words or phrases, or variations thereof:
  - Associate Brokerage
  - Company
  - Corp
  - Inc
  - LLP
  - Broker
  - Corporation
  - Incorporated
  - LLC
  - LP
  - Real Estate

### As of 2/3/22 – These Words/Phrases have changed to:

- Brokerage
- Broker
- Company
- Corporation
- Corp.
- Firm

- Incorporated
- Inc.
- LLC

## As of 6/22/22 – These Proposed Rule Changes Regarding Teams was VETOED by the Governor’s Office

- Governor Brian Kemp vetoed these proposed License Law changes due to lack of consumer complaints & potential restraint on trade & unnecessary government regulations
- So there will be NO changes in License Law or GREC Rules to the marketing & advertising of Teams nor to the definitions & responsibilities of Team Leaders

## Future Plans by GREC – per Deputy Commission Craig Coffee as of 6/22/22

- Amending the GREC Marketing & Advertising Rules to make them LESS restrictive & more general (i.e. not have different rules for advertising a specific property vs. marketing your services as a real estate agent – approximately 12 – 24 months away
- Potential required CE coursework specifically for Brokers – on the horizon – being investigated by GREC Educational Advisory Committee
- Issue: Different types of Brokers – Residential, Commercial, Property Management, CAM, etc.
- Issue: Add 3 additional required hours, keep within the 36 required hours, in addition to required License Law course, in place of required License Law course, etc.