

2018Calendar

Brokerage & Trust Account Workshops Class Dates:

- April 17-18, 2018
GAR
Atlanta, GA
770-451-1831
www.garealtor.net
- April 26-27, 2018
Savannah Area
REALTORS
Savannah, GA
912-354-1513
www.savannaharealtors.com

[Link to the
Georgia Real
Estate License
Laws, Rules,
and
Regulations](#)

[Link to GREC
Disciplinary
Actions View
Current
Suspensions
and
Revocations](#)

[Link to
Proposed
Rule
Changes](#)

Georgia Real Estate Infobase

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Trust Account Knowledge

The Georgia Real Estate Commission offers several methods to review Trust Account regulations. The Commission offers **classroom Trust Account Workshops**. The next two workshops are listed on the calendar section at the left of this page. GREC also offers Online courses through the [Georgia Real Estate Commission Online School](#) at www.imre.com/grec.

Test your knowledge and evaluate your familiarity with the License Law, Rules and Regulations by considering the following questions and situations that are based on actual investigations performed by the Georgia Real Estate Commission.

Question: If a salesperson is renting out his personal home and receives a security deposit, does he need to give it to his Broker?

- A. No, because the salesperson does not need to use a Trust Account
- B. No, it can go in his personal checking account
- C. No, his Broker does not need to know he is renting out his home
- D. Yes, unless he has his Broker's written permission to place the money in his own Trust Account that is properly registered with the Commission

The correct answer is D. If the salesperson conducts any real estate brokerage activity, and receives trust funds (such as security deposits or earnest money), all trust funds must go in a Trust Account (certainly not in a checking account.) The salesperson may be able to obtain written approval from his Broker to set up his own properly registered Trust Account and the Broker must be sure that it is reconciled, kept current, and records are provided to the broker.

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February 2018 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	2
Cease & Desist Orders Issued	4
Citations Issued	17
Letter of Findings Issued	2
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	1
Cases Closed for Insufficient Evidence or No Apparent Violation	37
Licensing Cases - Applicant has a Criminal Conviction - License Issued	13
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	78

[Click here to review a legend of the disciplinary actions the Commission may impose.](#)

SUBMITComments
&
Suggestions

To sign up to receive
the GREC
RENewsletter
[Click Here](#)

Online Courses from GREC

**\$10 each
3 Hour CE
Course
Total of 9
Hours CE
Available**

(Also Approved
as Instructor CE,
not approved as
License Law CE)

***“Avoiding
Trust
Account
Trouble”***

***“Practicing
Real Estate &
Staying Out
of Trouble”***

***“Being a
Broker and
Staying Out
of Trouble”***

Georgia Real Estate Commission

Suite 1000
International Tower
229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916

However the Broker holding the salesperson’s license may not approve another account and could require the salesperson to place the funds in the firm Trust Account so the Broker can maintain better oversight of the funds and the licensee’s activities.

Question: A Broker sent in a “Change of Qualifying Broker Application” to the Commission. In completing the form, he answered “yes” to being a member of the Brokerage Company LLC and “yes” to being a signatory on the firm’s Trust Account, when, in fact, he was neither. Given only this information, did the Broker make any violations of the License Law, Rules, and Regulations?

- A. No, since he was changing firms, it did not matter.
- B. No, there is not enough information to determine if a violation was made.
- C. No, inaccurately filling out a change application is not a violation.
- D. Yes, the Broker must be a signatory on the Trust Account and must be a member or a manager of the LLC.

The correct answer is D. Inaccurately filling out a change application is a violation. In fact, it can be considered falsification and cause for disciplinary action. There were violations by the Broker: The Broker must be a signatory on the Trust Account and must be a member or a manager of the LLC and he was neither. During the year that he served as the firm’s Broker, he was in violation of the license laws. He was issued a Citation, ordered to pay a fine, and had to complete a course of study approved by the Commission.

Question: If the Broker opens a Trust Account, how long does he/she have to notify the Commission of the new Trust Account information?

- A. 1 week
- B. 1 month
- C. 1 business day
- D. 10 days

The correct answer is B. The Broker must give written notice to the Commission within 1 month of opening the account. If a Broker does not have a Trust Account, and the Broker or his/her licensees come into possession of other people’s money, the Broker must actually open a Trust Account within 1 business day.

Situation: While serving as the Qualifying Broker of a firm, Jason Fastlane, established a Trust Account for the firm and accepted earnest money deposits and other trust funds in the normal course of business. However, a routine office exam found that he made several violations:

1. He failed to register the specific Trust Account with the Commission.
2. The firm’s Trust Account Journal was incomplete.
3. He failed to properly account for and maintain funds in the Trust Account.
4. He failed to ensure that the firm used only licensed personnel to perform the acts of a licensee.
5. He failed to review listings and sales contracts to ensure that license numbers, agency disclosures, and acceptance dates were included.

The Broker was ordered to pay a \$1,000 fine, legal, investigative, and administrative expenses of the Commission, and ordered to complete an education program in Trust Account management within 45 days or be subject to further sanctions to his license.

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Online Courses from GREC

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“Avoiding Trust Account Trouble”

“Practicing Real Estate & Staying Out of Trouble”

“Being a Broker and Staying Out of Trouble”

[Link to the Georgia Real Estate License Laws, Rules, and Regulations](#)

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Situation: A GREC investigator conducted a routine office examination of a small brokerage firm in north Georgia. The investigator determined that the Broker made the following violations:

1. Placed personal funds in the Trust Account that were more than necessary to cover bank fees
2. Failed to notify the Commission that the name of the bank where the firm's Trust Account was currently located, Basic County Bank, was changed to General County Bank.
3. Failed to advertise the firm's name on business cards, as it is registered with the Commission.

Not only did the Broker become subject to continuing education requirements (although he had previously been exempt due to licensure before 1980), he was issued a Citation, fined, and ordered to reimburse the Commission for investigative, administrative, and legal expenses.

These examples are typical of the type of material presented in the GREC Online courses that are available for \$10 for each 3-Hour CE course. This particular article includes excerpts from the online course titled ***Avoiding Trust Account Trouble***.

Opportunity for Instructor Training

2018 GREEA Mid-Year Symposium

Thursday & Friday, April 12 & 13, 2018

GREEA will be offering Real Estate and Instructor Continuing Education. Georgia Real Estate Educator's Association is a membership organization.

Their website is www.greea.org.



Focus on Terminology: “Formal Complaint”

For some individuals, to complain seems to be human nature, but for an individual to write a formal complaint, it requires a more serious commitment by the one complaining. In order for the Commission to act on a complaint, it must be a formal complaint in writing submitted on a form titled, “[Request for Investigation Form](#).” The form can be downloaded from the Commission web site by licensees as well as consumers. Once the form is submitted, the Commission is required to begin the investigation process. Of the cases investigated, approximately fifty-percent (50%) are closed and no action is taken because the Commission did not find a violation of the License Law, Rules, and Regulations.

The Commission can only investigate issues related to the License Law, Rules and Regulations. For example, the Commission cannot settle such issues as disputes regarding earnest money, repairs to property, or payments of fees to licensees. Clearly disputes regarding trust funds warrant an investigation.

Since records are required to be maintained for 3 years, investigations generally do not go back further than 3 years. The Commission strives to be efficient in handling cases, and each month the Disciplinary Actions taken by the Commission the previous month are published on the front page of this newsletter.