



Real Estate Bulletin

CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS • BUREAU OF REAL ESTATE

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Wayne S. Bell
Commissioner

Commissioner's Message

The Return of the "Department of Real Estate"; Asking for Your Assistance; and More on "Adding Public Value" for Now and the Future

In this Message, I comment on the passage and enactment of Senate Bill 173, which will re-establish the Department of Real Estate, and offer an answer [hint: the answer is "no"] as to whether licensees will now or soon need to modify the acronyms/initials that accompany license numbers on business cards, marketing materials, and the like. Also, this Message will (I hope) (i) make a point about our enforcement disciplinary system and respectfully ask for your assistance, and (ii) provide some refinement on what is meant when I say that we at the California Bureau of Real Estate (CalBRE or bureau) – soon to be the Department of Real Estate – are focused on "adding public value" for now and the future.

The Return of the "Department of Real Estate"

On October 15, 2017, Governor Jerry Brown signed Senate Bill 173. The bill, written by Senator Bill Dodd and sponsored by the California Association of Realtors, was widely endorsed by industry groups and received unanimous affirmative votes in the CA State Senate and the State Assembly.

Under the terms of the bill, the effective date of the new Department – with a wind-down of the bureau and separation from the Department of Consumer Affairs – will be July 1, 2018.

So whether one calls the "Department" called for by the new law as a "restoration" or "re-establishment" of the prior Department of Real Estate (DRE), which ceased to exist in 2013, or a "regenerated" department arising from the end of the bureau, the DRE will be up and running again.

In the next several months, I will – along with the Executive Committee and members of our staff – work on transition issues and move forward to build a new Department of Real Estate that will perform more efficient and effective public service and which will help us to better carry out our statutory mandates.

Following the Governor's signature on the bill, we have received a number of inquiries as to whether business cards and marketing materials will need to have the initials or acronym "DRE" accompany a licensee's license number. From our perspective, it is fine if any of the following initials/acronyms accompany a license number: DRE, BRE, or CalBRE. The statutes only refer to the need for a license number. And that is really our only focus.

And if a licensee elected to have signage or a card that stated "RE Lic #" or something like that, that would always be appropriate.

But DRE, BRE, or CalBRE are all fine as well.

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COMMISSIONER'S MESSAGE (CONTINUED FROM PAGE 1)**Enforcement Disciplinary System –
and Requesting Your Assistance**

While we at CalBRE have been and are initiating more focused and follow-through investigations on revoked and restricted licensees, and those unlicensed persons we have previously sought to restrain and/or bar from engaging in real estate licensed activities, our disciplinary system is fundamentally “complaint-driven.”

What that means is that persons outside of the bureau initiate most of the complaints and matters that we investigate. We get complaints from an almost endless variety of sources, including real estate and mortgage consumers, licensees, the media, members of the Legislature (or their staff), and other regulatory entities.

The disciplinary system – which is reliant on and constrained by limited resources – is not one that can broadly or independently monitor the conduct of real estate licensees throughout California. Stated a bit differently, the bureau’s Enforcement program needs you.

Realistically (and as a matter of fact), there are myriad solicitations, representations, negotiations, and transactions which occur each and every day in this State.

For the system to work as well as it can, we ask those in the real estate industry who have knowledge of violations of the California Real Estate Law or other misconduct to report that to us. What we need are specific facts, witnesses, and/or documents that will permit us to undertake an investigation, and to move forward toward a suitable discipline, which might include revocation. So if you have knowledge – or learn of such knowledge – of violations of the law or misconduct, please report that information to us. And please be willing to be a witness in a disciplinary action against the person against whom the complaint is filed.

(Continued on page 3)

Adding Public Value (For Today and Tomorrow)

In volume 1, edition 1 of what was then entitled the “State of California Real Estate Broker and Salesman Bulletin,” then Real Estate Commissioner Clarence Urban wrote (in October 1940) “it is my sincere desire to bring something of value to the licensed real estate brokers of this State.” Now, just over seventy-seven (77) years later, I want to echo that desire in this Bulletin – which is the successor publication – and broaden the concept of value to “adding value” for all of the public interests we at CalBRE serve. Those interests include real estate consumers, real estate brokers, real estate salespersons, those persons with mortgage loan originator endorsements to a real estate license, subdivision and timeshare developers, public service partners, and the general public.

As I have mentioned in prior communications, it is my goal, and that of our executive team, to make CalBRE (and soon the new DRE) better and more innovative, to improve what we do, and add value in order to enhance (and make more efficient) our delivery of services to our licensees, the public, and our subdivision and timeshare developers, provide greater information to and protection of the public, achieve appropriate outcomes in administrative prosecutions, collaborate with various public service and community partners who can assist us with our mission, and to develop fair, just and properly prescribed regulations.

And the goal is not merely for the here and now, but for the building of a better State regulator and consumer protection agency for the future.

In doing these things, we have reached out and sought, and will continue to seek, through forums, town hall meetings, our website, and this Bulletin, the input and deliberation of those interested in and affected by what we do.

We sincerely appreciate – and continue to invite – your collaboration, advice and perspectives on how we can advance the work of the bureau (and shortly the new DRE), and adjust what we do to best meet current and changing needs, and build for the future. Thank you, and Happy New Year.

2017 Legislative Update

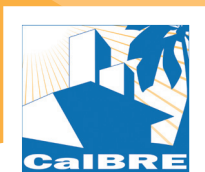
October 15, 2017, marked the end of the Governor’s signing period following the first year of the 2017–18 legislative session. There were 977 bills sent to Governor Brown in 2017. The Governor signed 859 bills into law or allowed them to become law without his signature, and he vetoed 118 bills. Provided below are legislative summaries of recently signed bills that affect real estate licensees and subdividers. These summaries are intended to alert you to pertinent changes to the law.

For more information, please consult the statutes online at <http://leginfo.legislature.ca.gov>. Please note that “SB” refers to a Senate Bill and “AB” to an Assembly Bill. The name appearing after the bill number is the name of the author. All statutes are effective January 1, 2018, unless otherwise noted.

SB 764 (Moorlach, Chapter 248, Statutes of 2017)

Insurance for Unlicensed Signatories to a Broker’s Client Trust Fund Account

Current law requires bonding whenever a broker allows an unlicensed person to be a signatory to the broker’s client trust account. This bill allows, as an alternative to bonding, specified insurance against misdeeds by the unlicensed signatory.



2017 LEGISLATIVE UPDATE (CONTINUED FROM PAGE 3)

AB 1139 (Reyes, Chapter 148, Statutes of 2017) Recording of Specified Notice When Transfer Fees Added to Real Property Title

This bill relates to transfer fees – a requirement running with title to a real property that a fee be paid to some specified party each time title to that real property is transferred. Existing law discourages the imposition of transfer fees, including federal regulations that restrict federal mortgage entities from investing in mortgages on these properties. This bill adds a warning to the document that must be recorded to impose the transfer fee, offering cautionary information about the risk that a federally backed mortgage may be unavailable.

AB 1284 (Dababneh, Chapter 475, Statutes of 2017)

Licensing for Property Assessed Clean Energy (PACE) Program

Currently not subject to any specific licensing requirements, this bill places PACE program administrators under the licensing of the Department of Business Oversight, through an expansion of the Finance Lenders Law. The statute includes a provision to specifically exclude PACE practices from the scope of real estate licensing. Licensees with special interest in PACE consumer protection may want to review AB 1070 (Gonzalez Fletcher, Chapter 662, Statutes of 2017) and SB 242 (Skinner, Chapter 484, Statutes of 2017).

SB 173 (Dodd, Chapter 828, Statutes of 2017) Bureau of Real Estate reformed as Department of Real Estate

Bureau of Real Estate will be reorganized as the Department of Real Estate, reporting to the Business, Consumer Services and Housing Agency. This change will go into effect on July 1, 2018.

Housing Supply and Affordability Package — 15 Housing Bills

The Governor signed 15 bills to address the state's housing crisis. As proclaimed by the Governor at the

signing ceremony, “These new laws will help cut red tape and encourage more and affordable housing, including shelter for the growing number of homeless in California.”

The core measures in this package include SB 2, SB 3, and AB 1505. SB 2 creates a fund for affordable housing development through imposition of a fee on specified real estate document recordings. SB 3 places a \$4 billion housing bond measure on the November 2018 ballot, which (if approved) would provide funding for low-income housing projects, housing developments near jobs and public transportation, and the CalVet home loan program. AB 1505 permits cities and counties to mandate that a portion of units in market-rate housing be set aside as affordable to low- and moderate-income people. The 15 bills include:

SB 2 (Atkins, Chapter 364, Statutes of 2017)

SB 3 (Beall, Chapter 365, Statutes of 2017)

SB 35 (Wiener, Chapter 366, Statutes of 2017)

SB 166 (Skinner, Chapter 367, Statutes of 2017)

SB 167 (Skinner, Chapter 368, Statutes of 2017)

SB 540 (Roth, Chapter 369, Statutes of 2017)

AB 72 (Santiago/Chiu, Chapter 370, Statutes of 2017)

AB 73 (Chiu, Chapter 371, Statutes of 2017)

AB 571 (E. Garcia, Chapter 372, Statutes of 2017)

AB 678 (Bocanegra, Chapter 373, Statutes of 2017)

AB 879 (Grayson, Chapter 374, Statutes of 2017)

AB 1397 (Low, Chapter 375, Statutes of 2017)

**AB 1505 (Bloom/Bradford/Chiu/Gloria, Chapter 376,
Statutes of 2017)**

AB 1515 (Daly, Chapter 378, Statutes of 2017)

AB 1521 (Bloom/Chiu, Chapter 377, Statutes of 2017)

First Point of Contact

Effective January 1, 2018, California Business and Professions Code (BPC) section 10140.6 (Disclosure of Licensed Status in Advertisement) has been amended to include new types of advertisements and solicitations as first point of contact solicitations materials. Many of these materials had previously been excluded from the first point of contact rules. The definition of first point of contact solicitation material now includes all of the following:

- Business cards
- Stationery
- Advertising flyers
- Advertisements on television
- Advertisements in print
- Advertisements in electronic media
- *"For sale" signs
- *Rent signs
- *Lease signs
- *"Open house" signs
- *Directional signs
- Any other materials designed to solicit the creation of a professional relationship between the licensee and a consumer



The minimum information that needs to be in these first point of contact solicitation materials includes:

- Your name
- Your license ID number (the type size shall be no smaller than the smallest size type used in the solicitation material)
- NMLS unique identifier number (if you are a mortgage loan originator)
- Your responsible broker's identity

*Note: If the "for sale," rent, lease, "open house," and directional signs display the responsible broker's identity, then their name, license ID number, and NMLS unique identifier are not required to be placed on the solicitation materials.

The responsible broker's identity defined under BPC 10159.7 is the name under which the responsible broker is currently licensed by CalBRE and conducts business in general or is a substantial division of the real estate firm, or both the name and the associated license identification number. It does not include the broker's fictitious business name obtained pursuant to paragraph (2) of subdivision (a) of BPC 10159.5 (a fictitious business name used by a broker but is owned by a real estate salesperson who is registered under the license of the broker) or the use of a team name (a professional identity or brand name used by a salesperson, and one or more other real estate licensees, for the provision of real estate licensed services) pursuant to BPC 10159.6.

In summary, many advertisements and solicitations now fall under "First Point of Contact" rules, which require the licensee to list on the advertisement their name, license ID number, responsible broker's ID number, and NMLS unique identifier if applicable.



Broker-Controlled Escrows — Are You in Compliance?

The California Bureau of Real Estate's (CalBRE's) Audit section is charged with examining the real estate business activities of real estate brokers and subdividers. One specific type of audit performed by CalBRE is the examination of broker-controlled escrows. This article discusses the scope of the real estate broker exemption from escrow agent licensing requirements, prohibited acts, and trust fund handling requirements. Any real estate broker licensed by the Real Estate Commissioner who performs "broker-controlled" escrows and is not a licensed or controlled escrow company must meet one of the exemptions listed under California Financial Code (FC) section 17006 (a)(4) and (b).

The Escrow Law is contained in Division 6 (commencing with section 17000) of the FC. All escrow agents performing services in California are either "licensed" or "controlled" escrow companies. A licensed escrow company, which is also known as an independent escrow company, is licensed by the Department of Business Oversight. A controlled escrow, which may be known as a non-independent escrow, is not licensed by the Department of Business Oversight. The licensing and regulation of controlled escrows depends on the jurisdiction of the licensing and regulatory authority, such as the Department of Insurance. The Escrow Law defines "escrow agent" as any person engaged in the business of receiving escrows for deposit or delivery. The escrow holder acts to ensure that all principals to the transaction comply with the terms and conditions of the contract/agreement as set forth in the escrow instructions.

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Missing Our Emails?

If you are not receiving emails from the California Bureau of Real Estate (Bureau), you may want to check your email account settings:

- **Spam or junk folder:** Check your spam or junk folder to see if the Bureau's email was incorrectly marked as spam. Emails from the Bureau will be sent from either of these email addresses: webmaster@dre.ca.gov or dre_no_reply@dre.ca.gov.
- **Blocked address:** Check to see if our email address was added to your blocked email list.
- **Email filters:** Check your filters to see if the email could have been moved to another folder.

The Bureau may not have your current email in our system. You can check your email address using the Bureau's eLicensing System.

BROKER-CONTROLLED ESCROWS (CONTINUED FROM PAGE 6)

When a real estate broker acts in the capacity of an escrow holder to provide broker-controlled escrow services under the exemption of FC section 17006 (a) (4), the broker is subject to all the provisions of the Real Estate Law and the Commissioner's Regulations. The exemption from licensure as an escrow company applies to "[a]ny broker licensed by the Real Estate Commissioner while performing acts in the course of or incidental to a real estate transaction in which the broker is an agent or a party to the transaction and in which the broker is performing an act for which a real estate license is required." For example, if a real estate broker is acting as an agent on behalf of a buyer or seller in a real estate transaction, the broker may perform the escrow function for that transaction. If the real estate broker is solely acting as a party (i.e. principal) to the transaction, and not acting on behalf of him or herself or any other party, the broker is not allowed to perform the escrow function under the FC exemption.

A real estate broker performing broker-controlled escrows must comply with FC section 17006 (b), which requires that the exemptions provided for in paragraphs (2) and (4) of subdivision FC section 17006 (a) are personal to the persons listed, and those persons shall not delegate any duties other than duties performed under the direct supervision of those persons. In addition, the exemptions provided for in paragraphs (2) and (4) of subdivision FC 17006 (a) are not available for any arrangement entered into for the purpose of performing escrows for more than one business.

CalBRE's Audit section has encountered many broker escrow operations with inadequate record keeping, mishandling of escrow trust funds, commingling of trust funds with broker's funds, inadequate trust fund bank account designation, broker supervision, trust fund withdrawals by unlicensed employees without fidelity bond coverage, and receiving secret profit/undisclosed compensation. In addition, there have been many situations in which a real estate broker has failed to properly handle an escrow and has not disclosed all the required information on written escrow instructions as required pursuant to subdivisions (a) to (j) of Commissioner's Regulations (Regulations) 2950.

In many cases, the audit reveals a trust fund shortage in the escrow trust account. Many of the shortages are due to withdrawing or paying escrow funds without written authorization from the party or parties paying money into the escrow, through means such as overdrawn escrow balances, unauthorized disbursements/conversion of trust funds for personal use by the broker or by the employees of the broker, and bank service charges.

A licensed real estate broker shall also retain for three years all real estate records and documents in connection with any transaction for which a real estate license is required. After notice, the books, accounts, and records shall be made available for examination pursuant to Business and Professions Code (BPC) section 10148. When a broker handles escrows, he or she is required to "maintain the office, place of books, records, accounts, safes, files and papers relating to such escrows freely accessible and available for audit, inspection and examination by the commissioner" {Regulation 2950 (e)}.

When handling broker-controlled escrows, a real estate broker is required to handle escrow trust funds, maintain trust fund bank accounts, and keep trust fund records in accordance with the requirements of BPC section 10145 and Regulations 2830, 2830.1, 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 2835, and 2951. (See Trust Funds #RE 13, www.calbre.ca.gov/Licensees/BusinessResources.html.)

A real estate broker must ensure that the escrow receipts and disbursements are handled and accounted for properly. All escrow disbursements should be made according to the written authorization of the party or parties to the transaction. All escrow receipts and disbursements together with the name of the person to whom any such disbursement is made must be properly disclosed on the settlement statement at the close of escrow.

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BROKER-CONTROLLED ESCROWS (CONTINUED FROM PAGE 7)

BPC section 10145 (a) requires a real estate broker to do one of three things with trust funds: (1) place them into a neutral escrow depository, (2) into the hands of the broker's principal, or (3) into a trust fund account maintained by the broker in a bank or recognized depository in California. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the beneficiary of the funds. Withdrawals may be made from a trust fund account of an individual broker only upon the signature of that broker, or in the case of a corporate broker, only upon the signature of a licensed officer, or upon the signature of one or more of the persons specifically authorized in writing by the individual broker or officer as described in BPC section 10145 (a)(2) and (3). Also, if a real estate salesperson accepts trust funds from others, he or she must immediately deliver the funds to the broker or, if so directed by the broker, shall deliver the funds into the custody of the broker's principal or a neutral escrow depository or shall deposit the funds into the broker's trust fund account.

A real estate broker who deposits trust funds into a trust account is required to keep a record of all trust funds received and disbursed pursuant to Regulation 2831 and a separate record for each beneficiary or transaction pursuant to Regulation 2831.1. The balance of all the separate records (Regulation 2831.1) must be reconciled with the balance of the record of all trust funds received and disbursed (Regulation 2831) at least once a month in accordance with Regulation 2831.2.

To avoid commingling of trust funds with the broker's funds in a trust fund bank account, the broker must ensure that trust funds are deposited into a trust fund account in the name of the broker or the broker's fictitious business name as trustee as required by Regulations 2832 and BPC section 10176 (e). While Regulation 2832 (a) allows three business days to deposit trust funds into a trust account, Regulations 2832 (e) and 2950 (f) require escrow trust funds be deposited "not later than the next business day following receipt of the funds by the broker or by the broker's salesperson."

Regulation 2950 contains a list of acts that are prohibited when a broker performs escrows under the exemption and may be grounds for disciplinary action. One of the prohibited acts under Regulation 2950 (d) is failing to maintain books, records, and accounts in accordance with accepted principles of accounting and good business practices.

Real estate brokers who engage in broker-controlled escrow activities for five or more transactions or whose escrow activities equal or exceed \$1 million in a calendar year shall file a report of their escrow activities to CalBRE within 60 days following the completion of the calendar year pursuant to BPC section 10141.6. The Escrow Activity Report must be submitted online on the CalBRE website, www.calbre.ca.gov. Designated officers should submit the Escrow Activity Report for real estate corporations.

The Audit section has seen many cases where a real estate broker provides broker-controlled escrow services when the broker is not an agent in the transaction, in violation of FC section 17006 (a)(4). A real estate broker cannot advertise in any manner that would tend to be misleading to the public, or advertise that he or she conducts escrows under the exemption of the FC section 17006 (a)(4) without specifying in the advertisement that such services are only in connection with the broker's real estate brokerage business.

A license may not be issued or renewed with a fictitious business name containing the term "escrow," or any name that implies escrow services are provided, unless the fictitious business name includes the term, "a non-independent broker escrow" following the name under Regulation 2731 (d). In addition, a licensee whose license includes a fictitious business name with the term "escrow," or any term which implies that escrow services are provided must include the term "a non-independent broker escrow" in any advertising, signs, or electronic promotional material with these terms.

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BROKER-CONTROLLED ESCROWS (CONTINUED FROM PAGE 8)

A real estate broker performing broker-controlled escrows is also required under FC 17403.4 to disclose his or her license name and the name of the department issuing the license in not less than 10-point type on all written escrow instructions and all escrow instructions executed by a buyer or seller that are transmitted electronically over the Internet.

A real estate broker and the designated officer of a corporate real estate broker shall be responsible for the supervision and control of the activities conducted by his or her employees and salespersons. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures, and systems to review, oversee, inspect, and manage as required by Regulation 2725 and BPC section 10159.2. When operating a broker-controlled escrow division, brokers must ensure that they comply with all applicable provisions of the Real Estate Law and the Financial Code. Proper supervision includes being diligent in being aware of the dangers of hiring individuals who have been barred, suspended, or terminated for escrow fund mishandling — see the CalBRE Special Advisory to Real Estate Brokers Conducting “Controlled” Escrows.

To assist licensees with compliance, CalBRE has several resource guides available on its website (www.calbre.ca.gov/Licensees/BusinessResources.html):

- **Broker Compliance Manual**
- **Broker Self-Evaluation**
- **Trust Funds**
- **Escrow Activity Reporting**

In addition, the presentation document “Trust Account Reconciliation: The Why, What, and How To” is available on the CalBRE website at www.calbre.ca.gov/files/ppt/TrustAccountReconciliation.ppsx.

FAQs: Broker-Associates

These frequently asked questions (FAQs) provide current information in response to the recent changes to the Real Estate Law concerning “broker-associates.” This information, in conjunction with the Advisory issued in September 2017 and article included in the Fall 2017 Real Estate Bulletin, are intended to provide licensees with clarification and guidance when attempting to understand and comply with the new broker-associate notification requirements, which went into effect January 1, 2018.

Q. Who is a broker-associate?

A. A broker-associate is an individual licensed as a real estate broker, but who works in the capacity of a salesperson for another responsible broker or corporation.

Q. What is a responsible broker?

A. “Responsible broker” means the broker responsible for the exercise of control and supervision of a salesperson, or a licensee subject to discipline under subdivision (h) of Business and Professions Code section 10177 for failure to supervise activity requiring a real estate license. The supervision of a salesperson required under this part or any other law is limited to regulatory compliance and consumer protection. It should be clarified that the responsible broker could either be an individual broker or corporation depending on the broker-associate’s employment affiliation.

(Continued on page 10)



FAQS: BROKER-ASSOCIATES (CONTINUED FROM PAGE 9)

Q. Am I allowed to continue to work as an independent broker while employed as a broker-associate?

A. Yes, under the Real Estate Law, a broker-associate can work in the capacity of a salesperson for another employing broker(s) and also work as an independent broker. However, an affiliation/employment agreement signed by the responsible broker and the broker-associate may prohibit such activity.

Q. What form do I use to affiliate myself with a responsible broker?

A. The Bureau has created form RE 215-Broker-Associate Affiliation Notification for the sole purpose of affiliations and terminations of broker-associates. Brokers not operating as broker-associates should continue to use form RE 204-Broker Change Application for changes of mailing or main office addresses, updating contact information, or additions or cancelations of fictitious business names; eLicensing can be used for certain transactions.

Q. As a broker-associate, can I work for multiple real estate brokers?

A. Yes, a broker-associate can work in the capacity of a salesperson for another broker or brokers while also working as an independent broker as long as this activity is permitted under the affiliation/employment agreement signed by the applicable parties.

Q. As a broker-associate, can I work for a real estate corporation?

A. Yes, a broker-associate can work in the capacity of a salesperson for another licensed real estate corporation or corporations as long as it is permitted under the affiliation/employment agreement signed by the applicable parties.

Q. I am a licensed officer of a corporation, and do not hold an individual broker license. Can I work as a broker-associate for another broker?

A. Unfortunately, if you do not hold an individual broker license, you may only perform acts that require a license on behalf of the real estate corporation for which you are a licensed officer.

Q. I am a licensed broker and currently do not have a main office address associated with my license. Do I need to add a main office address to my individual broker's license prior to working in a broker-associate capacity for another broker?

A. Yes. Prior to working in a broker-associate capacity for another broker, and engaging in activities for which a real estate license is required, you must have a main office address on file with CalBRE. A main office address can be added to your individual broker's license by either submitting form RE 204-Broker Change Application or using eLicensing.

Q. I am a responsible broker and intend to employ another broker, in a broker-associate capacity. The broker-associate will be performing acts that require a license, under my supervision, from their main office location. Am I required to add the broker-associate's main office location as a branch location to my broker's license?

A. Yes. You would be required to add the broker-associate's main office location as a branch office location to your broker's license.

Q. I am a broker currently working in a broker-associate capacity for another broker. Am I required to add every office location currently listed under my responsible broker's license to my broker's license as either a main or branch office location?

(Continued on page 11)

FAQS: BROKER-ASSOCIATES (CONTINUED FROM PAGE 10)

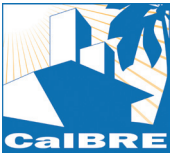
A. No. Commissioner's Regulation 2728.5 states that a real estate broker acting in the capacity of a salesperson (broker-associate) to another broker under written agreement may perform acts for which a license is required on behalf of the employing broker at any place of business at which the employing broker is currently licensed to perform acts for which a real estate license is required.

Q. I have been working in a broker-associate capacity for a responsible broker for several years. Am I required to submit a Broker-Associate Affiliation Notification form to the Bureau, and if so, what date do I identify as the "Broker-Associate affiliation date"?

A. A broker-associate whose affiliation with a responsible broker commenced prior to January 1, 2018, is subject to the notification requirements set forth in AB 2330, and therefore, is required to submit a RE 215 – Broker-Associate Affiliation Notification form to the Bureau confirming this affiliation. The affiliation date to be provided by the responsible broker on the RE 215 should reflect the employment date identified on the affiliation/employment agreement maintained by the responsible broker.

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Email us at Editor@dre.ca.gov.

