

*Georgia REALTORS® partners with the Local Boards and REALTOR® Firms to provide quality, affordable continuing education courses.*



## **PARTNERS IN EDUCATION**

**No Excuses; Know the Law –  
License Law**

**#67750**

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**Georgia Association of REALTORS®, GREC School #271  
Partners in Education Program**

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## STUDENT NOTICE

The Georgia Association of REALTORS®, Inc. is approved by the Georgia Real Estate Commission (GREC) to offer continuing education, sales postlicense, and broker prelicense courses. The GREC school code number is 271 with a renewal date of December 31, 2019.

The Georgia Real Estate Commission has approved this course for three (3) hours of continuing education credit and three (3) hours instructor education credit. GAR school policy defines an instructional hour as 50 minutes.

To receive continuing education (CE) credit for this in-classroom course, the student must:

- ✓ be on time
- ✓ sign in with the course facilitator before the course begins
- ✓ be present in the course during all instruction periods
- ✓ return a completed evaluation to facilitator at the end of course
- ✓ not have taken this course for continuing education credit within the past 366 days.

There is no make-up session for this course.

Cell phones and other electronic devices can be distracting. Use of communication methods such as text messaging, E-mailing, web surfing, etc. is prohibited while class is in session if it poses a distraction to other attendees and shall be grounds for dismissal. Taking pictures of PowerPoint slides requires the permission of the instructor.

Entrance qualifications and standards of completion will not be based on race, color, sex, religion, national origin, familial status, handicap, sexual orientation, or gender identity.

No recruiting for employment opportunities for any real estate brokerage firm is allowed during this course or on the premises while this course is in session. Any effort to recruit by anyone should be promptly reported to the Director of Professional Development; Georgia Association of REALTORS®; 770-451-1831; 6065 Barfield Road; Sandy Springs, GA 30328; or to the Georgia Real Estate Commission; 404-656-3916; International Tower; 229 Peachtree Street, NW; Suite 1000; Atlanta, GA 30303-1605.

## License Law Class Pre-Quiz

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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
ALL advertising by licensees must be done under the direct supervision of their broker and in the name of their firm	True / False

**Fair Housing – Think of “Fresh Corn” to Remember Protected Classes**

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## **Unlicensed (or Licensed/Inactive) Support Personnel Task**

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### **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 or Inactive support personnel** under the direct supervision of a licensee affiliated with a broker **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
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 performing physical maintenance on a property**

## **Unlicensed (or Licensed/Inactive) Support Personnel Task**

### **520-1-.07(6f)**

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 or Inactive support personnel** under the direct supervision of a licensee affiliated with a broker **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
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

## **Additional Law/Rules for Property Management & Community Association Management**

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

Brokers who manage real property or community associations may maintain designated “rental” or “assessment” trust accounts separate from their other trust accounts.

- a. 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.
- 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.
- c. A licensee who manages rental property which the licensee owns must maintain any security deposits collected in a designated trust account and may not opt a bond in lieu of maintaining such deposits in a designated trust account

### **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;
- C. Any funds held on behalf of the property owner

## **Additional Law/Rules for Property Management & Community Association Management**

*(continued)*

### **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 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.



**A partial list from GREC Rules and Regulations 520-01-.14, "Citations"**

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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.

[Refer to OCGA 43-40 and GREC 520-01 for full language]

Conducting business under a name other than what is registered with GREC	\$600
Failure of a licensee to include a fixed date of expiration in a listing agreement	\$600
Failure to leave a copy with the principal	\$600
Failure to provide a copy of a transaction document to any party signing it	\$500
Failure to promptly present a signed offer to a seller	\$600
Failure to deliver copies of a contract to the parties w/in a reasonable time	\$600
Failure to include financing terms in a contract having a financing contingency	\$500
Failure to notify your broker of personal real estate activities	\$600
Failure to disclose licensure in a contract requiring such disclosure	\$600
Advertising violations (other than discriminatory or intentionally misleading)	\$600
Failure to turn over trust funds to the broker as soon as practicably possible	\$500
Failure to include the correct amount of EMoney or terms in a sales contract	\$600
Failure to deposit earnest money/deposits according to the terms of a contract	\$800
Failure to deposit trust funds promptly where the deposit was made more than three business days after receipt, unless the contract provides otherwise	\$600
Failure to obtain written permission before depositing trust funds into an interest-bearing account where the licensee retained the interest	\$600
Failure to handle trust funds as required in a transaction in which a client or a customer claims a loss and full restitution has been made	\$900
Failure to deposit into a trust account trust funds received in connection with a transaction in which a licensee is a principal	\$600
Where a broker disburses trust funds w/out obtaining the express agreement to all the parties to the contract, fails to notify all parties in writing of the disbursal	\$800
Where a GREC audit of a firm's operations reveals a trust account violation	\$600
Failure to register with GREC an account into which trust funds have been deposited; or to have the bank designate an account as a trust/escrow account	\$600
Failure to reconcile a trust account at least monthly; to provide the required information or explanation of a discrepancy and corrective action taken	\$600- \$900
Where a licensee performs real estate brokerage activity beyond the month in which a license lapses for non-payment of renewal fees	\$600
Where a commission or referral fee is paid to a person who does not hold a current, active real estate license, in this/other State, outside stated exceptions	\$600
Failure of a broker to sign a release form immediately upon personally receiving the request of a licensee to be released	\$600



# Georgia Association REALTORS® - Partners in Education

## Student Course / Instructor Evaluation

Course Name \_\_\_\_\_

Instructor \_\_\_\_\_

Date \_\_\_\_\_

**PLEASE FILL IN THE BUBBLES COMPLETELY SO ANSWERS ARE SCANABLE.**

**Please do NOT use check marks, x's or any other type of mark.**

**The instructor encouraged my participation through questions and answers or exercises.**

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

**The instructor presented ideas clearly and made the subject matter interesting.**

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

**The use of the outline / handouts for study and / or reference was helpful.**

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

**The topic is relevant / helpful to my real estate activities.**

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

**I would want this instructor back.**

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

**Additional Comments:**

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Thank you for your input. (Revised 5-2017)