

# FREC

## “Facts to Know”

Pat Fitzgerald, FREC Commissioner, 2016–2023

- ▶ Who is on the Commission?
- ▶ How long does a Commissioner serve?
- ▶ How many Commissioners are there?
- ▶ Where are the Commissioners from?
- ▶ What are their qualifications

APPOINTED BY GOVERNOR AND REPORT TO  
GOVERNOR



- ▶ Protect the health, safety, and welfare of the citizens of Florida
- ▶ Participate in establishing and enforcing requirements for professional practice.
- ▶ Determine what disciplines are warranted and what penalties should be imposed

License Efficiently and Regulate Fairly

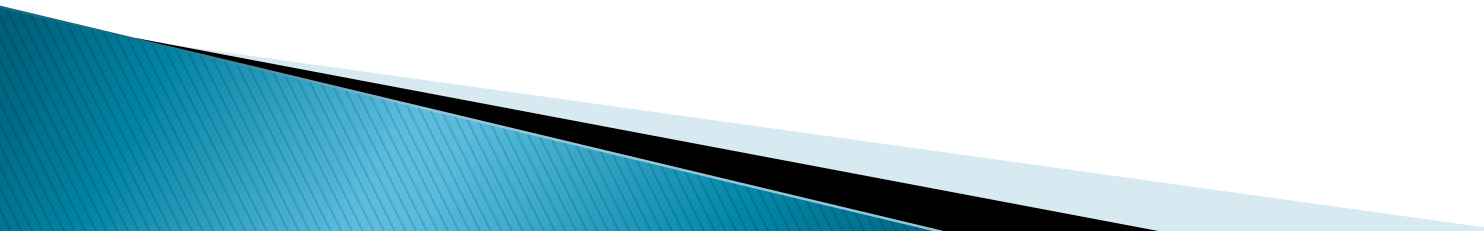
DUTIES OF  
COMMISSIONERS

# Growing Numbers!!

## ▶ License Counts

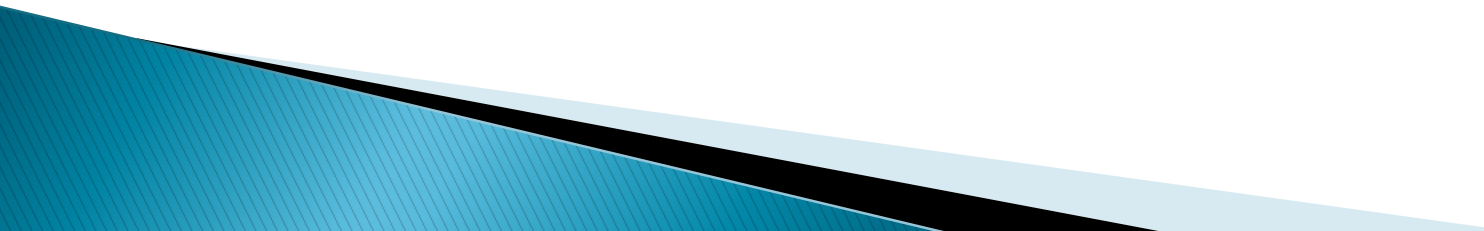
- Total Licensees: 439,420
  - Current Sales Associates: 221,674
  - Current Brokers: 41,592
  - Real Estate Corporations: 28,238
  - Instructors: 753
  - Schools: 519
- Broker/Sales Associates: 22,153

# “HOT” FREC Violations

- ▶ **Team Advertising Violations**
  - ▶ **Property Management Violations.**
  - ▶ **Maintaining Active License Status and required education and CE.**
  - ▶ **Reporting Criminal Charges.**
    - **Convicted of a crime, 30 days to report**
  - ▶ **Unlicensed Activity (involving staff people and unlicensed assistants.)**
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# “HOT” FREC Violations

## ▶ Escrow Deposit Issues

- Salesperson failing to deliver to Broker by next business day.
  - Salesperson thinking the contract isn't effective yet.
  - Broker failing to deposit within 3 business days.
  - Broker depositing in operating account.
  - Broker not reconciling every month.
  - Proof of Escrow Deposit if held by Title Company/Attorney.
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# Minor Infractions that Add Up!

## ▶ Listing Agreements

- Copy of Executed Agreement to the Seller within 24 hours.
- Automatic Renewal Clauses to the Expiration Date.
- A “TBD” Listing Price.

## ▶ Report to FREC

- Change of your address within 10days.
- If you are found guilty of a crime 30 days

# Interesting FREC Cases

## ▶ **Poorly managed Property Management Accounts.**

- Salespeople accepting checks in their own name for repairs.
- Blamed Escrow Deficiency on the Bookkeeper (\$500K deficit)...deposited \$200K of Broker's own money.
- Failure to timely deposit rent to owners.
- Having a separate property management company as a salesman.
- Not keeping track of security deposits, rents, repairs for owners

## ▶ **Escrow Disbursement Orders**

Seller received deposit even though buyer's mortgage was denied.



Worth a trip.....always worth a laugh!!!

“I am going to give you an old fashioned butt whoopin’ for bein’ a homewrecker...

Letters of recommendation–”I wouldn’t have the hair I have today, it it weren’t For Fred...

Let’s forget about the past and look forward to the future....

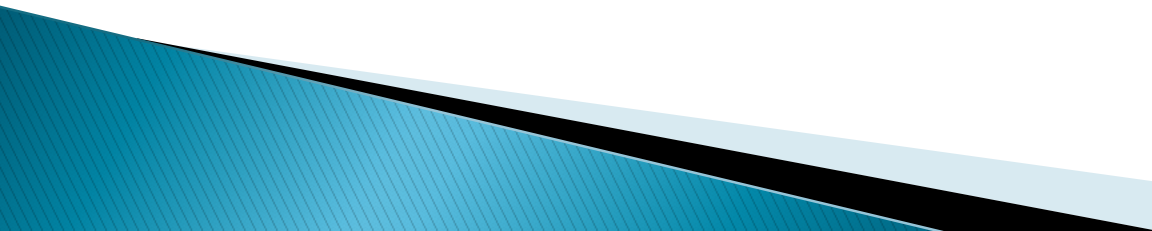
I was a practicing alcoholic....

Yes. I did lose my law license for cheating my clients but I will make a great REALTOR.

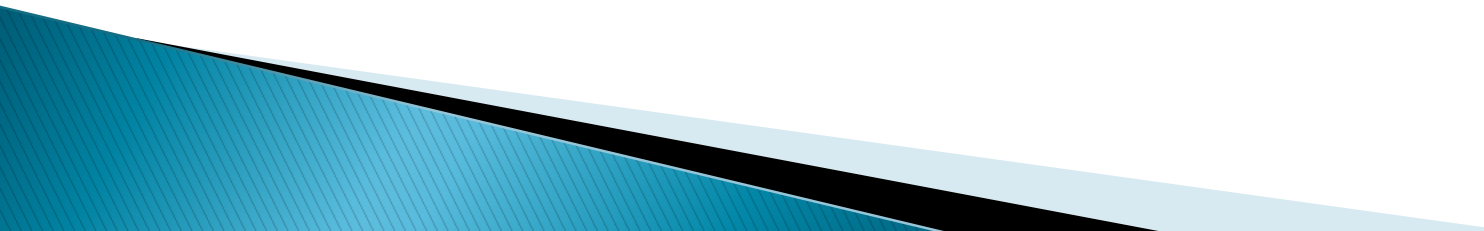
**WE CAN'T MAKE THIS STUFF UP**



# Initiatives Accomplished

- ▶ Updated Salesman Syllabus to insure fair testing
  - ▶ Broker notification of FREC action on a Salesperson in their office.
  - ▶ Reinstating Broker Audits.
  - ▶ Moving cases through the process.
  - ▶ Paperless Issuance of Licenses.
  - ▶ Escrow disputes...emailing Sellers & Buyers to get their sides!
  - ▶ Ethics training as part of license renewal
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# Come Visit Us at FREC!!

- ▶ 3 Classroom hours of CE by attending the legal agenda session. That is generally at the Wednesday meetings
  - ▶ Schedule on <http://www.myfloridalicense.com>
  - ▶ Let the Division know you're coming!
  - ▶ Invite New Licensees!!!
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# THANK YOU FOR COMING

If you have any additional questions or would like to contract me:

- ▶ PAT FITZGERALD
- ▶ 561 346 1339