



This Issue:

Year in Review **PP.1-2**

Focus on Terminology **P.2**

Calendar

GREC Brokerage Course & Trust Accounts Class

Dates

- March 24 & 25, 2010
www.cgbor.com
- April 26 & 27, 2010 @
www.bartowrealtors.com
- May 19 & 20, 2010
www.empireboard.com

Common Violations Class

Dates:

- February 26, 2010 @
Central Georgia Board
- March 3, 2010 @
Carpet Capital Board
- March 4, 2010 @
Barney Fletcher School
- March 11, 2010 @
Hall County Board
- March 23, 2010 @
MLS Institute

Georgia Instructor Training Workshop Dates:

- April 29-30, 2010
GIT – Atlanta
<http://www.grec-git.com/>

[Click here to see
the latest GREC
Disciplinary
Sanctions](#)

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

2009 - Year in Review

There were several changes to the Rules and Regulations of the License Law in the year 2009. This article summarizes those changes. For more detailed information, click the links to read the entire rule.

- As of April 1, 2009, the rule was amended to specify the conditions in which a non-broker licensee who owns property may place trust funds in a separate trust account from that of his/her broker. **However it is significant to note that the rule clearly states that if the licensee owns less than 100% of the title to the property, then the funds must be placed in a trust account of a broker licensed by GREC.** [520-1-08 Managing Trust Accounts and Trust Funds.](#)
- Two amendments were made in 2009 regarding the disclosure of commissions, gifts and referrals and specifically those involving property management activities. The last change became effective August 1, 2009. **The rule lists where commissions, fees, rebates or other valuable consideration must be disclosed and it also describes situations where a management agreement**

may set up pre-established terms for such fees. Review the [September 2009 issue of the GREC RENEWS](#) or read the newly adopted rule at [520-1-10 Handling Real Estate Transactions.](#)

- Effective November 25, 2009, **the maximum amount of disciplinary fine issued through citation was increased by \$400 per violation**, with the exception of violations by schools. For example the fine for failure of a licensee to provide a copy of any document used in a real estate transaction to any individual signing such document is now \$500.00. The Schedule of Violations and Penalties is listed in [520-1-14 Citations.](#)
- The fines for violations by schools was unchanged except for the section (gg) regarding the failure of a school to have students complete the required number of hours in any course or to complete all exercises and/or exams. The fine is now \$400 (was \$500) or \$100 per student, whichever is greater, and is now subject to limits. [520-1-14 Citations.](#)

Often it is possible to amend existing rules and regulations to clarify

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2009 - Year in Review...

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and simplify issues rather than enact new legislation. Such is the case with the above amendments to the license law. The Commission posts a Notice of Intent on the web site for each proposed new law, rule or change to a rule. If the change is adopted it is posted in its final form. Licensees may make comments to the Commissioner regarding proposed changes. Check the GREC web site for 1) Proposed, 2) Pending, and 3) Adopted changes.

Proposed rule changes may be initiated because the Commission sees

an increasing number of cases that focus on one area, or seem to become a trend, or a change in other state laws may require changes in the license

law. One example is the requirement that discussion of mortgage fraud be included in every pre-license course. Because of the large number of mortgage fraud cases in Georgia, it was determined that licensees need more education in this regard to protect the public interest.

Check the GREC website for:

- **Proposed Rule Changes**
- **Pending Rule Changes**
- **Adopted Rule Changes**

Other actions by the Commission in the year 2009 created the availability of more real estate education to Georgia licensees. In an ongoing effort to assist licensees in avoiding violations of the license law, GREC continues to provide programs to inform and educate the licensee of common violations and how to avoid them. Actual cases seen by the GREC prove that often a mistake is made because of lack of knowledge, not by purposely intending to break a rule or intentionally not following a license law. Familiarity with the

license law comes from studying and reviewing the law. In addition, the licensee needs to understand the practical nature of implementing the laws and rules. These courses are focused on actual situations to help the licensee learn how to apply the rules and regulations.

Direct links to the schedule of GREC in-class and online courses is accessible on the Home Page of the GREC web site.



Focus on Terminology: "TARP"

What is TARP? You repeatedly hear it mentioned in the news. You talk to a banker about a distress sale; you call a mortgage broker and they both mention TARP; the foreclosure facilitator mentions TARP. TARP stands for the "Troubled Asset Relief Program."

TARP is a \$700 billion program enacted by the current White House Administration to provide financial relief programs to assist those struggling to pay their debts, specifically including residential mortgages. Depending on the situation, there may be opportunities for Loan Modification programs or foreclosures options. There is further information at www.makinghomeaffordable.gov. However, if a client or customer wants an explanation of TARP or wants to take advantage of TARP, it is best for the licensee to refer them to an attorney, mortgage or finance company, or other professional specializing in such matters.