

2013 Calendar

GREC Brokerage Course & Trust Accounts Class Dates:

- July 24 & 25, 2013
Habersham White Stephens REALTORS
- August 21 & 22, 2013
West Metro Board
<http://www.westmetroboard.com>
- September 25 & 26, 2013
Atlanta Board
www.learningrealestate.com
- October 16 & 17, 2013
Altamaha Basin Board
<http://altamahabasinmls.com>

Common Violations Class Dates:

- July 18, 2013
GAMLS Morrow
770-493-9000
- August 20, 2013
Columbus BOR
706-323-1701
- September 6, 2013
NE GA BOR
706-781-3030

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



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Check Your Email

The Georgia Real Estate Commission (GREC) is increasing the use of email as an effective and efficient tool to communicate with Georgia licensees.

[Rule 520-1-04](#) was recently amended to include email as noted below:

“Each Commission approved form may require the email address of an applicant and his or her affiliated firm (s), if an email address is maintained by such applicant or firm.”

[Rule 520-1-05](#) was also recently amended to include email as noted below:

“Each licensee, approved school, or approved instructor must notify the Commission in writing within one month of any change in any such licensee’s, approved school’s, or approved instructor’s mailing address or residence address or email address if an email address is maintained by such licensee, approved school, or approved instructor.”

GREC is currently sending license renewal reminders to the email address on record with GREC. Soon GREC will email the GREC RENews to all licensees as well as other notices and helpful information.

Here is how to make sure that GREC has your current email address:

You can enter or update your email address on the GREC **web site**. Go to the Online Services Login. After logging in, review your Real Estate Mailing Address. The email address that GREC has on record for you is the last line in the form. Verify or update your email address and add GREC to your email address book so you do not miss important communications from the Georgia Real Estate Commission.

[**Online Services Login**](#)

Need a refresher on real estate calculations?...go to the Georgia Real Estate InfoBase @ www.gareinfobase.org. The Infobase is an online resource for Georgia licensees designed to help licenses maintain competency and further their knowledge in the practice of real estate brokerage.

**Online
Courses from
GREC**

**\$10 each
3 Hour CE
Course**

**Total of 9 Hours
CE Available**

**"Avoiding Trust
Account
Trouble"**

**"Practicing Real
Estate & Staying
Out of Trouble"**

**"Being a Broker
and Staying Out
of Trouble"**

[Click Here](#)

Comments or
Suggestions
[Click Here](#).



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

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

Licensees Advertising to Buy and Sell Their Own Property

If a real estate licensee is buying or selling property for themselves either as a residence or for investment, he/she must follow certain advertising rules. For example, if a licensee were to advertise on "Craigslist" or on a sign the licensee must comply with the requirements of Rule [520-1-09 Advertising](#):

(8) Licensees Advertising as Principals. A licensee shall not advertise to sell, buy, exchange, rent, or lease property in a manner indicating that the offer to sell, buy, exchange, rent, or lease such property is being made by a private party not licensed by the Real Estate Commission.

(a) Every associate broker, salesperson, and community association manager is prohibited from advertising under the licensee's own name to buy any property or offering for sale, rent, or lease any property. All advertising by associate brokers, salespersons, and community association managers must be under the direct supervision and in the name of the broker who holds their licenses. However, when a licensee wishes to advertise property owned by the licensee and which is not under a brokerage engagement with a broker, the licensee may do so provided:

1. if the licensee's license is affiliated with a broker, the broker holding the licensee's license has been notified in writing of the specific property to be advertised;
2. regardless of whether the licensee's license is affiliated with a broker or on inactive status, any advertisement must include either (a) the legend "seller, buyer, landlord, tenant (select the appropriate name) holds a real estate license" or (b) the legend "Georgia Real Estate License # (insert licensee's six digit number; for example, 000001)."
3. "Georgia Real Estate License" may be abbreviated to "GA R. E. Lic." and if the licensee's license is affiliated with a broker, the broker gives written consent to advertising the specific property and the advertisement itself.

Real Estate licensees are deemed to be more competent in the field of real estate than the general public. Therefore, it is required by the License Laws, Rules, and Regulations, as well as ethically appropriate, to inform the other party involved in the transaction that one is licensed. Otherwise, the unlicensed individual could be at a disadvantage in the transaction.

In addition to regulations concerning advertising and the disclosure of license status, there are also strict requirements regarding the handling of trust funds. Further details of compliance by licensees acting as principals are addressed in [520-1-09 Advertising](#), [520-1-11 Licensees Acting as Principals](#), [520-1-08 Managing Trust Accounts and Trust Funds](#), [520-1-10 Handling Real Estate Transactions](#), and [§ 43-40-25. Violations by licensees...](#)

Focus on Acronyms”

The real estate industry is barraged with acronyms that range from financing terms to trendy development terms. Review the list on the left before looking at the explanation on the right and see how familiar with these real estate related acronyms.

HABU	Highest and Best Use
MID	Mortgage Interest Deduction
IO ARM	Interest-only Adjustable Rate Mortgage
GFE	Good Faith Estimate
MI	Mortgage Insurance
PITI	Principal, Interest, Taxes, Insurance
MIP	Mortgage Insurance Premium
TOD	Transit Oriented Development



The Appraisers Page

Useful Links:

[GREAB Web Site](#)

How to Tell a Good Appraisal From a Bad Appraisal

By: D. Scott Murphy, SRA

I receive calls on a daily basis from people wanting me to review a “bad” appraisal. In this instance bad usually means a low appraisal. It’s amazing how many truly bad appraisals I see which meet or exceed the sales price. These reports are never questioned by the buyer, seller or agents.

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

From a professional standpoint there are a number of metrics to gauge the quality of the report. One of the most important things an appraiser must do is “bracket”. The term bracketing means to use comparable properties which are slightly superior and slightly inferior to the subject property. For instance, it is critical that the appraiser use sales which are within 10% of the subject’s gross living area. In order to prepare a strong, defendable appraisal the appraiser should bracket the subject’s gross living area by using comparables with slightly larger GLA and slightly smaller GLA. Room count in terms of bedrooms and bathrooms should be bracketed. Lot size in terms of overall lot value should be bracketed. It is important to note here that the appraiser must closely analyze the subject’s lot value as well as each comparable. Too often the misconception is made that a larger lot is worth more than a smaller lot. That is not always the case. Topography, amount of usable land, location within the subdivision such as corner, cul-de-sac and feature of this kind can impact the overall value. The general location of the subject property and the view the subject has are adjusted for on separate lines.

When an appraiser uses bracketing properly they remove the majority of the subjectivity possible in an appraisal report. Bracketing actually “tests” the adjustments and forms a basis for the appraiser to actually prove his value to the reader. For instance if he extracts an adjustment of \$10,000 for a full bathroom from the subject market – he must add \$10,000 to a comparable with one less bathroom and subtract \$10,000 from a comparable with one more bathroom. The ultimate goal for an appraiser is to generate an appraisal report with the most similar, recent comparable and arrive at an adjusted range of estimated value which is very small. What I mean is that once he has made all his adjustments, the bottom line shows the adjusted estimated market value for the subject property. The range between the lowest and the highest would ideally be as small as possible. It is virtually impossible for this range to be zero due to the imperfect nature of the real estate market. But when an appraiser appraises a property for \$200,000 and his adjusted range is \$132,000 - \$367,000 would be a huge indication that this is a bad appraisal.

I always tell everyone to take that bottom line of the adjustments grid and put the numbers into a sentence. In the example above what the appraiser is really saying is “I feel the subject property is worth between \$132,000 and \$367,000” – that is not very convincing to me! Ideally a range of 10% or less is the goal.