

## 2017 Calendar

Class Dates  
To Be Announced

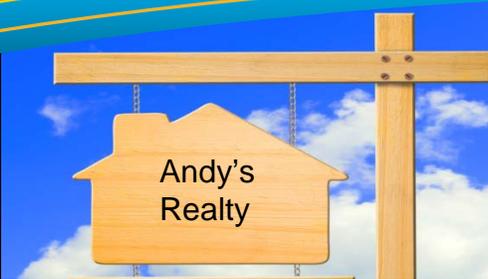
**Happy  
Holidays  
from the  
Georgia  
Real Estate  
Commission**

[Link to GREC  
Disciplinary Actions](#)  
View Current  
Suspensions and  
Revocations

[Link to the Georgia  
Real Estate License  
Laws, Rules, and  
Regulations](#)

[Link to  
Proposed Rule  
Changes](#)

Georgia Real Estate Infobase  
[Click Here](#)



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## FIRM TRADE NAMES

A real estate firm often chooses to use a trade name in order to conduct business in a name other than the name in which the firm was originally licensed. For example a firm is originally licensed as "Andrew Smith Realty Inc." but the firm chooses to conduct business using the trade name "Andy's Realty".

In real estate brokerage, if a firm decides to conduct business under a trade name, the firm is required to have the trade name properly registered in each of the counties where the firm will use the trade name and then submit the county approved trade name to the Georgia Real Estate Commission (GREC). [Chapter 520-1-.04\(6\)](#)

This requirement applies not only to trade names but also to DBAs, subsidiaries, and franchises. In all counties, the applicant must either search online or go to the courthouse to search for the trade name to make sure it is not already in use. A legal consultant could be hired to perform the search. If the name is available, the name must be publicly advertised before the county certified trade name document can be obtained and submitted to GREC. The application form for submitting a trade name to GREC can be obtained from the website at

<http://www.grec.state.ga.us/PDFS/RealEstate/GRECFirmNameChange.pdf> .

**In sum, if a real estate firm wants to market, advertise, or otherwise perform brokerage activities in a trade name, that name must be properly registered in one or more counties and then submitted to the Georgia Real Estate Commission, for addition to the firm's license record.** *....Continued on Page 2*

### November 2016 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	1
Cease & Desist Orders Issued	1
Citations Issued	6
Letter of Findings Issued	4
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	2
Cases Closed for Insufficient Evidence or No Apparent Violation	23
Licensing Cases - Applicant has a Criminal Conviction - License Issued	14
Licensing Cases - Applicant has a Criminal Conviction - License Denied	2
<b>Total</b>	<b>54</b>

[Click here to review a legend of the disciplinary actions the Commission may impose.](#)

Online Courses from GREC

\$10 each  
3 Hour CE Course  
Total of 9 Hours CE Available

(Also Approved as Instructor CE, not approved as License Law CE)

“Avoiding Trust Account Trouble”

“Practicing Real Estate & Staying Out of Trouble”

“Being a Broker and Staying Out of Trouble”

[Click Here](#)

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

**SUBMIT**

Comments & Suggestions

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

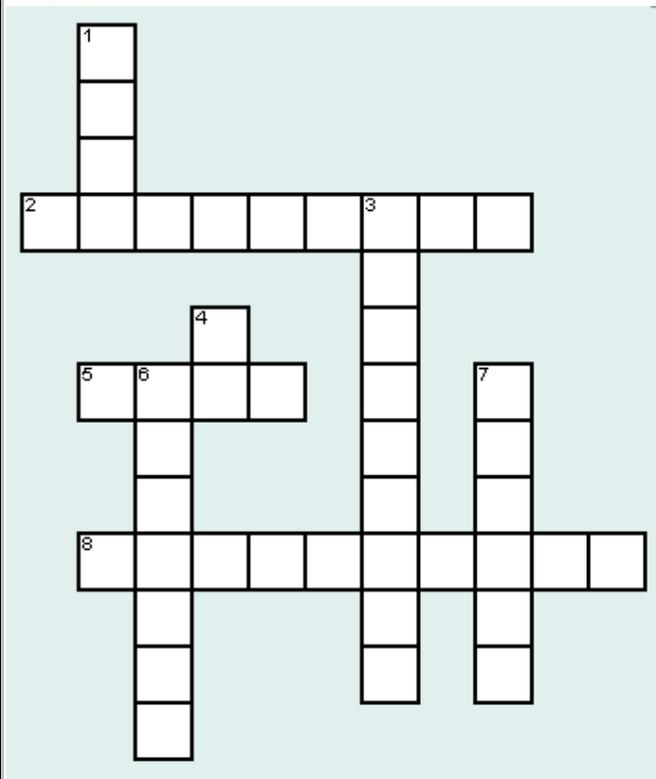
# FIRM TRADE NAMES

Once the trade name has been added to the firm’s license record at the Commission, the firm can advertise in either the firm name as originally licensed or the trade name or both. Thus, after properly following the procedures outlined above a firm could advertise as “Andrew Smith Realty Inc.” or “Andy’s Realty” or both.

In fact, both “Andrew Smith Realty Inc.” and “Andy’s Realty” are both considered a firm name and this is critical when reading and complying with the advertising rules. After submitting a trade name to GREC, the broker should establish procedures to ensure compliance with the rules regarding advertising real estate for sale, rent, or exchange as outlined in. [Chapter 520-1-.09](#).



## The GRE Crossing



### Down Clues

1. License Law, Rules, and Regulations (acronym)
3. Market
4. Continuing Education
6. Name of reindeer with a red nose
7. Where to obtain certification for a new trade name

### Across Clues

2. DBA
5. Where to register a trade name for a real estate firm
8. When rules are followed

Answers on bottom of page 2.



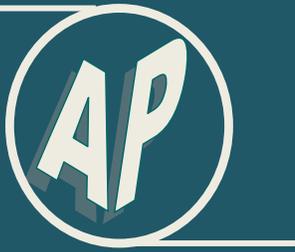
### Focus on Terminology: “DBA & Trade Name”

**DBA** stands for “doing business as”. It is usually intended to identify the business name. **DBA** usually refers to a trade name. Webster’s\* defines **Trade Name** as **“the name or style under which a concern does business”**.

So by its mere definition, it is clear that the trade name is not a business itself, but refers to the business by an informal name.

\*Source: Webster’s New Collegiate Dictionary





# The Appraisers Page

## Useful Links:

[GREAB Web Site](#)

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[Appraisal Act](#)

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[GREAB Disciplinary Sanctions](#)

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## Zero is an Adjustment

By: D. Scott Murphy, SRA

This month the appraisal industry lost one of its finest appraisers. Ronald Heckman passed away after battling cancer for the fourth time in his 67-year life. His stand up and fight attitude was evident in his professional life as well as his personal life. He was an organizing member of the Georgia Real Estate Fraud Coalition– shortly renamed after inception to the Georgia Real Estate Fraud Prevention and Awareness Coalition, because, as Ron explained to me, people were calling to find out how to do mortgage fraud. That organization, the first of its kind, became a model for 100's of others started across the county and it was one of the primary reasons Georgia was the first state to legislate a statute to target mortgage fraud.

Ron was a true leader in the appraisal industry. Being a second-generation appraiser like

myself, appraising was in his blood. Having appraised for over 46 years he knew the business forward and backward. His most recent position was Vice President and Chief Review Appraiser, Consumer Credit Risk Management for SunTrust Bank here in Atlanta. He was always a go-to person for me to help contemplate the difficult appraisal issues. Ron and I would talk regularly about complex appraisal questions and unique properties.

One day years ago, he made a statement which resonated with me for its simplicity and complexity all at the same time. He was reviewing an appraisal where an appraiser had decided to make no adjustment for the subject's inground pool. The appraiser's comment said that he was unable to find any comparables with a pool, therefore he was not going to make any adjustment to the comparables.

Ron's comment was but he did make an adjustment– zero is an adjustment. You see, when an appraiser starts an appraisal report all the lines in the sales comparison approach are blank– they are not zeros. The appraiser is obligated to analyze every aspect of the subject's market value. He is to find comparables and make adjustments for any variances. If he feels the comparable is identical to the subject property – or so similar that a typical buyer would not pay more or less– then he inputs a zero in the adjustment field for that particular item. It takes just as much analysis to determine the adjustment is zero as it does to put any other number in that field. In my opinion and I know Ron would agree, I would rather see the appraiser put something there rather than nothing.

We see this all the time, very few if any adjustments on the appraisal grid. Granted it is impossible to adjust for everything but the true purpose of the adjustments grid is to delineate any differences in the subject property which would be identified by a typical buyer. The adjustments are to be made based on market reaction to that item by a typical buyer and are not directly related to cost. Economies of scale and diminish return play into these adjustments. As I have said on many occasions, there is no list of adjustments. Adjustments must be extracted from the market based on paired sales analysis or regression analysis.



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## Zero is an Adjustment

By: D. Scott Murphy, SRA

Here is the inside scoop. Any appraiser will tell you that the problem is that when they make an adjustment for an item they truly feel needs to be compensated for, then they are open to challenge and pushback from the underwriter. When in fact the lack of an adjustment for a major item requires just as much justification. It is extremely rare and almost unheard of for an underwriter to ask for comments on the lack of adjustments. This has trained appraisers to put zero unless they feel very comfortable and can prove their adjustment. The fact of the matter is that short of running a regression analysis for every item on every appraisal, none of the adjustments can be truly proven.

One area of the appraisal I see the zero-adjustment used incorrectly on a regular basis is the site adjustment. How many subdivision lots sell for the same amount? I realize most subdivision lots don't sell but as part of the sales price there is most often a lot premium and each is different. As they should be, most every lot is different from the next. The value is not just in size but topography, frontage, etc. Of course, view is also a lot related feature which we adjust for on the next line of the report but together they comprise and are to reflect the total value of the subject lot.

So, the next time you are completing an appraisal and you enter a zero for an adjustment, remember Ron's rule – Zero is an adjustment. Make sure you can support that adjustment.

Ron was not only a very skilled appraiser but a good friend to me and many others – he will be sorely missed.

I welcome your comments and feedback. Please send me ideas for future articles.  
Dsmurphy@dsmurphy.com  
678-636-4813