

## 2018Calendar

### Common Violations Class

- May 24, 2018  
Savannah BOR  
Savannah, GA  
912-354-1513  
- June 13, 2018  
GAMLS  
Tucker, GA  
770-493-9000

- July 24, 2018  
Augusta BOR  
Augusta, GA  
706-736-0429

### Georgia Instructor Training (GIT)

August 1-2-2018  
Georgia Realtors®  
Atlanta, GA  
[GREEA@garealtor.com](mailto:GREEA@garealtor.com)

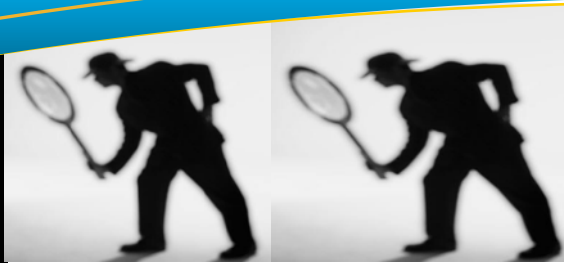
[Link to the  
Georgia Real  
Estate License  
Laws, Rules,  
and  
Regulations](#)

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

[Link to  
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Rule  
Changes](#)

Georgia Real Estate Infobase

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## A Case Developed by Developers

*All names used herein are fictional.* John Dither owned a development company, Common Development Group, Inc, with two other individuals. They were actively marketing several residential lots for sale that were owned by the Common Development Group. John Dither and his two associates were real estate licensees in Georgia. In fact, they formed a real estate company (Common Realty) for the purpose of marketing their own Firm's properties and producing commission income.

John Dither created, produced, and distributed a variety of marketing materials regarding the subdivision in various media on site, as well as online. None of the marketing materials disclosed that the three owners of the company, and the lots, were actually real estate licensees.

While promoting the subdivision, the real estate brokerage division of the company listed and marketed Lot 73 in their subdivision development. Although they were aware that Lot 73 was already listed exclusively with a different brokerage firm, they assumed that since they owned the property, they could continue to advertise and market it.

Additionally, when a contract was entered into on Lot 29 in their subdivision, the owners signed the contract and failed to disclose their licensure within the contract.

Lastly, during the development process, the company moved office locations. When the investigators of the Georgia Real Estate Commission came calling, they discovered the company was no longer at the address registered with the Commission.

During the GREC investigation, the following violations were found:

- They did not disclose that they were licensed in their marketing of the lots.**  
*43-40-.18 States broker obligations in(c)(1) Reviewing all advertising to ensure compliance with this chapter and its rules and regulations;(3) Reviewing for compliance with this chapter and its rules and regulations all listing contracts, leases, sales contracts, and management agreements to buy, sell, lease, or*

*...Continued on page 2*

### May 2018 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	2
Cease & Desist Orders Issued	1
Citations Issued	17
Letter of Findings Issued	0
Consent Orders Entered Into	0
Final Orders of Revocation of Licensure	0
Cases Closed for Insufficient Evidence or No Apparent Violation	27
Licensing Cases - Applicant has a Criminal Conviction - License Issued	14
Licensing Cases - Applicant has a Criminal Conviction - License Denied	0
Total	61

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

**SUBMIT**

Comments  
&  
Suggestions

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**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”**

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

## **Developing Case** . . . continued from page 1

exchange real property and any offer to buy, sell, lease, or exchange real property accepted within the time limit of said offer secured or negotiated by the firm's associates. This review shall take place within 30 days of the date of the offer or contract;

2. **They did not disclose any agency relationship in the purchase and sale agreement.**  
520-1-.06(4)(a) No licensee shall buy or lease, nor take an option to buy or lease, any interest in property listed with the licensee or the licensee's firm on which the licensee or the licensee's firm has been requested to act as a broker, unless the licensee shall clearly disclose the licensee's position as a buyer to the seller or as a tenant to the landlord, as the case may be, and insert a clause to this effect in the contract. Neither shall any licensee sell or lease or otherwise convey any interest in property owned by the licensee to any person, unless the licensee shall clearly disclose the licensee's position as a seller to the buyer or as a landlord to the tenant, as the case may be, and insert a clause to this effect in the contract.
3. **They listed and marketed a property that was already under listing agreement.**  
43-40-25 states the violation(b)(12) Offering real estate for sale or lease without the knowledge and consent of the owner or the owner's authorized agent or on terms other than those authorized by the owner or the owner's authorized agent;(13) Inducing any party to a contract of sale or lease, or a brokerage agreement to break such contract or brokerage agreement for the purpose of substituting in lieu thereof any other contract or brokerage agreement with another principal.
4. **They failed to notify the Georgia Real Estate Commission with 30 days of a change of address.**  
520-1-.04 States the violation (1)(a)(4.)(1) failure to notify the Commission in writing within 30 days of a change of address, of the opening or closing of a designated trust account, of transferring to a new company, or of leaving a firm to go on inactive status;

As a result of their actions and inactions, the parties involved were issued a Citation, and in addition, were required to do the following:

1. Pay a fine by money order or cashier's check.
2. Reimburse the Commission for its administrative, investigative, legal costs, and expenses incurred as a result of the investigation.
3. Complete a three-hour course approved the Commission on the subject of legal issues and the avoidance of license law violations.

All of these violations and expenses could have been easily avoided. A review of the Georgia Real Estate License Law, Rules, and Regulations can be accomplished with training in a classroom or online from a variety of GREC approved schools and training sources. In addition, brokers are required to provide training to the licensees affiliated with their brokerage firm. "The broker or qualifying broker shall be responsible for establishing, implementing, and continuing procedures for ...providing programs for study and review of this chapter and its rules and regulations for all licensed associates." 43-40-.18(c)(2)

### **2018 REEA Conference**

The Real Estate Educators Association (REEA) is holding their annual conference June 21-25, 2018, in San Diego, California. Contact REEA headquarters at 520-609-2380 or [www.REEEAConference.com](http://www.REEEAConference.com) for more information.



#### **Focus on Terminology: “Disclose”**

The definition of disclose by Webster's Dictionary is "to open up; to expose to view; to make known or public." All of these descriptions apply to real estate brokerage in a very direct message. As a general rule of thumb when deciding whether something needs to be disclosed or not, consider the following: if the party that does not have the information might make a better informed decision with the information, it should probably be disclosed.



# The Appraisers Page

## Useful Links: **Georgia Real Estate Appraisers Board Update:** By: D. Scott Murphy, SRA

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

There is a lot of confusion surrounding recent changes to qualifications for real estate appraisers. On February 1, 2018, the Appraisals Qualifications Board (AQB) adopted changes to the Real Property Appraiser Qualification Criteria. In a surprising move to some, they have made the qualifications less stringent. Its just a little more than 10 years since the largest real estate melt down in our nation’s history and it takes less education and less experience to become an appraiser – the third party, unbiased entity designed to ensure collateral value is reasonable.

Some would say the AQB yielded to pressure from the large lending lobbies who have complained about an apparent appraiser shortage which caused long turn around times and higher appraisal fees. The AQB’s response is that they did not yield to lender pressure. They state the qualifications for appraisers in terms of experience hours have not changed significantly for many years and the required courses have increased. They feel that this increase in course work can replace “in the field” experience. They also state that these requirements simple represent the *minimum* requirements to become an appraiser.

There are two major areas which are being changed

1. college level education
2. The amount of experience hours required and the amount of time required to complete those hours

On February 1, 2018 the AQB voted to change the minimum requirements as follows:

### PART 1: College level education

To become a real property appraiser, candidates must obtain qualifying education hours, and, as applicable, obtain college-level education and experience hours, and successfully pass the National Uniform Licensing and Certification Examination. The following is a summary of changes to the Criteria effective May 1, 2018. Because state appraiser regulatory agencies are only required to adopt *minimum AQB Criteria*, it is **crucial** that candidates contact their state to determine if the state intends to adopt any or all of these changes, and if so, when the changes may go into effect.

College-Level Education		
	PREVIOUS January 1, 2015 – April 30, 2018	NEW May 1, 2018
Licensed Residential	30 Semester Hours of College-Level Education	No College-Level Education Required
Certified Residential	Bachelor’s Degree or Higher	(See Chart of Options on Next Page)



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College Level Education for Certified Residential					
Option #1	Option #2	Option #3	Option #4	Option #5	Option #6
Bachelor's Degree in any field of study	Associates Degree in a field of study related to: <ul style="list-style-type: none"> <li>• <i>Business Administration</i></li> <li>• <i>Accounting</i></li> <li>• <i>Finance</i></li> <li>• <i>Economics</i>; or</li> <li>• <i>Real Estate</i></li> </ul>	Successful completion of 30 semester hours of college-level courses that cover <b>each</b> of the following specific topic areas and hours: <ul style="list-style-type: none"> <li>• <i>English Composition</i> (3 hours)</li> <li>• <i>Microeconomics</i> (3 hours)</li> <li>• <i>Macroeconomics</i> (3 hours)</li> <li>• <i>Finance</i> (3 hours)</li> <li>• <i>Algebra, Geometry, or Higher Math</i> (3 hours)</li> <li>• <i>Statistics</i> (3 hours)</li> <li>• <i>Computer Science</i> (3 hours)</li> <li>• <i>Business Law or Real Estate Law</i> (3 hours)</li> <li>• Two elective courses in any of the above topics, or in <i>Accounting, Geography, Agricultural Economics, Business Management, or Real Estate</i> (3 hours each)</li> </ul>	Successful completion of at least 30 semester hours of College Level Examination Program® (CLEP®) examinations (see Equivalency Table on next page)	Any combination of Option #3 and Option #4 that includes all of the topics identified in Option #3	No college-level education required.  This option applies <u>only</u> to appraisers who <b>have held</b> a Licensed Residential credential for a minimum of five (5) years <b>and</b> have no record of any adverse, final, and non-appealable disciplinary action affecting the Licensed Residential appraiser's legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a Certified Residential credential

Equivalency Table		
CLEP Exams	CLEP Semester Hours Granted	Applicable College Courses
<i>College Algebra</i>	3	<i>Algebra, Geometry, Statistics, or higher mathematics</i>
<i>College Composition</i>	6	<i>English Composition</i>
<i>College Composition Modular</i>	3	<i>English Composition</i>
<i>College Mathematics</i>	6	<i>Algebra, Geometry, Statistics, or higher mathematics</i>
<i>Principles of Macroeconomics</i>	3	<i>Macroeconomics or Finance</i>
<i>Principles of Microeconomics</i>	3	<i>Microeconomics or Finance</i>
<i>Introductory Business Law</i>	3	<i>Business Law or Real Estate Law</i>
<i>Information Systems</i>	3	<i>Computer Science</i>

PART 2: Experience hours and time required to complete those hours – See Next Page



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	Experience	
	Pre April 30, 2018	Effective May 1, 2018
<b>Licensed Residential</b>	2,000 hours in no fewer than twelve (12) months	1,000 hours in no fewer than six (6) months
<b>Certified Residential</b>	2,500 hours in no fewer than twenty-four (24) months	1,500 hours in no fewer than twelve (12) months
<b>Certified General</b>	3,000 hours in no fewer than thirty (30) months, of which one thousand five hundred (1,500) hours must be in non-residential appraisal work	3,000 hours in no fewer than eighteen (18) months, of which one thousand five hundred (1,500) hours must be in non-residential appraisal work

\*charts above were taken from the Appraisal Foundation website

The part that is not fully understood by most is that these are simply the minimum requirements established by the AQB. Each state sets their own standard. The AQB just says it can not be less stringent than what is outlined above. While these standards went into effect by the AQB on May 1, 2018, each state must determine what if any of these changes they will adopt. This can be a lengthy process with inter-agency debate, public meetings, legal approvals, legislative approvals in some situations and then published lead times.

The Georgia Real Estate Appraisers Board began this process two months ago and has formulated a proposed rule change and posted it for public opinion. A public meeting will be held at the Board's office Wednesday June 20, 2018 at 9:30am. A copy of the rule can be found on the Board's website or at the Board's office. Anyone interested in commenting should attend or send comments to the board prior to this meeting. Please visit the website for more specific instructions.

What do you think? Do you think the education requirements should be reduced? Do you think the time in the field, learning to be an appraiser should be cut in half for residential appraisals and reduced from 30 months to 18 months for commercial appraisers?

### How many license categories are there for real estate appraisers in Georgia?

If you answered FIVE you would be correct.

- Trainee
- Registered
- Licensed
- Certified Residential
- Certified General

Many states only have THREE categories – eliminating the Registered and the Licensed categories.

What is the difference in Trainee and Registered?

Trainee is our newest category. This category was separated out from Registered to identify appraisers who are on a track to advance to higher classifications. This category requires the appraiser to take a Supervisory Appraiser course and align themselves with a Supervisory Appraiser. The Supervisory Appraiser must also take this class and must register the Trainee appraiser under his/her license number on the GREAB website.

Registered appraisers are typically individuals who are not interested in advancing and do all non-federally related appraisal work – quite often they are real estate agents or insurance agents who wish to perform real estate appraisals as well.

If you are a registered appraiser and are looking to or are in the process of advancing you must have taken the Supervisory Appraiser class and you must be registered under one or more Supervisory Appraisers on the GREAB website – or you are in violation of the rule and may not receive experience credit.

As always, I welcome your comments and feedback.