

2019 Calendar

Brokerage and Trust Account Class Workshops

- September 25 & 26, 2019
Middle GA Assoc. of Realtors®
Macon, GA
478-471-7336
www.mgar.org

Common Violations Class

- September 12, 2019
GAMLS of Realtors®
Morrow, GA
770-493-9000

Georgia Instructor Training Workshops (GIT)

- October 16 & 17, 2019
GA Association of Realtors®
Atlanta, GA

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

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

[Link to Proposed Rule Changes](#)

Georgia Real Estate Infobase

[Click Here](#)



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Information Specialists at the Real Estate Commission & Appraisers Board

The Georgia Real Estate Commission receives and handles over 7,000 calls per month. Most of these calls are directed to an Information Specialist.

The Information Specialists in the Commission's Information Services Department are always ready and willing to assist to licensees and to the public. That assistance is solely in providing information. The staff can not provide interpretations of the License Law or the Rules or advise callers on how to proceed in a particular situation.

Often the Commission's staff receives requests for advice on or interpretations of contractual obligations. The staff is unable to help with those requests for three reasons. First, no one on the Information Services staff is licensed to practice law. Second, not even a licensed attorney could give competent advice or interpretation over the phone without having seen the contract itself. Third, neither the Commission nor its staff members are authorized to give legal advice to licensees or the public.

Having said that, the Information Specialists at the Commission can and do provide substantial assistance to licensees and the public in a number of ways including:

- referring callers to relevant provisions of the License Law and Rules that they can then consult for themselves;
- explaining to licensees how they can reinstate a lapsed or inactive license;
- answering a licensee's question as to how much continuing education he or she is required to have to renew or reinstate a license;

Continued on page 2...

August 2019 Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	0
Cease & Desist Orders Issued	2
Citations Issued	10
Letter of Findings Issued	4
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	0
Cases Closed for Insufficient Evidence or No Apparent Violation	15
Licensing Cases - Applicant has a Criminal Conviction - License Issued	5
Licensing Cases - Applicant has a Criminal Conviction - License Denied	2
Total	39

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

SUBMIT

Comments
&
Suggestions

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

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

Information Specialists...

Continued from page 1...

- revealing whether a particular individual or firm is licensed and whether there has been any formal disciplinary action;
- explaining how to file a complaint with the Commission and sending a complaint form; and
- providing names and phone numbers of other agencies or organizations that might be of assistance to the caller.

Just as Commission staff members can not interpret the License Law and the Rules or give advice, they can not:

- waive or modify any requirement of the License Law or the Rules;
- assist in resolving disputes about commissions or fees;
- recommend a brokerage firm, a sales associate, or an approved school; or
- reveal whether a licensed individual or firm has had any complaints filed against them.

There are 5 Information Specialist and an Information Specialist Manager at the Georgia Real Estate Commission & Appraisers Board office. Each one is well-versed in the Georgia Real Estate License Law, Rules and Regulations and the Appraiser Act as well as the procedures to facilitate processing of applications, licensing issues, and complaints. However, many questions can be answered from the GREC website. The website provides forms, applications, and online services as well as Frequently Asked Questions. The Commission office is accessible to licensees online at www.grec.state.ga.us or by phone at 404-656-3916.

Job Opening

at the Georgia Real Estate Commission & Appraiser’s Board.

If you or someone you know is interested in applying for the position of **Information Specialist**, click the following link to obtain further information regarding qualifications and the application process.

<http://grec.state.ga.us/PDFS/About/HireInfoSpec2019-3.pdf>

The Application Deadline is September 15, 2019.

Absolutely Must Know Section



The Commission cannot give legal advice regarding real estate transactions, commission disputes, or for any other matter.

Interpreting laws or rules means giving legal advice. The law prohibits Commission employees from interpreting laws in order to guide citizens in particular or hypothetical situations. Licensees should have interpretations they need made by their broker or, if the broker approves, by the broker's attorney.



Focus on Terminology: “Interpret”

The definition of “interpret” as defined in Merriam-Webster is stated as: **“to explain or tell the meaning of: present in understandable terms: to conceive in the light of individual belief, judgement, or circumstance.”** This definition makes it clear that an interpretation may involve the subjectivity or opinion of the interpreter. Attorneys can interpret and give advice, GREC does not provide legal advice.



The Appraisers Page

Useful Links:

[GREAB
Web Site](#)

[Appraisal Act](#)

[GREAB
Disciplinary
Sanctions](#)

Who can talk to whom?

By: D. Scott Murphy, SRA

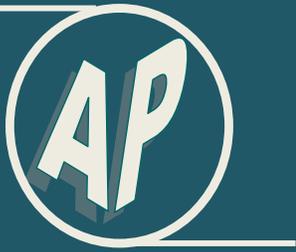
I have touched upon this in previous articles but wanted to circle back and spend a little more time discussing this topic. There is a lot of confusion among agents and appraisers. The rules seem to keep changing or evolving. So let's look at where we started, the rules which were introduced, and where we are today.

Communication is a critical part of the real estate transaction. In order for it to move smoothly, all parties need to remain informed and information needs to flow between all parties. None of the past or present legislation was ever intended or meant to impede communication. The reason this is even a topic of discussion is the confusion, which arose because of the HVCC, and the Dodd Frank Act, which are federal regulations enacted in the wake of the recent mortgage crisis.

The HVCC (Home Valuation Code of Conduct) was introduced as a settlement in a lawsuit between the State of New York and the GSE's (Freddie Mac & Fannie Mae). It created a separation of the origination staff of a lender (or mortgage broker) and the appraiser. No longer could the loan officer choose who the appraiser was to be for their loan. It was to be done in an independent and random fashion. Lenders were given the alternative of either using an independent AMC or creating a separate department to manage the appraisal process that was completely separate from the origination department.

You need to understand that this was very positive news to most appraisers. For years and years we were constantly pressured and harassed by loan officers into raising values. We would regularly receive phone calls from loan officers stating "I need to get \$250,000 for this property, can you do it?" – We would be expected to answer then on the spot or at best get back to them within the hour. No amount of desktop research is possible for an appraiser to be able to answer that question. Furthermore, based on USPAP (Uniform Standards of Professional Practice) – if we did answer that question, even with a range of value, we had just completed an appraisal and could be held liable for those results. If the appraiser said "no, I cannot give you an answer over the phone, I need to do research, inspect the property and prepare a report" – which is the correct answer – the loan officer would hang up the phone and call another appraiser. The first appraiser would most likely not receive any more work from that loan officer and so an enormous amount of pressure was placed on the shoulders of the appraiser. What happens if he says – "yes, I can get you \$250,000" and then gets out to the property and it is not what he expected, and he is unable to return a report for the predetermined value?

Many loan officers also felt it was common practice that if they ordered an appraisal, providing an estimate of value, and the resulting appraisal did not meet that value, that the appraiser should either stop as soon as he realized it would not "hit" value or that the borrower should not have to pay for the appraisal. The term "the borrower wasted their money" was most commonly used. Sorry that it did not "hit" your number, but the appraiser could not know without going through all the necessary steps to complete the report – and regardless of the value the appraiser is due his fee.



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HVCC was always intended to be a temporary set of rules while congress drafted what is now called the Dodd Frank Act. The Dodd Frank Act is far more reaching than HVCC was. I have never read the entire document, but it touches on many different parts of the mortgage, banking and financial markets. As it pertains to loan officers, it required them to become licensed. Most people don't realize or never thought about the fact that everyone else in the real estate transaction was licensed but the loan officer. The strict background checks weeded out a lot of loan officers. Other regulations made it virtually impossible to operate as a mortgage broker – thus the steep decline in the number of mortgage brokers.

But nowhere in the HVCC or the Dodd Frank Act does it say that the agent – or anyone else except the loan officer and production staff – can talk to an appraiser. Many appraisers either misinterpret these rules or purposely lump agents in so they do not have to talk to them.

Not only can agents talk to an appraiser – I strongly encourage them to provide any information they can to the appraiser. It is the appraiser's job to collect, analyze and VERIFY all data available to them in the normal course of business. Any appraiser who

purposely refuses to take information from an agent, homeowner or any other participant who might be able to supply or verify data – is in my opinion, in violation of USPAP and the Georgia Appraisers Act. We all know that certain parties will be biased in certain directions, but if the appraiser is professional, ethical and competent – he can take this into consideration, include the information and use it appropriately.

I am so tired of hearing agents tell me that the appraiser would not talk to them, would not take their information and some even state that it is illegal for them to do so - "we have a hotline to report you to" – what hotline? – ASC hotline which is for reporting unethical activity of appraisers, lenders and AMC's? They do not have authority over real estate agents. Are you going to report them to the GREC? That will not do any good. Unless the agent is categorically stating that the property is WORTH x and not y; then they would be acting as an appraiser without a license but just providing information is no violation.

I am speaking to the residential appraisers – stop being so unprofessional. You do not see commercial appraisers turning down information. To the contrary, they spend an enormous amount of time soliciting information from the parties involved in the transaction. It is called verification and most residential appraisers do know what that word means. You would be amazed at how much detailed information you can get from the listing agent, selling agent, buyer or seller. Encouraging their input will make your reports so much more accurate and reliable. So please – communicate, talk to the agents, take what they have to say with a grain of salt if necessary, but don't break off ties with the very people who can assist you the most in completing an accurate appraisal report.