

## 2019 Calendar

### Common Violations Class

- October 1, 2019  
East Metro BOR  
Covington, GA  
[www.embor.com](http://www.embor.com)

- October 7, 2019  
Golden Isles AOR  
Brunswick, GA  
912-264-2915

### 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](#)



### Georgia Real Estate Commission Georgia Real Estate Appraisers Board

“Our agency’s mission is to ensure professional competency among real estate licensees and appraisers and to promote a fair and honest market environment for practitioners and their customers and clients in real estate transactions in Georgia.

### This Issue

Records & Avoiding Violations	P. 1
Disciplinary Stats	P. 1
AMK Section	P. 2
Focus on Terminology	P. 2
Appraisers Page published next issue	

## Records, Audits & Avoiding Violations

The purpose of the Georgia Real Estate Commission is to safeguard the public interest in real estate. This is accomplished by ensuring compliance with the Georgia Real Estate License Laws, Rules, and Regulations. One way GREC ensures compliance is by routinely conducting random audits of the records of real estate brokerage firms.

An audit begins with a desktop review of firm records requested by a Commission Investigator. Most reviews are complete after this step. Sometimes the Investigator may need to interview the broker or make an onsite visit to the firm. If violations of the License Law or Rules and Regulations are found, then the licenses of both the broker and the firm may be disciplined by the Commission.

A recent case illustrates violations found during a routine audit. A qualifying broker in Atlanta, Georgia, was found to have committed the following violations: (1) failed to have a complete trust account journal and monthly reconciliation statements for the firm’s trust account (2) failed to properly account for and maintains funds in the firms’ trust account by (a) commingling funds belonging to the broker with the funds of others (b) improperly disbursing \$2,000 from the account to the firm’s operating accounts on June 30, 2018 and (c) allowing the trust account to fall short from January to March 2018 when sufficient funds were deposited in said account.

The broker was disciplined and paid \$800.00 in fines and cost reimbursements and was required to complete a three-hour Commission approved course on avoiding trust account trouble.

### Job Opening at the Georgia Real Estate Commission

Click the following link <http://grec.state.ga.us/PDFS/About/HireInfoSpec2019-3.pdf> to obtain further information regarding qualifications and the application process for the position of **Information Specialist**.

### September 2019 Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	1
Cease & Desist Orders Issued	0
Citations Issued	5
Letter of Findings Issued	2
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	2
Cases Closed for Insufficient Evidence or No Apparent Violation	15
Licensing Cases - Applicant has a Criminal Conviction - License Issued	3
Licensing Cases - Applicant has a Criminal Conviction - License Denied	2
<b>Total</b>	<b>31</b>

[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

# Absolutely Must Know Section



The Broker is required to maintain records for **3 (three) years**. Records may be maintained in any records storage system that utilizes paper, film, electronic, or other media provided that the documents can be made available to the Commission upon request. The licensee can also produce copies of the documents and records. Those required documents include:

- Closed sales transactions, settlement statements
- Offers, Contracts, Contracts not closed
- Trust Account records to include all documentation regarding trust funds, such as all deposit slips, reconciliation statements and disbursements for any trust funds (whether the transaction closed or not)
- Leases, Rental Agreements
- Listing Agreements, Management Agreements
- Buyer Agency Agreements
- Dual Agency consents
- Bank records, accounting records
- Advertising
- Independent Contractor Agreements
- Office Policies and Procedures
- Documentation for transactions pending beyond 3 years
- Communications between the Broker and licensees
- Records of training provided by the Broker.

[Rule 520-1-.10 Handling Real Estate Transactions.](#)

[\(4\) Retention of Copies of Records and Documents.](#) Copies of sales contracts, brokerage engagements, closing statements, leases, and other documents related to a real estate transaction required by law to be maintained in a broker's file for three years shall be made available to authorized agents of the Commission upon reasonable request and at a reasonable cost to the Commission....



## **Focus on Terminology: “Audit”**

The term “audit” as defined by Webster’s Dictionary is: both a noun and a verb.

- *Noun: a methodical examination and review: a formal or official examination and verification of an account book.*
- *Verb: to examine with intent to verify.*

The broker must have a good record keeping system and maintain clear and organized records. The GREC “[Office Practices and Trust Account Review](#)” document is available on the GREC website. This document is used for conducting routine reviews and audits of Brokers and firms to ensure their compliance with current GREC rules and regulations. It provides an excellent review and virtual checklist to help the Broker review policy and practices of the firm.

The Trust Account(s) of a brokerage firm is subject to audit as well as other records and documentation. In some disciplinary cases, a firm Trust Account may require periodic audit by an independent accountant.

The Georgia Real Estate Commission School ( [www.imre.com/grec/](http://www.imre.com/grec/) ) also has a list of ideas and tips for [brokerage management](#) and a [basic trust account checklist](#).

(Reference [43-40-20](#) and [520-1-.08](#))