

2009 Dates to Note

- **October 6, 2009**
Common Violations Class
[SW Georgia Board](#)
- **October 7, 2009**
Common Violations Class
[Valdosta Board](#)
- **October 8, 2009**
Education Advisory Meeting
- **October 8, 2009**
Common Violations Class
[Tift Area Board](#)
- **October 14, 2009**
GREC Brokerage Course
[Lake Country Board](#)
- **October 15, 2009**
GREC Trust Account
[Lake Country Board](#)

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Focus on Terminology:

“Citation”

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

Proposed Changes to the License Law Rules and Regulations

The Georgia Real Estate Commission has posted a notice regarding changing **Rule 520-1-.14 Citations**, which if approved will increase the dollar amount of certain disciplinary fines that the Commission may impose upon a licensee. [To view the exact wording of the proposed rule, click here.](#)

- ***GREC is proposing to increase citations and fines as follows: Every fine will be increased \$400 over its original amount.***
- ***If approved, this new ruling will go into effect November 15, 2009.***

As an example, if a citation were issued to a licensee for failing to provide a copy of any document used in a real estate transaction to any individual signing such document, the Commission would be able to impose a fine of \$500 whereas the fine is currently \$100.

Other examples from Rule 520-1-.14:

- If a licensee fails to include a fixed date of expiration in a listing agreement, the fine would be \$600 instead of the current \$200 amount.
- Failure of a licensee to deposit earnest money, security deposits or other trust funds according to the terms of a contract could be a fine of \$800, instead of the current amount of \$400.
- If an approved school fails to have students complete the required number of hours in any course or to complete all exercises or exams required by the school, the fine would be \$900 or \$500 per student (whichever is greater), instead of \$500 or \$100 respectively as it is now.

Remember that the maximum fine the Commission may impose is \$1,000 per violation or \$5,000 for multiple violations in any one citation. A citation issued by the Commission could also include an order to complete a course of study in real estate brokerage or instruction; the filing of periodic reports by an independent accountant on a real estate broker’s designated trust account; and/or the payment of a fine as discussed above. For further information regarding fines, see **Rule 520-1-.14** accessible from the GREC web site under license laws.

If you feel these proposals are significant changes and would like to express your viewpoint, in favor or opposed, you must do so before **October 1, 2009**. To express an opinion or view regarding this change, contact or write the Georgia Real Estate Commissioner no later than October 1, 2009.

*Mr. Jeff Ledford, Georgia Real Estate Commissioner
Georgia Real Estate Commission
Suite 1000 – International Tower
Atlanta, GA 30303-1605*

Proposed, Pending and Accepting Rule changes are always posted on the GREC website at <http://www.grec.state.ga.us/about/reproposed.html>.

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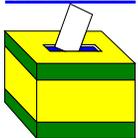
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GREC

Accepted Rule Change Regarding Gifts and Referrals...

Although the Commission issued an earlier rule change regarding this same subject, the latest rule change clarifies and simplifies the issues involving the disclosure of gifts and referrals and particularly those involving property management activities. This ruling became effective August 1, 2009.

Commission, Fess, Rebates, or other Valuable Consideration must be disclosed:

- on a settlement statement or supplemental document at settlement
- a record of the fee, charge, rebate, profit, commission, referral fee or other valuable consideration must be maintained in the broker's records and a copy provided to the principal holding a direct interest in that disclosure
- referral fees in lease situations must be made and disclosed under pre-established terms and recorded in the brokers files
- a management agreement may establish terms where a licensee may pay a referral fee, or offer other valuable consideration related to management of the property on behalf of an owner; these terms must be pre-established and a record kept in the broker's files.

No disclosure is required for the following circumstances:

- expenses by a licensee on behalf of the principal
- products, services or other things of value given the licensee so long as it is not conditioned upon obtaining a listing, purchase or sale, or other business (or services) related to a specific real estate transaction
- the split or sharing agreements of commission, fess, or referral fees between the licensed or unlicensed affiliates of the broker

For further clarification, read the entire ruling, at

<http://www.grec.state.ga.us/PDFS/About/NOI520-1-August152009.pdf> or click the proposed ruling tab on the GREC web site.



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The word, ***Citation***, as it related to real estate licensing in Georgia refers to a disciplinary often in the form of a monetary fine, that the Commission may impose for violations of the license law. It can be loosely compared to a parking ticket, but like parking tickets they can become serious and costly. Although citations do not show up on a licensee's license history report, they are available as public information. In addition, a history of repetitive offenses resulting in citations can be cause for further scrutiny in future violations.

Citations are the least serious of disciplinary measures that the Commission can impose. Other disciplinary actions could involve requirements to take education courses, periodic reporting of trust account management, and reduction of a broker's license to that of a salesperson license, suspension of a license, or revocation of a license. All of these actions remain on the licensee's

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

Disciplinary actions other than a citation are regularly posted on the GREC website. In addition, the pubic, or any licensee, can search by a licensee's name or license number and view his/her license history including disciplinary sanctions issued against the licensee in Georgia.