

2019 Calendar

Georgia Instructor Training Workshops (GIT)

- October 16 & 17, 2019
<http://www.grec-git.com/Instructor-Training/Current-GIT-Class-Schedule>

[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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Inactive Licensees and Continuing Education (CE)

If a licensee places his/her real estate license on inactive status, it is recommended that the licensee continue to take courses for continuing education credit (CE) so that those requirements (9 hours per year) do not accumulate. Otherwise, when the licensee wants to place his/her license on active status to perform real estate brokerage activities, the licensee would need to complete all of the CE that would have been required at the prior license renewal.

Approved courses taken while on inactive status do count toward hours needed for the required CE. In fact, it would also be beneficial to complete the 3 hours of required License Law to keep informed of changes in the License Law. Licensee can also continue to receive or access the [GREC RENewsletter](#) to keep abreast of information pertinent to the practice of real estate brokerage.

Opportunity at GREC

Brokers! Are you looking for a change and challenging opportunity? Are you interested in fact finding, problem solving, research and analysis? Have you been involved in implementing the Georgia Real Estate Commission (GREC) License Laws and Rules and Regulations?

If so, the GREC has open job positions for Real Estate Brokerage Investigators. Take a moment and visit the GREC website for more details regarding the job duties and qualifications.

March 2019 Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent	4
Order or by Hearing	0
Cease & Desist Orders Issued	0
Citations Issued	6
Letter of Findings Issued	0
Consent Orders Entered Into	2
Final Orders of Revocation of Licensure	2
Cases Closed for Insufficient Evidence or No Apparent Violation	7
Licensing Cases - Applicant has a Criminal Conviction - License Issued	14
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	36

[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

Link to GREC Disciplinary Actions View Current Suspensions and Revocations

As noted in the disciplinary stats table on the previous page, there are several methods the Commission can use to protect the public and enforce the License Laws Rules and Regulations. The most serious of these actions are the Revocation of a license which does not allow the individual to practice real estate brokerage in Georgia and the Suspension of a license that requires the licensee to stop practicing any real estate brokerage for a specified time period in addition to whatever education and trust oversight that the Commission requires for that case. The Commission posts the names of the affected licensees in a [List of Current Revocations](#) as well as an ongoing [List of Current Suspensions](#). These lists are available for public view on the GREC website. In addition, the public can search for a licensee by name or license number from the Consumers Tab on the GREC website and review the status of their license and see if the license is active, suspended or revoked.

Absolutely Must Know Section



In order to be the Qualifying Broker of a brokerage firm, he/she is required to be a partner, if a partnership; a member, if a limited liability company; or an officer, if a corporation, and must have signatory powers on all trust accounts.

O.C.G.A.43-40-18. Management of firm and licensed affiliates

(e) Any firm which operates as a sole proprietorship must be owned entirely by a licensed broker. The qualifying broker for a firm which operates as a partnership must be a partner. If all partners of a partnership are corporations, the qualifying broker of such a partnership must be one of the partner corporation's officers whose actions are binding on both that corporation and the partnership. The qualifying broker for a firm which operates as a limited partnership must be the general partner. If the general partner of a limited partnership is a corporation, the qualifying broker of such a limited partnership must be one of that corporation's officers whose actions are binding on both the corporation and the general partner. The qualifying broker for a firm which operates as a limited liability company must be a member or, if the articles of organization or a written operating agreement vests management of the limited liability company in a manager or managers, a manager may serve as the qualifying broker. The qualifying broker for a firm which operates as a corporation must be an officer of the corporation. The broker or qualifying broker of any real estate firm must have signatory powers on all trust accounts which the firm maintains.



Focus on Terminology: “Poaching Listings”

When an agent purposely puts his/her own name on the advertising of another agent's listing, it is known as “poaching.” Not only is this a violation of the Georgia Real Estate License Law, Rules, and Regulations, but it is not an ethical way to do business. If the listing agent provides an “unbranded” copy that other agents may send, it is important that the agent using an unbranded flyer only provides it to his/her clients and customers and not to the general public.

An exclusive listing is exclusive to the listing broker and empowers the listing broker to control the advertising of the listed property. Internet and multiple listing services enable ads and postings to be forwarded very easily, but the licensee must be careful to include the name of the listing firm unless he/she has specific written permission from the listing broker to do otherwise.



The Appraisers Page

Useful Links:

[GREAB
Web Site](#)

[Appraisal Act](#)

[GREAB
Disciplinary
Sanctions](#)

Appraisal FAQ's 2019

By: D. Scott Murphy, SRA

Thanks for everyone who has send questions and article topics. Please keep them coming. This month I thought I would address the most frequently asked questions. Many of these questions relate back to full articles I have written in the past and I will try to reference the articles within my response to the question.

Without exception, the most frequently asked question I get is "what is the definition of gross living area – GLA". Let me first start by saying there are a number of different interpretations used in the real estate industry. Assessors have a definition, which they use as their standard. It is often referred to as Gross Building Area GBA. Architects use a standard, which measures, from the center of the exterior wall to the center of the opposing wall. Appraisers adhere to the ANSI (American National Standards Institute) definition, which measures the exterior of the home less any open space inside the home (open two story space and open foyer space). The definition separates the above grade space from the below grade space. It is very important to compare apples to apples. Think of a 3000 sf home (above grade) with a 1500 sf finished basement. Is this house worth more of less than a 4500 sf house which is all above grade? You must agree that the home with 4500 sf all above grade is more valuable. See the [December 2012 Gross Living Area](#) article and the [January 2013 Measuring a house](#) article.

What is a bedroom? For a room to be considered a bedroom it must be of adequate size (most commonly 100+ square feet) – so think of a room which is roughly 10'x10'. It must have a closet which is exclusive of the 100 sf. Minimum size is generally considered to be 2' x 4'. A bedroom must have an operable window. This means the window must open and close and some definitions go on to say that it is large enough for a fireman to enter in full gear. A bedroom must have a door for privacy. Finally, it must as adequate access to a full bath. This means a full bath on the same level, which can be accessed without going through another bedroom.

What constitutes a bathroom? A half bath has a toilet and sink. A full bath has a toilet, sink and tub or shower or a tub/shower combo.

Why did the appraiser not count all my bedrooms and bathrooms in my appraisal report? This is a very common question. When reading an appraisal report it may appear as those the appraiser did not count all the bedrooms and baths in a house with a finished basement. This is due to the fact that we must separate the above grade space from the below grade space. The space where the room count and GLA are reflected is for **above** grade space only and the form specifically says this. The basement lines of the report show the space and room count for the basement area.

How long should an appraisal inspection take? The answer will vary based on the size of the home and the complexity of the property but even the most simple ranch style home should still take 20-30 minutes. More complex homes could take 1-2 hours. Most of my appraisal inspection is complete within 30-40 minutes. The appraiser should take the time to walk through the house as a typical buyer would. He must make note of the



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Georgia Real Estate Appraisers Board

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overall condition, quality of improvements, various amenities and recent upgrades. A common misconception is that we must measure each room or that it should take as long as a home inspection. The appraiser should be asking questions above the age of the mechanicals, information about recent upgrades and improvements. Access to crawl space and attics is only required for FHA and VA appraisals. He should test to make sure all utilities are operable.

Why did the appraiser use Active listings as comparables? The appraiser is required to research the subject market thoroughly. Recent sales are just part of the picture. Active listings and pending sales offer appraisers evidence of the direction the market is moving. While it is correct that an active listing should not be used as a primary comparable, good appraisers will include them as an additional comparable, separate from the closed sales used to arrive at his estimate of market value. Most lenders will require two active or pending sale be included. Pending sales are the best indicators of the current market. It is important that the appraiser make every attempt to find out what the pending sale is under contract for by contacting the listing agent.

Does the home have to have a range? No, both FHA and conventional do not require there

to be a stove or range in the kitchen. However, if this or any other appliance was a built-in appliance it must be present. Both FHA and conventional are concerned with three major issues; is the house Safe, Sound and Habitable.

I receive questions about repair issues on a regular basis. What you need to remember are those three criteria – is the house safe? Are there any issues, which would be considered unsafe such as exposed wiring, missing handrails on steps or decks, uncovered holes or open pits in the yard? Is the home sound? Is the foundation cracked or leaning, are the floor joists properly spaced and in good condition? And finally is the house habitable? Is there adequate heating, water and sewage disposal, are there adequate floor coverings (we see quite often REO homes with no carpeting or flooring), are there broken windows or holes in the roof? Many are surprised to learn that these standards apply to conventional loans as well as FHA loans.

Do appraisers research permits? It is certainly within the realm of possibility that the appraiser will contact the county to verify that any recent improvements have been permitted. Most appraisers will rely upon seller's disclosure statement unless they have reason to question whether an improvement has been permitted. This is an area where I expect a rules change from the lender. We have already seem many relocation companies require appraisers to verify permits and expect this to move to the general lender world in the next 5-10 years.

How does an appraiser handle an improvement, which they find out was not permitted? If a basement is finished without a permit and this comes to the attention of the appraiser there are two options. The owner can have the area permitted by the city/county or generally most lenders will allow the appraiser to exclude this space from valuation. This works for basements or porches, however, if it is a master bedroom or bathroom (an integral part of the living area) exclusion is not an option. The owner will have to obtain a permit.