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2020 Calendar

In-Class Schedules and
Events TBA

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
Commission**
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Atlanta, GA 30303-1605
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Rental Properties Owned by Licensees

When is a license considered to be acting as a Principal in a transaction?

Whenever the licensee has an interest, or is purchasing and planning to have any partial or full interest in real estate, he/she is a principal. This includes partnerships, corporate ownership, joint ownership, ownership with a spouse, family member, or a business partner.

What is considered 100% ownership?

The Commission considers a property “owned by a licensee” if the deed for the property reflects either:

- (a) only the name of the licensee **OR**
- (b) only the name of a business entity of which the licensee is the sole owner, member, or stockholder.

If neither of these situations is the case, the property is not 100% owned by the licensee, and all trust funds must be placed into a Trust Account of a firm licensed by the Commission.

When is a licensee who is acting as a principal required to deposit earnest money or security deposits in a trust account?

- If a licensee owns 100% of a rental property, the licensee may request permission from his/her Broker to set up a separate, personal Trust Account registered with the Commission. He/she must give the Broker holding his/her license quarterly reports on the Trust Account. The Broker is still responsible for those funds.
- If a licensee (non-broker) does not own 100% (the licensee is a co-owner of the property), the licensee does not have a choice and must use a licensed firm’s Trust Account to hold security deposits, earnest money, and other funds of others related to personal real estate activities.

June 2020 Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	0
Cease & Desist Orders Issued	4
Citations Issued	15
Letter of Findings Issued	3
Consent Orders Entered Into	0
Final Orders of Revocation of Licensure	2
Cases Closed for Insufficient Evidence or No Apparent Violation	10
Licensing Cases - Applicant has a Criminal Conviction - License Issued	3
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	38

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

Online Courses from GREC approved for:

- ✓ License Law
 - ✓ Continuing Ed
 - ✓ Instructor CE
 - ✓ 3 - 9 Hours CE
1. Being a Broker and Staying Out of Trouble
 2. Avoiding Trust Account Trouble
 3. Practicing Real Estate & Staying Out of Trouble

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Consider the following case...

A salesperson owned 4 rental properties. Listed below are the multiple violations she committed. They resulted in a Citation, a fine, reimbursement of legal, investigative, and administrative expenses to the Commission, and additional education requirements for the salesperson.

1. She failed to notify her Broker in writing of leases on 4 of her personal rental properties.
2. She failed to turn over security deposits to her Broker.
3. She commingled the funds of others with her own.
4. She failed to deposit funds received into a Trust Account.
5. She collected a commission from a property owner and failed to turn over said commission to her Broker.
6. She failed to properly account for funds received from others.
7. She failed to include her license number and the firm's license number on leases.
8. She failed to submit copies of all leases on her personal property to her Broker.

Testing Sites Reopened

PSI reopened Georgia test sites for limited testing and licensing on Friday May, 1, 2020.

PSI employees are following all Center for Disease Control (CDC) requirements for social distancing as well as take preventative measures for disinfecting each testing station and the common areas that come in contact with other PSI employees and testing candidates.

Please read the frequently asked questions concerning procedures for visiting the test center and taking the state exam or obtaining a license:

<https://psionline.com/wp-content/uploads/psi-services-covid-19-faqs.pdf>

Absolutely Must Know Section

Property Management is a specialty in real estate brokerage, and the licensee that personally owned rental/income properties must comply with all license law, Rules and Regulations in regard to those properties. A licensee must notify his/her broker in writing before doing real estate activities for him/herself as a principal. This includes participating as an officer or employee of a firm.

520-1-.11 Licensees Acting as Principals. (1) Written Notification to Broker. No licensee shall be permitted to list, sell, buy, exchange, rent, lease, or option or offer to list, sell, buy, exchange, rent, lease, or option real estate, either in individual or multiple parcels, in the licensee's own name or in the name of any other firm or entity in which the licensee is an officer, employee, beneficiary, or member of such firm or other entity acting as principal without first advising, in writing, the broker for whom the real estate licensee is acting.



Focus on Terminology: "Property Management"

§ 43-40-1. Definitions "(7) "Property management services" means the provision, for a valuable consideration, to another of marketing, including referring prospective tenants; leasing; physical, administrative, or financial maintenance; and overall management of real property; or supervision of the foregoing activities for another pursuant to a property management agreement. In addition, the definition of (2) "Broker" means any person who, for another, and who, for a fee, commission, or any other valuable consideration or with the intent or expectation of receiving the same from another: (C) Collects rents, assessments, or other trust funds or attempts to collect rents, assessments, or other trust funds." If a licensee owns personal income/rental properties, he/she must disclose licensure as well as maintain any trust funds in a trust account.