January 2025 Volume 21 Issue 1 Monthly Newsletter of the Georgia Real Estate Commission

GREC RENews



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Focus on Terminology

Broker Supervision and Competency

A Georgia Real Estate Licensee is authorized to practice all types of real estate brokerage activity, although most Licensees focus on one or two areas of the industry. The Broker is responsible for ensuring that a Licensee is competent in their areas of practice. For example, a property manager must be trained in property management, and a tenant representative must be training in commercial leasing, just as a residential agent must be trained in the sale of single-family homes. The Broker is responsible for providing competent service and supervision in the transaction as the Licensees affiliated with the firm are an extension of the Broker's services. Brokers are required to supervise and provide training to their affiliated Licensees. It is a violation of the License Law (43-40-25) to demonstrate "incompetency to act as a real estate licensee in such manner as to safeguard the interest of the public."

43-40-18 (b(b) A real estate Broker or Qualifying Broker shall be held responsible for any Licensee whose license is affiliated with such Broker's Firm should such licensee violate any of the provisions of this chapter and its attendant rules and regulations unless the Broker is able to demonstrate that such Broker:

- (1) Had reasonable procedures in place for supervising the affiliate's actions;
- (2) Did not participate in the violation; and
- (3) Did not ratify the violation.

Commercial Real Estate Broker Lien Law

The Georgia Commercial Real Estate Broker Lien Law enables the Broker of a commercial real estate transaction to file a lien on "Commercial" Property for the Broker's compensation if it is not paid at the close of the transaction. An attorney should be involved when filing a lien on real estate. Three critical points must be considered.

- 1. Only the Broker can file the lien.
- 2. The property must meet the definition of "commercial real estate" O.C.G.A. § 44-14-602.
- 3. The lien must be valid and recorded in a timely manner at the county where the property is located. (Usually within 90 days from the close of the transaction.)

A summary of **the definition of Commercial Real Estate** in Georgia is **ALL** real estate **EXCEPT** the three categories listed below:

- 1. 1-4 residential /multifamily units. (Condos, single family, townhomes, duplex, etc.)
- 2. Vacant land not zoned as some form of commercial, multifamily, or retail.
- 3. Real estate classified as agricultural for tax purposes.

Refer to the actual Lien Law for further details at O.C.G.A. § 44-14-602.

This is a powerful tool for Licensees as it has minimized the need to file such a lien by the nature of the law itself. Before any closing on a commercial property, the Broker(s) involved will be required to sign an Affidavit concerning the commission(s) due to him/her. Because of this affidavit, the issue of Commission payments is addressed before the closing and usually pre-empts the need to file a lien. The Broker lien situation is one where it is beneficial for attorneys to be overly cautious, because they will not close without getting signed affidavits from the Brokers involved. Otherwise, they risk title to the property being less than good and marketable. The lien law even provides that the Broker's court costs, and legal fees can be paid if the lien is found valid.

2025 Calendar

TBA

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3 Hour CE
Course
Total of 9
Hours CE
Available

(Approved as License Law CE and approved as Instructor CE)

> "Avoiding Trust Account Trouble"

"Practicing Real Estate & Staying Out of Trouble"

"Being a Broker and Staying Out of Trouble" Click Here

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January 2025 Meeting - Commission Actions Taken	
Cases Sent to the Attorney General for Review and Disposition by	
Consent Order or by Hearing	0
Cease & Desist Orders Issued	0
Citations Issued	0
Letter of Findings Issued	0
Consent Orders Entered Into	0
Final Orders of Revocation of Licensure	1
Cases Closed for Insufficient Evidence or No Apparent Violation	3
Licensing Cases - Applicant has a Criminal Conviction - License Issued	2
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	7

Click here to review a legend of the disciplinary actions the Commission may impose.

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Visit the <u>GREC CONNECT</u> session weekly on Fridays 9:00 AM GREC CONNECT is a weekly Zoom call with GREC Education Advisor, Kim Yarrington. Every Friday morning at 9:00 AM via the **grecconnect.com** website, you can join in to listen, learn, and share. Each week the topic is shared through GREC's Facebook™ page and by email. Should you have any questions, contact Kim at education@grec.state.ga.us.

Job Opportunity at the Georgia Real Estate Commission Opening for position as Investigator with GREC.

Investigator Information Specialist



Focus on "Real Estate"



43-40-1. Definitions.

(9) "Real estate" means condominiums and leaseholds, as well as any other interest or estate in land, whether corporeal, incorporeal, freehold or nonfreehold and whether the real estate is situated in this state or elsewhere; and shall also include a mobile home when such mobile home is affixed to land. "Mobile home," as used in this paragraph, means any factory-built structure or structures equipped with the necessary service connections and made so as to be readily movable as a unit or units and designed to be used as a dwelling unit or units.