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Pam-a-gram

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Newsletter for California Mortgage & Real Estate Brokers

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For a thorough evaluation of your company's compliance with the multitude of regulations that pertain to the real estate industry, I am available for private, confidential in-office consulting. Further information is available on my website: www.pamstrickland.com.

Please reply to this message with requests for additions, deletions or changes to this e-mail list. I respect your privacy and do not provide your name or e-mail address to any outside party.

Any recommendations contained in this message are based on my many years of personal experience and research in the Real Estate industry and must not be considered legal advice. I recommend that you consult with appropriate legal counsel for further clarification.

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Welcome to the electronic version of my Pam-a-gram. Many of you have been asking why you haven't been receiving my newsletter and the easy answer is that I haven't had time to prepare one in over 2 years! I hope to get back to writing the newsletter on a more regular basis and look forward to hearing from you with any questions that you might have. Be well, Pam

In the future, my newsletters will be sent out via e-mail only. This edition will focus on DRE Licensing Issues.

Posting DRE License at Place of Business

Business & Professions Code 10162 states in part that "Every licensed real estate broker shall have and maintain a definite place of business... where his license is displayed..." Even though in the past you may have been audited and the DRE auditor just wanted to see the corporate or broker's license, now I'm seeing auditors going by the strict letter of the law and once again wanting to see the license POSTED. This only relates to the corporate or broker's license and I've seen no policy change on salespersons licenses. The original salesperson's license only needs to be retained by the broker, but not displayed.

DRE License Number on Business Cards

There is currently no requirement that one's DRE license number be printed on business cards, but there is legislation being considered that would make this a requirement as early as 2008.

[NOTE ADDED: See the August, 2009, Pam-a-gram for current information on this requirement.]

Written Contracts with Salespersons

Commissioner's Regulation 2726 calls for every real estate broker to have a written agreement with each and every salesperson, whether they are licensed as a salesperson or a broker under a broker-salesman agreement. I see so many offices that neglect this very important duty! Remember, the broker needs to have a contract with every licensee, even those who are not performing licensed activities (i.e. licensed loan processors or transaction coordinators).

Compensation to Salespersons

A real estate salesperson can only be compensated by his or her broker. Many companies currently work with the "team" concept and erroneously pay either the "lead" salesperson or another broker-salesperson, who then compensates the members of his or her team. This practice is not correct according to Business & Professions Code 10137. Be sure to review your own company's policy regarding this matter.

About Pam Strickland

Real Estate Broker from Santa Barbara with over 27 years of experience in Real Estate and Mortgage Lending.

Past-President, California Association of Mortgage Brokers (CAMB). Selected Mortgage Broker of the Year by the California Association of Mortgage Brokers in 1992 and the National Association of Mortgage Brokers in 1993.