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Pam-a-gram

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Newsletter for California Mortgage & Real Estate Brokers

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About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 29 years experience in Real Estate and Mortgage Lending.

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

Any recommendations contained in this message are based on Pam's many years of personal experience and research in the Real Estate industry and must not be considered legal advice. Please consult with appropriate legal counsel for further clarification.

Contact Pam at:

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**Are you ready for an audit?!!
 The DRE is out in force and the
 DOC is popping in. What would
 YOU do if that happened to
 you? Wise old saying, "An
 ounce of prevention is worth a
 pound of cure." Be prepared!**



DRE License Number Disclosure

July 1, 2009, is the deadline for the display of the individual Salesperson or Broker-Associate's license number on business cards, stationery, fliers, or any first-contact with consumers. C.A.R. has provided the following explanation of the amended Business & Professions Code Section 10140.6:

This law requires a real estate licensee to disclose his or her DRE license number on all "solicitation materials intended to be the first point of contact with consumers" and on real property purchase agreements when acting as an agent in those transactions. It defines "solicitation materials intended to be the first point of contact with consumers" to include:

- business cards,
- stationery,
- advertising fliers, and
- other materials designed to solicit the creation of a professional relationship between the licensee and a consumer.

Excluded from the definition are the following:

- an advertisement in print or electronic media,
- "for sale" signs, and
- specified classified rental advertisements.

Secretary of State Filings

For companies with a corporation (C or S) in California, it is mandatory to file a "Statement of Information" with the Secretary of State each year prior to the end of the month of the original corporate filing. This is an easy form to complete (either by mail or online) and costs \$25 a year. So many times as I prepare a company for an impending DRE or DOC audit, I find that the company has failed to file this statement and has a SUSPENDED corporation. Either this is an oversight OR the company has fallen victim to a new scam where bogus spammers mail a lookalike form to the company pretending to be the Secretary of State and asking for even more than the \$25 to file the proper form (which, of course, is never done). Don't be surprised or scammed! Go to www.sos.ca.gov and check to see if YOUR corporation is in good standing.

Fictitious Business Names

Along the same line as the Secretary of State mandated filing is the refiling of Fictitious Business Names. This must be done every five (5) years in the county in which you originally filed the dba/Fictitious Business Name. I don't know of any county in the state that contacts a company to alert them that the five years is up, by the way. Check with your county to make sure that yours are current. There is no refiling needed with the DRE. These are just a few of the items that I check during my compliance audit, and I never cease to be amazed at the number of companies that are out of compliance in these areas. Don't wait until the auditor is at your door, or someone else has

"stolen" your Corporate or Fictitious Business Name before you discover these problems!

Loan Modifications

Seems like just about every other Real Estate/Mortgage company in the state is attempting to get into the Loan Modification business WITHOUT A CLUE AS TO WHAT TO DO! The DRE is having a field day auditing and issuing Desist & Refrain (D&R) orders against company after company. And, you know the sad part? Most of the companies who are either presently under investigation or soon to be audited got an attorney's "blessing" on their practices! These attorneys (and I have to use the term loosely here) seem to be missing a lot of things (hello...ever heard of "Advance Fees"?) and are either 1) giving very, very bad advice or 2) the client is hearing what he/she wants to hear and doing what they want against the attorney's sound advice. **DON'T BE ONE OF THE COMPANIES CAUGHT UP IN THIS! DO IT RIGHT THE FIRST TIME!** (Yes, it can be done right.) Rant over!

Compliance Consulting

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

www.pamstrickland.com