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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 30 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).

Member, California and National Mortgage Review Committees for the SAFE Act Mortgage Test.

Member, National Legal Review Committee for the SAFE Act Mortgage Test.

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 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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**With so many changes in both State and Federal laws, rules and regulations, are you ready in case of an audit? Don't be blind-sided when the auditor calls or just shows up... ALWAYS BE PREPARED!**



## Loan Officer Compensation and Contracts

If you haven't already addressed this issue that came to the forefront with the Dodd-Frank legislation, what in heaven's name are you waiting for? As of the beginning of April, 2011, **none** of your old contracts and compensation agreements may be used any longer. Get them revised now or you will be sorry! This is a serious matter that too many people seem to be ignoring.

## Real Estate Agent Contracts

Many of you use the standard C.A.R. Independent Contractor (IC) forms for the required contracts with your Real Estate Licensees. C.A.R. has recently rewritten those contracts in response to court findings in a related lawsuit. Please make sure that you have the most current C.A.R. contract in place (or have your attorney review your contract to make sure it addresses the issues raised in the court findings). While you are at it, make sure you have all of your agents' **original** licenses in the file, too (copies are OK for Broker-Associates).

## Written Policies and Procedures

Do you have your office policies and procedures **in writing**? Do they meet the requirements of not only the DRE, but the Red Flag Rules **and** NMLS requirements? Don't be caught red-handed without those written policies!

## Trust Accounts

The DRE is still finding many, many problems with Brokers' Trust Accounts. I rarely (if ever) see one that is in compliance! Who signs on your account? Is the bank account set up correctly? Are you balancing daily? Do you reconcile monthly? Do you reconcile correctly (tying the bank balance to the running balance to the client balances)? So many times I see audits ending with the loss of licenses that could have been avoided completely if I had just helped the Broker correct the problems before the auditor's visit. Make sure you aren't one who shows up as a **revoked licensee** due to simple mistakes that could have been easily corrected if you had been aware of the issues!

### 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. She can also help you prepare for and get through a DRE audit. Further information is available on her website: [www.pamstrickland.com](http://www.pamstrickland.com)