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

Member, California Mortgage Review Committee 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

**Call it an Office Survey, call it an audit, but it is still a visit from the DRE! Are YOU ready for the dreaded call?**



## DRE Out in the Field

The Department of Real Estate has dramatically increased their presence in brokers' offices in the past few months and you can only expect those visits to increase in numbers. Whether it is an Office Survey conducted by the Special Investigators (previously titled Deputy Commissioners) or a Routine or Investigative Audit conducted by the Auditors, you still need to be completely prepared (licenses, contracts, trust reconciliations, transaction files, and supervision). The big "hot button" right now is supervision of the salespersons and broker-associates by the broker of record. Also, more and more we are seeing multiple DRE employees attend these visits together. Are YOU ready if you get the call today?

## Mortgage Loan Business Activity Report

The DRE had originally indicated that the new Mortgage Loan Business Activity Report (BA report) would be due in early 2013 and, since I hadn't heard any more information and have been getting lots of inquiries, I wrote to the DRE Mortgage Broker Activities Section and received the following response:

**The online submission process is still undergoing tweaking, therefore, the brokers who are threshold or multi-lender reporters will submit the paper RE 881 again this year.**

**Brokers who are not threshold reporters will be expected to report after their fiscal year ends in 2013. If it ends 1/31/2013, then the online submission report will be due by 4/30/2013. If it ends 12/31/2013, then their first BA report will be due in 2014.**

## Escrow Activity Report

The DRE has now posted a preview of the upcoming Escrow Activity Report that will be filed online (still no date released as to the initial filings). The preview can be seen here:

[www.dre.ca.gov/files/pdf/forms/re890\\_preview.pdf](http://www.dre.ca.gov/files/pdf/forms/re890_preview.pdf)

For FAQ's about the new reporting requirements, the DRE has posted them here:

[www.dre.ca.gov/files/pdf/faqs/FAQ\\_EscrowActivityReport.pdf](http://www.dre.ca.gov/files/pdf/faqs/FAQ_EscrowActivityReport.pdf)

## Trust Account Reconciliations

Mr/Mrs/Ms Broker: If you have a trust account and you are relying on your staff to correctly reconcile the account on a monthly basis, are you still reviewing these reconciliations and signing off on them? Do you know what you are looking for? *Be afraid, be very afraid!* I cannot tell you how many brokers get caught in a bind when the DRE finds that the reconciliations aren't correct. BASIC supervision requirements on this one, but, oh, so important!

clarification.

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## 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)