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About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 41 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, SAFE MLO National Test Maintenance Committee.

Past Member, California Mortgage Review Committee for the SAFE Act Mortgage Test.

Past 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:

[pam@pamstrickland.com](mailto:pam@pamstrickland.com)

**May your 2021 be a year filled with peace, joy and, above all, health! The DRE is still auditing (albeit remotely) and you need to be ready. Be prepared, not petrified, when you get the call!**



## DRE Escrow Activity Report

For any brokers/corporations conducting broker-controlled escrows of five or more closed escrows (totaling \$1,000,000 in sales prices/loan amounts) in a calendar year, the licensee must file the DRE Escrow Activity Report within 60 days of the end of the calendar year. This report must be filed every year in which the threshold is met (not a one-time filing).

### **From the DRE:**

Brokers who are exempt from the Escrow Law (California Financial Code Section 17006) and who engage in broker-controlled escrow activities for five or more transactions in a calendar year or whose escrow activities equal or exceed \$1,000,000 in a calendar year will meet the escrow threshold and will, therefore, have to submit an Escrow Activity Report, RE 890 (Business and Professions Code Section 10141.6).

The report is due within 60 days after the end of the calendar year in which the broker met the escrow threshold. It is an online submission form.

A broker who fails to submit the Escrow Activity Report is subject to a penalty of \$50 per day for each day the report has not been received by the Department, up to and including the 30th day. On and after the 31st day, the penalty is \$100 per day, not to exceed a total of \$10,000. In addition, the broker is subject to disciplinary action against his or her license(s).

Full information and instructions are available at:

[www.dre.ca.gov/Licensees/EscrowActivityReporting.html#instructions](http://www.dre.ca.gov/Licensees/EscrowActivityReporting.html#instructions)

The link for filing the report is available at <https://ears.dre.ca.gov/>.

## DRE Mortgage Reports

The DRE is actively auditing brokers/corporations who are late in filing their quarterly and annual mortgage reports. All brokers/corporations who originate loans for 1-4 family residences must file the RE-881, Business Activity Report online at [www.dre.ca.gov](http://www.dre.ca.gov) prior to March 31<sup>st</sup>. Brokers/corporations who meet the threshold and multi-lender requirements may have additional quarterly and annual reports to file, also. If you fall into any of these categories, please make sure you understand what reports to file and that you are filing them on time. Let me know if you have any questions about what reports are necessary and if they pertain to you and your business activities. (Note: These are not to be confused with NMLS reports, which are also due quarterly and annually. The DRE reports are completely separate from the NMLS reports!)

## Trust Accounts

It never ceases to amaze me how many so-called Trust Accounts are not trust accounts at all. This is usually discovered when the broker is facing an audit situation (not a good time!). If you are collecting trust funds, do you know if you really do have a trust account? If not, why not?

## Property Management Audits

If you have a property management company, you will be audited by the DRE. Now, the question is: Are you ready for the call? The answer is: Very few are.

### 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 consulting. She can also help you prepare for and get through a DRE audit or office survey and make sure you know what reports you and your company are required to file. For more information, see her website at [www.pamstrickland.com](http://www.pamstrickland.com)

To schedule an appointment, send Pam an e-mail message at [pam@pamstrickland.com](mailto:pam@pamstrickland.com) or call Bob MacLeod at 805-689-2230.