

In This Issue

- DRE Broker-Controlled Escrow
- DRE Business Activity Report
- DRE Loan Activity Notification
- DRE Trust Accounts

Department of Real Estate Links

[Home Page](#)

[eLicensing](#)

[License Status](#)

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About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 40 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:

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**Time to take inventory: Have you submitted all of your required reports to the DRE? And, your trust account is probably not in compliance (yes, yours!).**



## DRE Broker Controlled Escrow

If you are conducting non-independent, broker controlled escrow activities under the DRE, make sure that you are filing your annual Escrow Activity Report. This is an online only filing that is due within 60 days of the end of the calendar year (which means that if you haven't filed it by now, you are already late). You should file any late reports NOW, even if you have failed to file in years past. Here are links to more information about these reports:

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

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

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

## DRE Business Activity Report (RE-881)

The Business Activity Report (BAR) is due by March 31<sup>st</sup> each year for any licensed entity originating, funding or servicing 1-4 family residential loans. Brokers constantly try to argue with me that if they are not conducting private money originations, they don't need to file this report. They are dead wrong. ANY residential loans, regardless of the purpose and regardless of the lending source, must be reported to the DRE each year. The fines and penalties are tremendous for missing these filings. If you haven't filed since 2014 (the first year of the requirement), I highly suggest that you file all outstanding reports NOW. I have spent weeks helping brokers come into compliance by filing years of unfiled reports. Here are links to DRE information about these required reports (and, no, you are not in compliance if you are only filing your NMLS reports):

[www.dre.ca.gov/files/pdf/faqs/SAFE\\_FAQ\\_Business\\_Activity\\_Report.pdf](http://www.dre.ca.gov/files/pdf/faqs/SAFE_FAQ_Business_Activity_Report.pdf)

[www.dre.ca.gov/licensees/mlareporting.html](http://www.dre.ca.gov/licensees/mlareporting.html)

## DRE Loan Activity Notification (RE-866)

Another notification (which is one-time only, not annually) is the RE-866 Mortgage Loan Activity Notification that must be completed by all salespersons, brokers and corporations who originate, fund or service residential 1-4 loans (for any purpose). Make sure that you, your corporation and all agents have completed this form (it is one of the first questions an auditor will ask). Here is a link to information from the DRE regarding this form:

[www.dre.ca.gov/files/pdf/faqs/SAFE\\_FAQ\\_Filing\\_Form\\_RE866.pdf](http://www.dre.ca.gov/files/pdf/faqs/SAFE_FAQ_Filing_Form_RE866.pdf)

## DRE Trust Accounts

OK, I know I sound like a broken record. It seems like every newsletter I'm talking about trust accounts and how they should be set up and maintained. But, I'm continually amazed at how companies big and small are still absolutely clueless about the rules and regulations regarding trust accounts. Is anyone even paying attention to the MANDATORY trust accounting class that all licensees must take every four years? If you have a trust account I will go on record right now to say that you most likely have problems, either with the setup at the bank or the accounting records. And, the worst part? You don't know that you have problems!

## 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 or call Bob MacLeod at 805-689-2230.