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## About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 42 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).

Past 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 newsletter 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)

**We made it through 2020, we survived 2021, and now 2022 seems like déjà vu all over again! As we start a new year, I wish nothing but health, happiness and prosperity to each and all.**



## DRE Reporting/Escrow and Mortgages

If you are conducting Broker-Controlled Escrows, your Annual Escrow Report is due NOW. This is an online only filing at [www.dre.ca.gov](http://www.dre.ca.gov). If you are originating, funding or servicing Residential 1-4 mortgage loans, you need to file the Business Activity Report (BAR) with the DRE prior to March 31 for the year ending December 31, 2021. This can be found under FORMS at [www.dre.ca.gov](http://www.dre.ca.gov). If you haven't already done so, you need to make sure that your corporation, the broker and all licensees involved in mortgage activities file the RE-866 (a one-time filing) with the DRE, also available online only at [www.dre.ca.gov](http://www.dre.ca.gov). PLEASE don't neglect filing these forms/reports. You can be cited and fined (heavily) for non-compliance. If you have any questions or concerns, contact me and I'll help you. Just don't bury your head in the sand thinking the DRE will never find you...they will!

## Secretary of State/Corporation Taxes

I cannot tell you how many times I have seen corporations with an unfiled Statement of Information or unpaid corporation taxes that cause the corporation to be suspended by the Secretary of State. And, unfortunately, this is usually discovered after the DRE has called for an audit. The Statement of Information has to be filed every year (a simple online filing at [www.sos.ca.gov](http://www.sos.ca.gov) and payment of \$25) starting up to five (5) months before the month in which you were incorporated. The \$800 minimum tax has to be paid to the FTB every year. Please, please calendar these items and take care of them every year! Remember, the corporation has to be in good standing with the Secretary of State at all times or you put your DRE license in jeopardy.

## Cross-Collateralized Properties/Hard Money

I have seen several DRE violations in audit Non-Compliance Summaries recently where in the instance of cross-collateralized properties the broker failed to assign the portion of the loan to each secured property proportionally. Make sure you are doing this correctly and check Business & Professions Code Section 10232.3 (a)(6) for further clarification.

## Renewal of Licenses

How hard can it be to renew your DRE license or NMLS endorsement on time? From recent experience it seems that an alarming number of people let this fall through the cracks on corporate, personal and agent licenses or endorsements. Come on people! Keep track of expiration dates for all of your licenses and licensees and renew them up to 90 days before expiration. And, unless there is a restricted or flagged license involved, this can all be done online, instantly. You just don't want the world of hurt that will rain down on you if you let a license expire. And, no, there is no miracle that I or anyone can magically produce to expedite the process.

## 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 remote 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).