FUNCTIONS OF UNLICENSED OFFICE PERSONNEL

The policy of this company regarding the functions and use of unlicensed office personnel is to follow the South Carolina Real Estate Commission Rules and Regulations. The general policy is that unlicensed office personnel (secretaries, assistants, personal assistants, receptionists, accounting personnel, etc.) are to be used in a support role to the main real estate business function of the company.

<u>UNDER NO CIRCUMSTANCES</u> will unlicensed office personnel be allowed to do the real estate business.

"Doing the real estate business" means doing any of the acts for which a license is required as defined in South Carolina real estate license law.

Further defining this area is Section 40-57-135(E)(2)-(4) of the South Carolina Code of Laws, 1976, as amended. This section implicitly allows for the use of unlicensed clerical personnel to support licensed activities but strictly limits the position to the duties normally attributed to such positions and such personnel shall not solicit or accept listings, show listed properties, negotiate real estate transactions or otherwise hold themselves out to the public as engaged in the real estate business.

A secretary or assistant CAN:

- 1. Answer the phone and forward calls to a licensee
- 2. Submit listings and changes to a multiple listing service
- 3. Follow up on loan commitments after a contract has been negotiated
- 4. Assemble documents for closing
- 5. Secure documents (public information) from courthouse, sewer district, water district, etc.
- 6. Have keys made for company listings
- 7. Write ads for approval of licensee and supervising broker and place advertising (promotional information, newspaper ads, etc.)
- 8. Record and deposit earnest money, security deposits, and advance rents
- 9. Type contract forms for approval by licensee and supervising broker
- 10. Monitor licenses and personnel files
- 11. Compute commission checks
- 12. Place signs on property
- 13. Order items of routine repair as directed by licensee
- 14. Prepare flyers and promotional information for approval by licensee and supervising broker
- 15. Act as a courier service to deliver documents, pick up keys, etc.
- 16. Place routine telephone calls on late rent payments
- 17. Schedule appointments for licensee to show listed property
- 18. Show rental units to prospective tenants
- 19. Furnish published information
- 20. Provide applications and lease forms

21. Receive applications and leases for submission to the owner or the licensee for approval

A secretary or assistant CANNOT:

1. Host open houses, kiosks, home show booths or fairs, or hand out materials

- 2. Prepare promotional materials or ads without the review and approval of licensee and supervising broker
- 3. Show property
- 4. Answer any questions on listings, title, financing, closing, etc.
- 5. Discuss, negotiate, or explain a contract, listing, lease, agreement, or other real estate document with anyone outside the firm
- 6. Work as a licensee/secretary in one firm and do real estate related activities with that firm, while licensed with another firm
- 7. Be paid on the basis of real estate activity, such as a percentage of commission, or any amount based on listings, sales, etc.
- 8. Negotiate or agree to any commission, commission split, management fee or referral fee on behalf of a licensee
- 9. Vary or deviate from the rental price or other terms and conditions previously established by the owner or licensee when supplying relevant information concerning the rental of property
- 10. Approve applications or leases or settle or arrange the terms and conditions of a lease
- 11. Indicate to the public that the unlicensed individual is in a position of authority that has the managerial responsibility of the rental property

PAYMENTS TO UNLICENSED PERSONS

This company maintains a strong policy that no unlicensed person will be paid for any real estate activity requiring a license. The license law (Section 40-57-145 (A)(11)) makes clear that an unlicensed person may not be paid for doing the real estate business. Therefore, the policy of this company is that it will not split commissions or fees with any unlicensed persons such as attorneys at law, auctioneers, receivers, trustees in bankruptcy, personal representatives, managers of apartments buildings, officers or employees of federal agencies or state government, etc.

<u>Nick E. Kremydas</u>, Esq. Vice President and General Counsel <u>South Carolina Association of REALTORS®</u> 800-233-6381 803-798-6650 fax