

# Hot Topics

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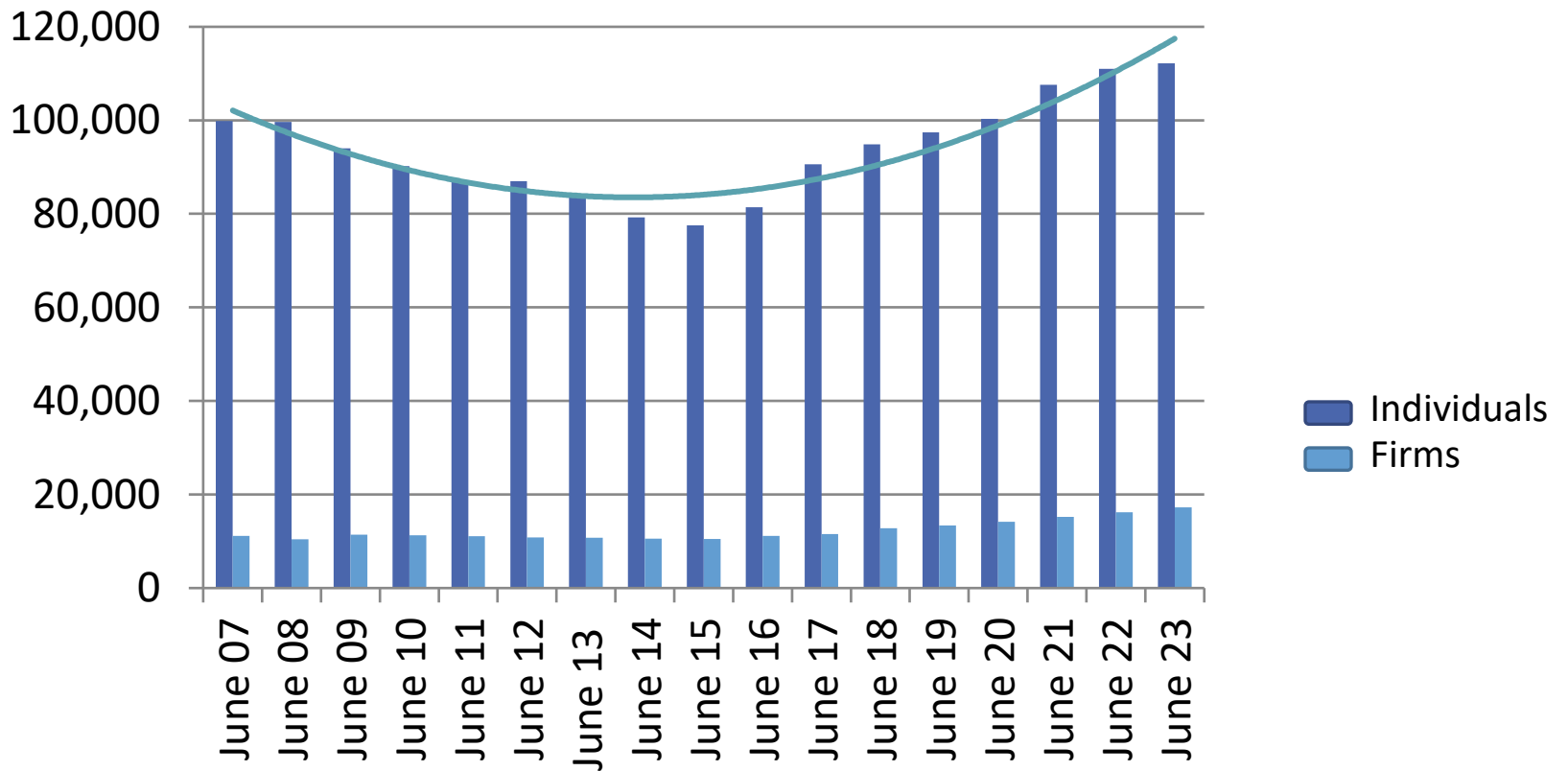
NORTH CAROLINA REAL ESTATE COMMISSION

*Protecting the public interest in real estate brokerage transactions*

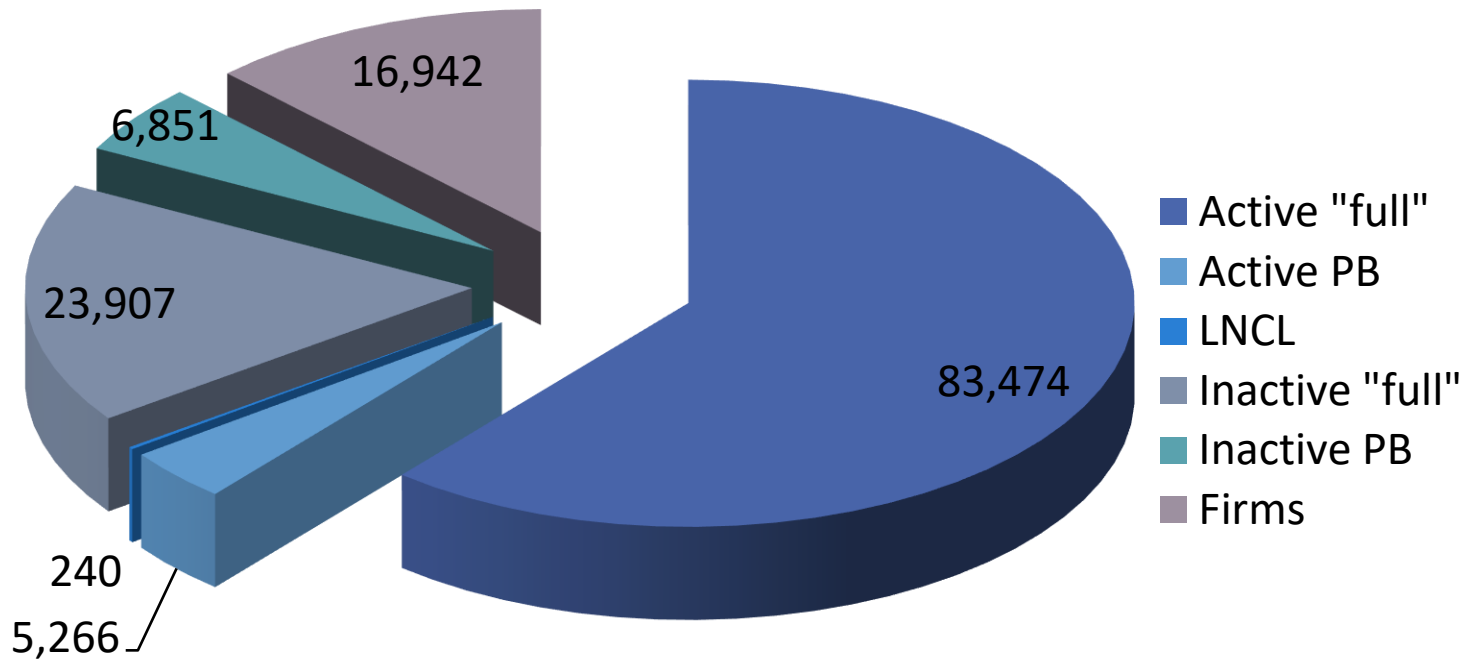
The background is a light blue color with a faint grid pattern. It is filled with various numbers and symbols in different sizes and colors (white and light blue). The numbers include 4, 9, 1, 2, 7, 8, 9, 0, 5, 6, and the sequence 1124581. Some numbers are larger and more prominent than others.

# Numbers

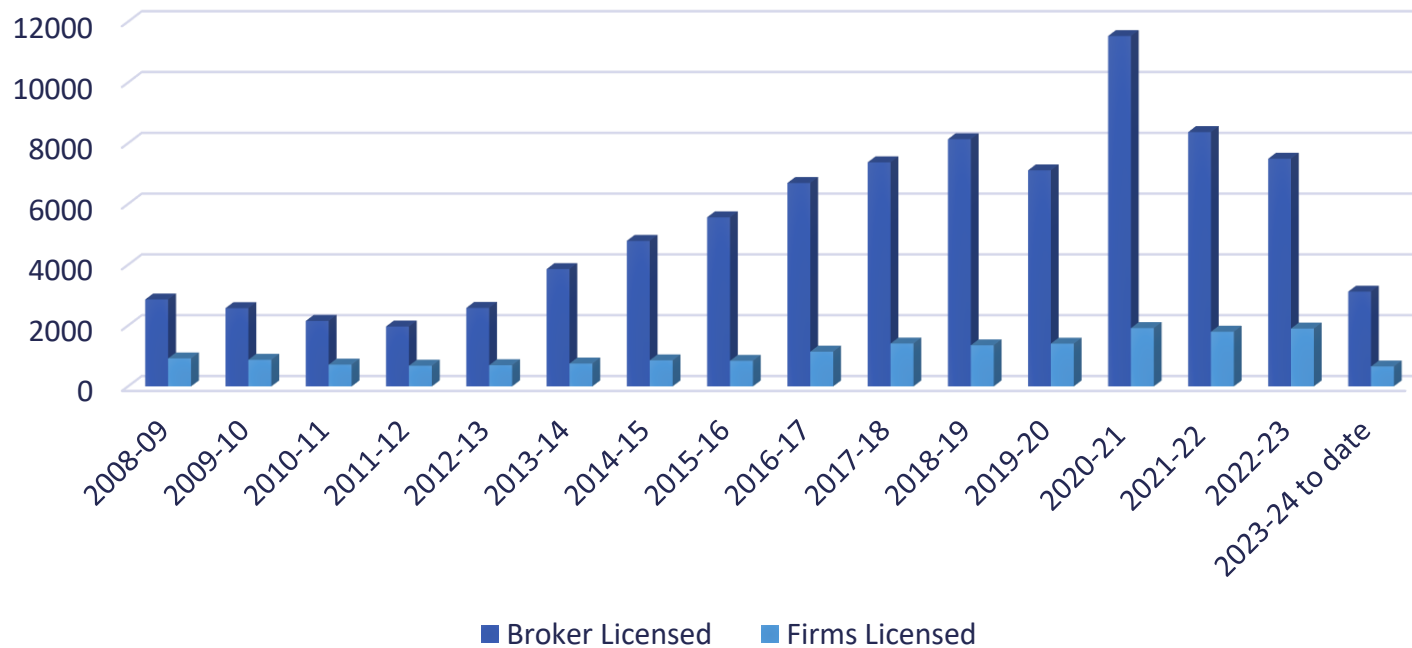
# Total Licensees 2007 - 2023



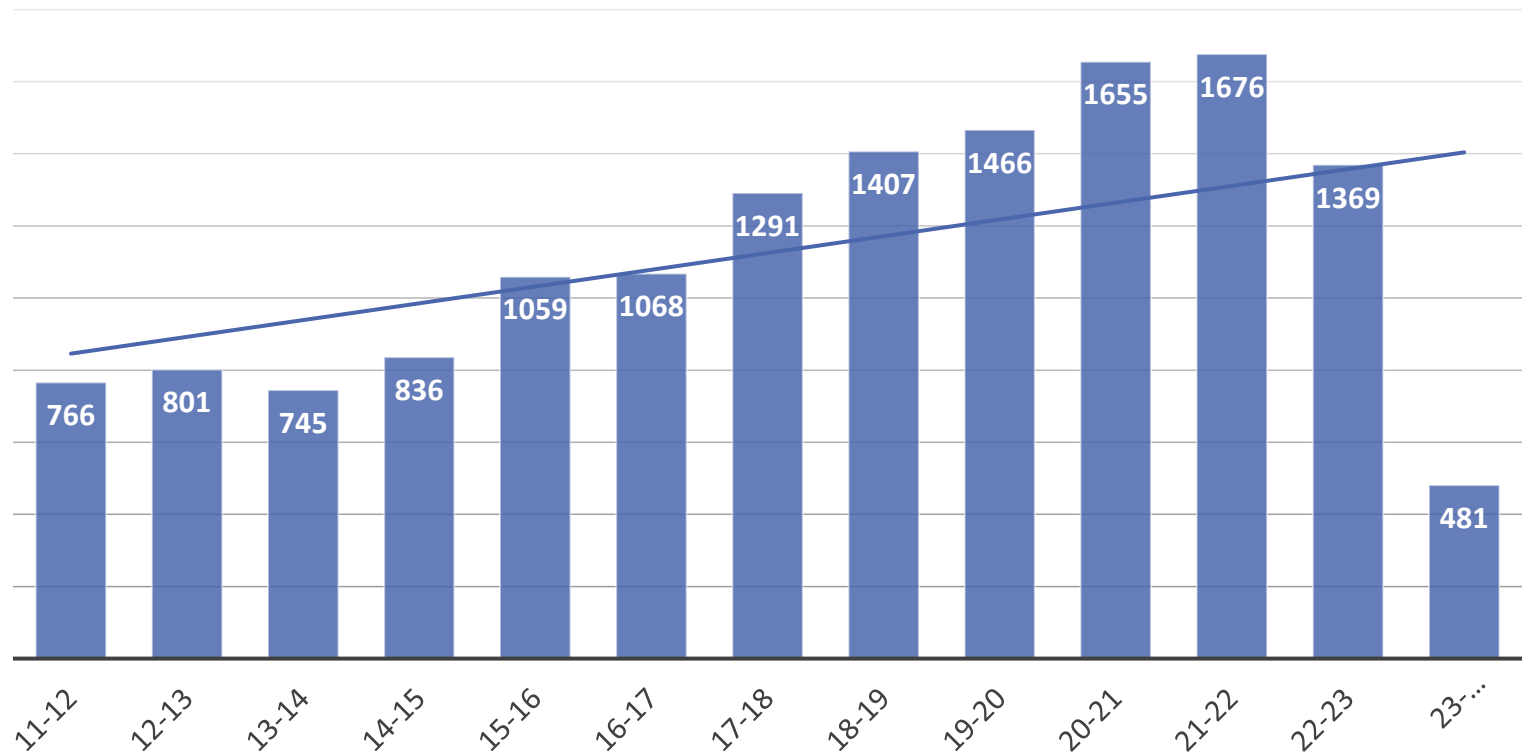
# Total Licensees by Type - 11/01/2023



# Licensing per Year



# Complaints Per Year







# Complaints

# Complaint Process

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Investigated by:

- Auditor/investigators
- Consumer protection officers





# Audits & Investigations

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Personal visit

Appointments or on demand



# Letters of Inquiry

 New message



To

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Subject

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1. Sent to business or email address
2. Respond within 14 days of receipt
3. If you need more time, ask for an extension.

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**SEND**



# Complaint Topics

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1. Material Facts
2. Unauthorized access
3. Money
4. Criminal convictions/Disciplinary action
5. Professionalism/Manners

# Common Misrepresentations of Material Fact

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- **Square footage**
- **Number of bedrooms**
- **City water/sewer**
- **Age of roof, HVAC, water heater, etc.**



*Best practice: never assume; verify everything you reasonably can; don't guess.*

# Common Misrepresentation Complaints Besides Defects

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Proposed road projects

HOA assessments and financial status

Underground fuel storage tanks

Permit issues

Zoning

Know your listing, your community, and your client.

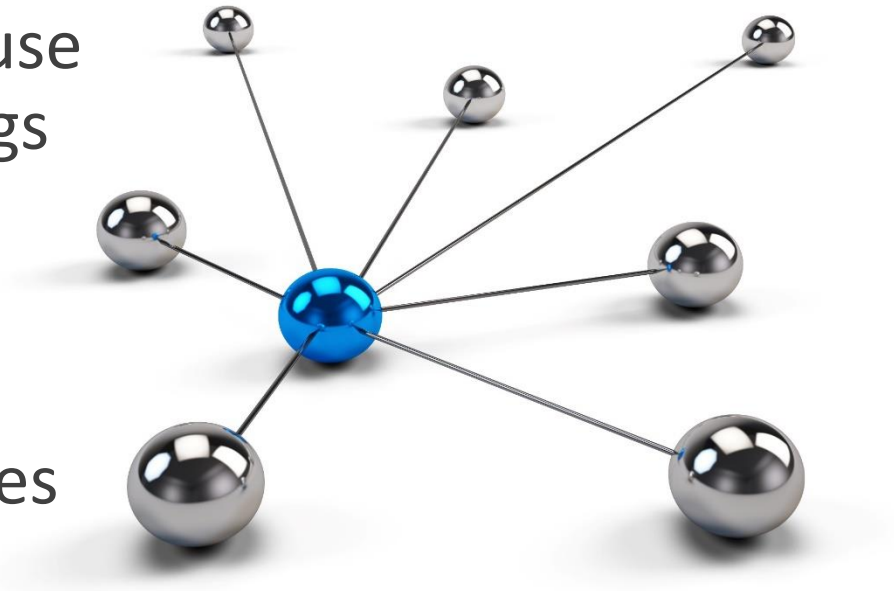
Learn how to contact:

- NCDOT
- HOAs
- Local Permitting Office
- Local Planning and Zoning Department



# Serial Transactions w/ 1 Property

- Property listed
- First contract fails because of the inspection findings
- Multiple subsequent contracts fail post inspection
- Each time the buyer loses their EMD and DDF.



*What, and when, should the listing agent disclose?*

# Serial Transactions w/ 1 Property

Broker's duty to disclose material facts including:

- reasonably discoverable
- material facts contained in each inspection report - to each subsequent buyer.

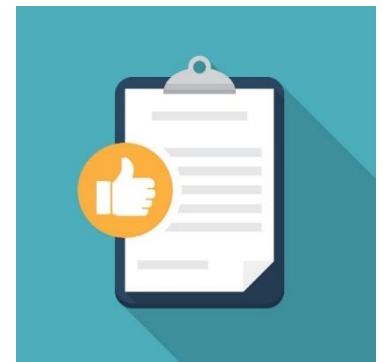


Willful blindness is not a defense.

# Unauthorized access - buyers

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- Avoid giving the buyer access pre closing
- At a minimum, obtain owner's express, written authorization for buyer to enter, store furniture, etc.
- If buyer wants to move in early, use the *Buyer Possession Before Closing* addendum.



# Unauthorized access - brokers

- broker “previewing” the property
- broker “showing” the property.



# Risk management

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- Advise every homeowner to secure or conceal all prescriptions, firearms, cash, etc.
- When showing property, keep everyone together.
- Sellers may use video (not audio) recording devices in areas where privacy is not expected.
- Pay attention to unusual activity in listings – many visits by one licensee, late-night showings, etc.



# Trust Accounting

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If you are responsible for a trust account –

- Review and reconcile the books monthly
- Involve multiple people in oversight
- Make sure you have adequate security controls
- Learn your software



# Criminal conviction; disciplinary action

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A broker has a duty to report:

- conviction of any felony or misdemeanor
- discipline by another licensing board or agency
  - Real estate or other profession

Report within 60 days of final judgment/order

- <https://www.ncrec.gov/CriminalConviction/Index.gov>



# Complaint Resolution

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Regardless of the topic –

Many complaints can be avoided with better communication or an apology.

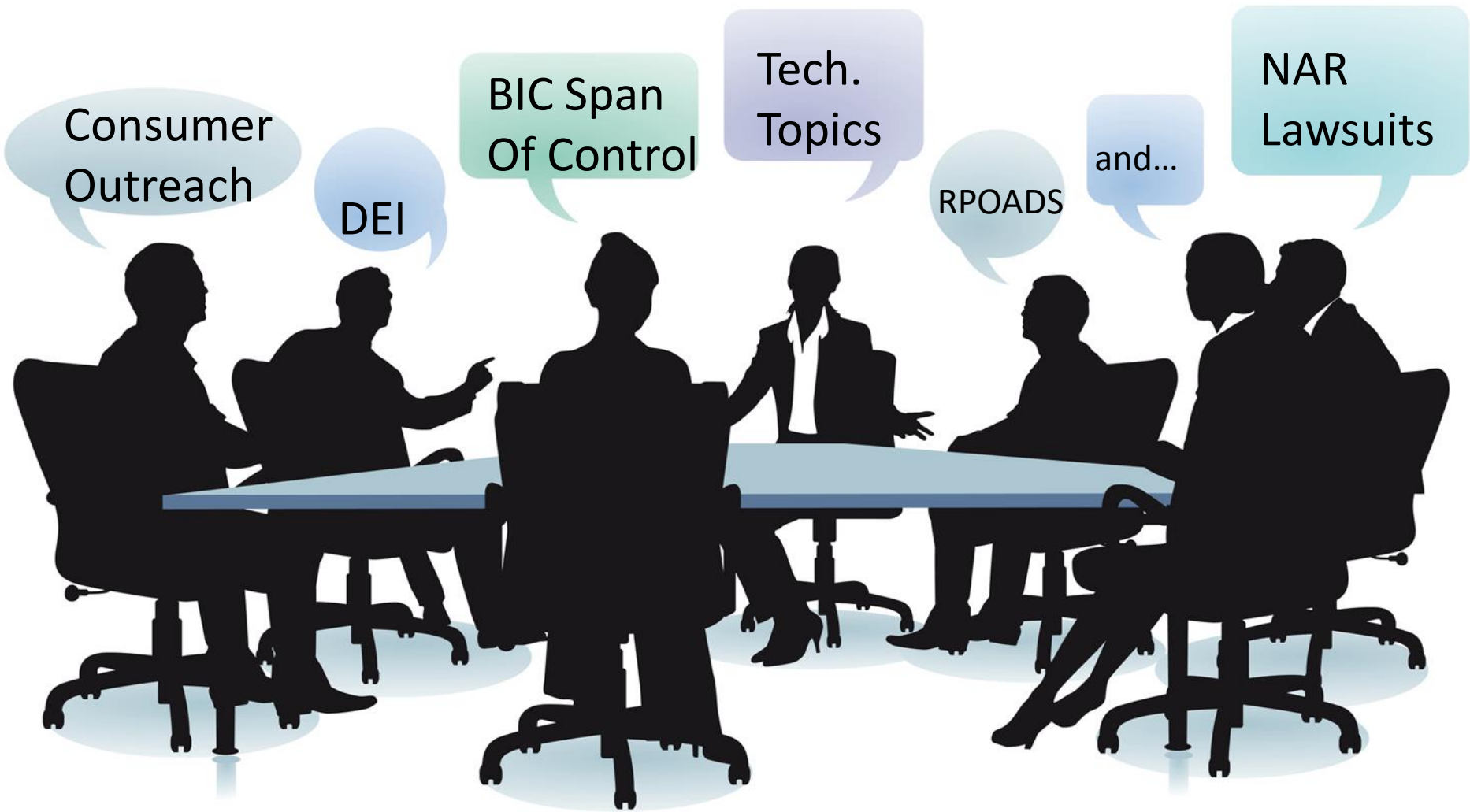
The Commission takes into account any effort by a broker to settle differences.

Complaints are part of the public record and cannot be withdrawn or deleted.



# Currently under discussion





Consumer Outreach

DEI

BIC Span Of Control

Tech. Topics

RPOADS

and...

NAR Lawsuits



# Consumer Outreach

- Complaint process
- Residential purchase/sale
- Landlord/tenant issues
- Military resources
- Timeshares
- Vacation rentals
- Video library

# Diversity, Equity, and Inclusion in Real Estate Brokerage



## DEI TAB ON THE WEBSITE:

- Fair Housing
- Data
- Resources
- Events

*The Commission is committed to promoting a diverse and inclusive culture and community.*

# DEI Initiatives

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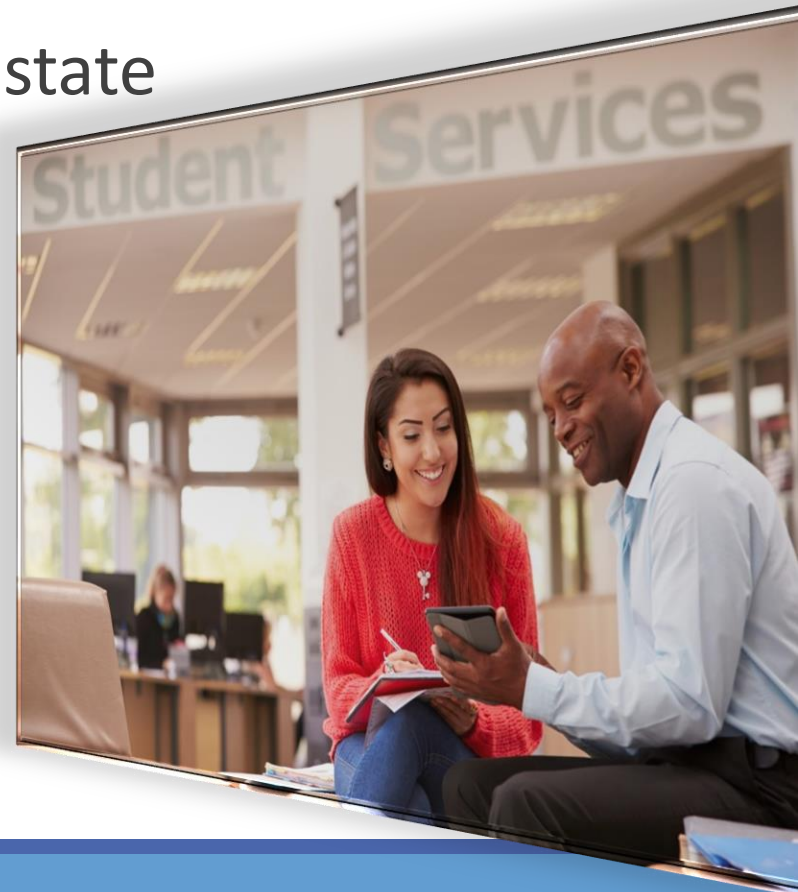
Outreach at school and career programs

Educate students about real estate  
and related careers

Panels with industry partners

Facilitate internship programs

Facilitate mentorships





# BIC Span of Control

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- What should be the requirements to be a BIC?
  - Education, experience, time, type?
- How many licensees are too many?
- How many offices and firms should one BIC oversee?
- How best to supervise in person vs. virtually?
- What documents should BIC review, and when?
- Should BIC be accountable for associates' wrongdoing?
- What kind of training should a BIC provide?
- Should the BIC be responsible for teams?



# Technology

Commission  
has created a  
tech study  
group

- **Monitor tech trends affecting brokers**
  - ✓ **Blockchain, Smart Contracts, AI, Chatbots, etc.**
- **Learn from industry expert(s)**
  - ✓ **Craig Grant**
- **Provide resources on tech issues in brokerage**
  - ✓ **Tech Corner in the Bulletin**
  - ✓ **Update courses**

# Residential Property and Owners' Association Disclosure Statement

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Petition from the NRDC etc. requesting increased emphasis on flooding

Public comments

- Floods
- Tweaks to existing questions and topics
- Place for explanations of answers
- Formatting
- Clarification of instructions

Consideration ongoing.





# Want to know how it goes?

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**STAY INFORMED**

# Follow NCREC on Social Media

The screenshot shows the North Carolina Real Estate Commission website. The browser tabs include 'North Carolina Real Estate Commission', '(14) NCREC Licensee Group | Facebook', and 'facebook ncrec licensee group'. The address bar shows 'ncrec.gov'. The website header includes the NCREC logo and navigation links: LICENSING, EDUCATION, PUBLICATIONS, RESOURCES, CONSUMERS, FORMS, DEI, ABOUT US, SUPPORT, LOGIN, and a search bar. The main content area is dark-themed and contains contact information, a map, and social media links. The social media links are circled in blue and include Facebook, Instagram, Twitter, YouTube, and LinkedIn. The contact information includes physical and mailing addresses, phone numbers, and a 'Contact Us' form with an email input field and a 'Subscribe' button. The footer contains copyright information and links for Accessibility, Privacy Policy, and Refund Policy.

North Carolina Real Estate Commission

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Contact Info  
Phone 919-875-3700  
Regulatory Affairs 919-719-9180

Contact Us

Subscribe to our mailing list to receive updates on rule changes, additions, or deletions.

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# NCREC Licensee Group - Facebook

## Facebook Groups

### NCREC Licensee Group | Facebook

This group is for people who have a North Carolina Real Estate License. The content posted here is important broker specific information from NCREC.

*Join via the  
Bulletin*



<u>Monthly Content</u>
Commission Calendar
Commission Meeting News
Current Stats: Licensee Count
Tech Corner
Diversity, Equity, and Inclusion Updates
Staff Appearances
<b>NCREC Licensee Facebook Group</b>



# Watch the Commission work

- In person or on Zoom
- [ncrec.gov](https://ncrec.gov) on the meeting day

# Contact Us!

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[ncrec.gov](https://ncrec.gov)

919-875-3700 licensing questions

919-719-9780 brokerage transaction questions

# Questions?

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# Hot Topics

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