



**NORTH CAROLINA
REAL ESTATE LICENSING BOARD**

Real Estate Bulletin

VOLUME 3

SPRING QUARTER 1972

NUMBER 1

LICENSE RENEWALS

All real estate broker and salesman licenses expire on June 30, 1972, unless properly renewed. Renewal forms will be mailed to all licensees of record approximately the middle of May. Anyone not receiving his form by June 1st should contact the Board office for another form. Licensees are urged to renew their licenses as early as possible.

RENEWAL CHECKLIST

DO

- Make sure you have properly completed the renewal form.
- Personally sign the renewal form (brokers must also sign their salesman's form).
- Include exact renewal fee of \$10.00.
- Make check payable to N. C. Real Estate Licensing Board.
- Write your license number on your check.
- Make address changes on front of renewal form.
- Contact Licensing Board before filing renewal if you have moved to another state or changed broker or changed your name.
- Note that incomplete renewals will be returned and, if filed late, will be subject to a late filing fee.

DON'T

- Include other fees with renewal fee.
- Write renewal check on trust or escrow account.
- Send insufficient funds check.
- Confuse real estate license renewal with privilege license renewal.
- Wait until last minute to renew.

General Statute 93A-4(c) provides that "All licenses granted and issued by the Board under the provisions of this chapter shall expire on the 30th day of June following issuance thereof, and shall become invalid after such date unless reinstated. Renewal of such license may be affected at any time during the month of June preceding the date of expiration of such license upon proper application to the Board accompanied by the payment of a renewal fee of ten dollars (\$10.00) to the secretary-treasurer of the Board. All licenses reinstated after the expiration date thereof shall be subject to a late filing fee of five dollars (\$5.00) in addition to the required renewal fee. In the event a licensee fails to obtain a reinstatement of such license within twelve months after the expiration date thereof, the Board may, in its discretion, consider such person as not having been previously licensed, and thereby subject to the provisions of this chapter relating to the issuance of an original license, including the examination requirements set forth herein."

YOUR COOPERATION WILL HELP US DO A BETTER JOB

REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate Licensing Law, Rules and Regulations, and proficiency in ethical real estate practice.

NORTH CAROLINA REAL ESTATE LICENSING BOARD

813 BB&T Bldg.
Raleigh, North Carolina 27602

Robert W. Scott, Governor

BOARD MEMBERS

Brantley Poole, Chm. Raleigh
John W. Olive,
V. Chm. Mount Airy
A. P. Carlton Greensboro
Henry C. Doby, Jr. Albemarle
J. Bart Hall Belmont
J. F. Schweidler Sec'y.-Treas.
Blanton Little Admin. Asst.

— CHAIRMAN'S COMMENTS —

Licensing renewal time is rapidly approaching and the renewal forms are being mailed out early this year to insure ample opportunity for each licensee to renew on time. Anyone who continues in the real estate business after June 30th with an expired license is an unlicensed person and subject not only to the penalties prescribed by law for operating without a license but also is not entitled to collect a commission.

The renewal procedure is quite simple; however, it seems that each year more and more licensees fail to renew properly. Licensees are urged to follow renewal instructions and the checklist which appears in this Bulletin. Let's prove we are professionals by making 1972 the year in which renewal problems are reduced to an absolute minimum.

The Licensing Board continues to receive complaints against brokers for not furnishing buyers and sellers written copies of offer to purchase agreements or closing statements. The Licensing Law requires brokers to furnish these documents to the parties in each transaction. Failure to do so is a violation of the Licensing Law and subjects the broker to suspension or revocation of his real estate license. Please read these Licensing Law Violations elsewhere on this page.

Brantley Poole

NEW FIELD REPRESENTATIVE



James K. Clinard, Jr.

The Licensing Board is pleased to announce that James (Jim) K. Clinard, Jr., will return to his former position with the Board as Field Representative about May 15th. Jim is a former State Highway Patrolman and was employed as a Field Representative for the Licensing Board from 1962 to 1968 when he left to work for the Mobil Oil Corporation. He replaces J. W. Lowrance who recently resigned to become Public Safety Director for the city of Forest City, North Carolina.

Jim lives in Colfax, with his wife, the former Minnie Idol of Colfax, and their five children.

The Board feels sure that Jim's many real estate friends will welcome his return.

LICENSE STATISTICS

Licensees as of March 31, 1972		
Brokers		10,100
Salesmen		2,898
Total		12,998
Examination — January 1972		
	Passed	Failed
Brokers	345	219
Salesmen	74	75
Examination — February 1972		
	Passed	Failed
Brokers	93	61
Salesmen	49	45
Examination — March 1972		
	Passed	Failed
Brokers	165	125
Salesmen	107	50

LICENSES SUSPENDED-REVOKED

ANDREW FOPPE—Charlotte, Broker Revoked.
GERALD V. MORGAN—Thomasville —Broker—6 Months Suspension.
ROBERT M. WALL, JR.—Eden—Broker—Revoked, subject to reinstatement after 90 days on conditions—(appealed to Superior Court).

LICENSING LAW VIOLATIONS

(13) Failure to deliver, within a reasonable time, a completed copy of any purchase agreement or offer to buy and sell real estate to the buyer and to the seller.

(14) Failure by a broker to deliver to the seller in every real estate transaction wherein he acts as a real estate broker, at the time such transaction is consummated, a complete detailed closing statement showing all of the receipts and disbursements handled by such broker for the seller; also failure to deliver to the buyer a complete statement showing all money received in the transaction from such buyer and how and for what the same were disbursed.

REAL ESTATE EXAMINATIONS

The schedule of real estate examinations for the balance of 1972 is shown below. The exams are held in the Raleigh Memorial Auditorium and Winston-Salem Convention Center each month except December. Because of the large volume of applications being processed, the Board has found it necessary to advance the filing deadlines by one week. This is included in the filing dates beginning in June.

FILING DATE	BROKERS EXAM	SALESMEN EXAM
May 29	June 27 (Raleigh)	June 28 (Raleigh)
May 29	June 29 (Winston-Salem)	June 30 (Winston-Salem)
June 19	July 25	July 26
July 17	August 22	August 23
August 21	September 26	September 27
September 18	October 24	October 25
October 16	November 21	November 22

THE FUTURE OF RESIDENTIAL SALES

excerpted from
"The Robbins Report"

Major retail chains are entering real estate brokerage. One national retail chain which has been in the real estate business for two years has completed its market testing in six areas.

These are the results:

1. The return on an equity invested by the company was the most profitable of all its marketing divisions, over 80% yield.

2. Selling costs to buyers were reduced to 2% or less, including sales commissions. Selling price to buyers was below real estate brokers' prices.

3. The homeowners could dispose of their property for 'equity in' within two to three hours. The computer on comparables established values within 1/4 of 1% of appraisal.

4. The seller received his value in equity in the form of a pass book, similar to a savings account book and could use this credit to buy another home within the next 90 to 120 days. If the company had not disposed of the owner's home in that time, the sellers account would be adjusted as to interest and amortization costs and the equity balance paid the seller. Less than 10% of all homes purchased failed to sell in the 90 day cycle.

5. The company learned:

- a. Most homes, when upgraded and repaired, would sell within 30 to 60 days.
- b. Buyers would spend up to \$3,000 in home furnishings from them after buying a home.
- c. The retailer's instant financing through its insurance division made closing to new buyers easy and simple.

6. The usual costs of credit report, survey, title search and examination, title insurance, attorney fees, organization fees, application fees, preparation of documentation, closing fees, recording fees, transfer of taxes, escrow fees, etc. could all be reduced to one simple low cost transaction. The salesmen were paid salaries and incentive fees. The total cost of buying and selling was reduced to less than 2% of the fair market value.

What were the returns to the marketing firm: Inventory, 90 days or more, **no cash invested**. Improvements or upgrading costs, \$1,500 to \$3,000 a house, of which only 40%

(Continued on page 4)

BROKERS MUST DISPLAY HUD POSTER

Regulations recently issued by the U. S. Department of Housing and Urban Development require that real estate brokers display a "Fair Housing" poster in their offices. The regulations, which were printed in the February 16th Federal Register, provide that failure to display the poster will constitute prima facie evidence of discrimination in housing.

The posters, a copy of which is reproduced below, may be obtained from HUD, 2309 W. Cove Blvd., N.W. Plaza, Greensboro, N. C. 27408.



We Do Business in Accordance With the Federal Fair Housing Law

(Title VIII of the Civil Rights Act of 1968)

IT IS ILLEGAL TO DISCRIMINATE AGAINST ANY PERSON BECAUSE OF RACE, COLOR, RELIGION, OR NATIONAL ORIGIN

- In the sale or rental of housing or residential lots
- In advertising the sale or rental of housing
- In the financing of housing
- In the provision of real estate brokerage services

Blockbusting is also illegal

Anyone who feels he has been discriminated against should send a complaint to:

U.S. Department of Housing and Urban Development
Assistant Regional Administrator for Equal Opportunity
Region IV
Peachtree-Seventh Building 50 Seventh Street, N.E.
Atlanta, Georgia 30323

or

U.S. Department of Housing and Urban Development
Assistant Secretary for Equal Opportunity Washington, D.C. 20410

(Continued from page 3)

of this amount in cash was required, as all material was purchased on a 90 day anticipation discount. Labor was the only immediate outlay. Average selling equity in a home was \$2,500 to \$3,000. Only 10% of all homes purchased were held over 90 days. The usual company markup was about 10% above costs of which 2% went for closing and selling costs; profit on upgrading materials was 20%; plus the same profit margins on household efforts purchased by the buyer. The company subsidiaries got the insurance and mortgage and had a happy customer living in a new upgraded home. The customers were bound to the company through monthly mortgage payments and credit for 20 years. The company's return on cash equity invested for a transaction was 80% or better, including all overhead prorated costs.

The story is so good, other large chains are looking into it. Look for mass market of homes by the chains. It is here; it is a proven success. It will be everywhere by 1973.

This article appears courtesy of Richard S. Robbins Co., P. O. Box 17092, Jacksonville, Florida, publisher of the semimonthly **ROBBINS REPORT**, a management and investing newsletter.

(From Colorado Real Estate News)

FEDERAL LICENSES PROPOSED

Federal licensing of real estate appraisers involved in virtually any type of interstate real estate transactions or the use of the mails or telephone about them across state lines was proposed this month in a bill for a "Real Estate and Securities Act of 1972" authored and introduced in Congress by Representative Barry M. Goldwater, Jr., of California, and referred to the House Committee on Interstate and Foreign Commerce.

Under paragraph (f) of Section 17 of the Goldwater bill, it would become "unlawful for any person to use any means or instruments of transportation or communication in interstate commerce, or to use the mails, directly or indirectly to engage in the business of conducting appraisals of value of interests in real property or of real estate securities for another or others, for compensation or in ex-

NOTICE

The Licensing Board continues to receive complaints from the public as well as from the real estate industry concerning deceptive advertising by some real estate brokers and salesmen. Particularly annoying are blind ads and ads by salesmen indicating they are brokers.

The Licensing Board therefore is considering the adoption of rules to regulate advertising by real estate licensees. The proposed rules are given below and will be acted upon by the Board at its June 23rd meeting. If adopted, the rules will become effective on August 1, 1972. Written comments, suggestions or protests should be filed with the Licensing Board on or before June 20, 1972 or any interested person may appear before the Board on June 23rd, 1972 at 2:00 P.M. in Room 813, BB&T Building, Raleigh, N. C.

PROPOSED RULES

A broker shall not advertise the sale, purchase, exchange, rent or lease of real estate, for another or others, in a manner indicating the offer to sell, purchase, exchange or lease is being made by a principal. Every such advertisement shall clearly indicate that it is the advertisement of a broker or brokerage firm and shall not be confined to publication of only a post office box number, telephone number, or street address.

A salesman shall not advertise the sale, purchase, exchange, rent or lease of real estate, for another or others, without his broker's consent and without including in the advertisement the name of the broker or firm with whom he is associated.

A broker shall not display a "For Sale" or "For Rent" sign on any real estate without the consent of the owner or his authorized agent.

pectation of compensation, unless such person is duly licensed as a Federal real estate appraiser under this Act and unless all other provisions of this Act are complied with."

Licenses for appraisers (and under other portions of the bill for Federal real estate brokers, real estate developers, investment managers, clos-

ing agents and others involved in interstate real estate or real estate securities activities) would be issued by a Federal Real Estate Commission to which also would be assigned jurisdiction over any real estate securities now subject to registration with the Securities and Exchange Commission.

(From Narello News)

HAPPINESS IS RENEWING YOUR REAL ESTATE LICENSE EARLY!

NORTH CAROLINA
REAL ESTATE LICENSING BOARD
P. O. BOX 266
RALEIGH, N. C. 27602

BULK RATE
U. S. Postage Paid
Permit No. 99
RALEIGH, N. C.