



NORTH CAROLINA  
REAL ESTATE LICENSING BOARD

# Real Estate Bulletin

VOLUME 7

SUMMER QUARTER 1976

NUMBER 2

## RENEWAL REPORT 1976-77

Brokers and salesmen licensed as of June 30, 1976 .....	25,315
Corporations licensed as of June 30, 1976 .....	1,432
<b>TOTAL LICENSEES AS OF JUNE 30, 1976 .....</b>	<b>26,747</b>
 Brokers and salesmen renewed for 1976-77 (as of 6/30/76) .....	22,892
Corporations renewed for 1976-77 (as of 6/30/76) .....	1,271
<b>TOTAL LICENSEES RENEWED FOR 1976-77 (as of 6/30/76)</b>	<b>24,163</b>

Percentage brokers and salesmen renewed as of June 30, 1976 .....	90%
Percentage corporations renewed as of June 30, 1976 .....	89%

The Licensing Board and staff wish to thank the many licensees who cooperated by following instructions and filing their applications early.

## LICENSING BOARD TO RE-LOCATE OFFICES

The North Carolina Council of State at its August meeting, approved plans for the N. C. Real Estate Licensing Board to re-locate its offices.

The new offices, which are now being readied for occupancy by the Board on October 1, 1976, will be located on the 2nd floor of the Brown-Rodgers Office Building, 115 Hillsborough Street in Raleigh (1/2 block west of the State Capitol behind the N. C. Department of Revenue Building). Ample public parking is conveniently located at the corner of Hillsborough and McDowell Streets.

In addition to office and secretarial areas for the Board officers and staff, the new facility will include a conference room for administrative hearings and Board meetings, a records inspection room for examining the public records of the Board, and expanded filing areas to accommodate the ever-increasing number of licensee files and records.

During this transition period, the Board asks for your patience and indulgence for any delays in service to you.

The Board's mailing address, P. O. Box 266, Raleigh, N. C. 27602 and telephone number 919-833-2771 will remain the same.

## EXAMINATION NEWS

Beginning January, 1977, the North Carolina Real Estate Licensing Board will administer real estate licensing examinations developed by Educational Testing Service (E. T. S.) of Princeton, New Jersey. In doing so, the Board joins 25 other Real Estate Commissions currently using the E. T. S. examinations.

Eminent real estate educators, administrators and practitioners throughout the country have joined forces with the testing specialists of E. T. S. to develop comprehensive licensing examinations designed to test candidates in a variety of general real estate subjects (e. g. finance, appraisal, law, etc.) as well as in such specific areas as the North Carolina Real Estate Licensing Law and the Rules and Regulations of the North Carolina Real Estate Licensing Board.

At seminars recently conducted in Raleigh and Winston-Salem, instructors and administrators from schools offering approved real estate courses were briefed by E. T. S. representatives and were given an opportunity to question the E. T. S. representatives concerning matters which will enable them to better prepare their students for the new examinations.

In other examination news, the Licensing Board has determined that **licensing examinations for brokers and salesmen (including E. T. S. examinations) shall not contain questions dealing with Sections .0600 through .1000 of the Board's new Rules and Regulations** which became effective February 1, 1976. The Board feels that due to the technical/legal nature of these sections, that they are not appropriate subjects for testing purposes.

## 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

James E. Holshouser, Jr., Governor

#### BOARD MEMBERS

Edwin W. Tenney, Jr.

Chm. .... Chapel Hill

Rufus L. Brock

V. Chm. .... Mocksville

Joe O. Brewer ..... Wilkesboro

J. Edward Poole ..... Spring Lake

C. Bayless Ridenhour ..... Concord

Blanton Little ..... Sec'y. Treas.

Phillip T. Fisher ..... Admin. Asst.

#### BOARD OFFICERS

At the July meeting of the Licensing Board, Edwin W. Tenney, Jr. was elected Chairman and Rufus L. Brock Vice-Chairman to serve for one year effective August 1, 1976.

#### BOARD MEMBERS HONORED

Edwin W. Tenney, Jr., current Vice President of the North Central District of the National Association of Real Estate License Law Officials, was selected as the District's candidate for the office of President-elect of NARELLO for the year 1976-77. The President-elect will be elected at the annual NARELLO conference to be held in October, 1976.

C. Bayless Ridenhour was re-elected as a national director of NARELLO for the year 1976-77.

The selection of Mr. Tenney and the election of Mr. Ridenhour took place at the joint conference of the North Central and North East Districts at Hot Springs, Virginia on July 29, 1976.

## QUESTIONS AND ANSWERS ON TRUST ACCOUNTS

(Continued from last issue)

- Q. A service charge is levied by my bank when I fail to maintain a certain minimum balance in my escrow account, and the account is automatically closed when a zero balance occurs. May I deposit personal funds in my escrow account to avoid these penalties?
- A. Yes. You may deposit a maximum of \$100.00 of your personal funds in your escrow or trust account to avoid minimum balance service charges or to prevent cancellation of your account. Care should be taken, however, to properly enter and identify this deposit in your trust account records.
- Q. When managing rental properties for others, must I deposit rental collections in an escrow or trust account?
- A. Yes. All rents collected by a broker or salesman on behalf of his/her principal must be deposited in an escrow or trust account. The Board further recommends that a separate trust account designated by the bank as a "Rental Escrow Account" or "Rental Trust Account" be opened by brokers who are reasonably active in the areas of property management or leasing for others.
- Q. May I wait until an Offer to Purchase is accepted before depositing the offeror's earnest money in my escrow account?
- A. No. Money received by a real estate broker acting in his fiduciary capacity must be deposited in an escrow account within 72 hours of receipt. Rule .0107 Rules and Regulations. There are sound reasons behind a rule which requires the deposit of earnest money in an escrow account prior to acceptance of an offer. The earnest money accompanying an offer is usually paid with a check from the buyer. If a broker fails, within a reasonable time, to deposit the check and, consequently, the check is later returned unpaid, then the broker has not represented the best interests of his principal, the seller. "(T)he broker who receives a check is duty-bound to deposit it promptly for payment." Semenow, Questions and Answers on Real Estate, 7th ed., p. 148. Furthermore, earnest money is, by definition, an indication of good faith. The seller should be told if the buyer's check is worthless in order to decide whether he wants to deal with such a person. The seller could authorize the broker to hold a check until acceptance of an offer, but such authority should be placed in writing for the broker's own protection.

#### LICENSEE PRINT-OUT BY CITIES NOW AVAILABLE

Independent Data Processing (IDP), a Raleigh-based computer firm, has been authorized by the Licensing Board to compile and sell a listing of licensed North Carolina real estate brokers and salesmen arranged alphabetically by cities and towns. In addition to the name, address of record, and license number of resident N. C. brokers and salesmen, this computer print-out will also contain a separate listing of non-resident N. C. real estate brokers and salesmen by city and state. The print-out will be up-dated to July 23, 1976.

A copy of this print-out is available for public inspection in the Board's office during normal business hours, or you may purchase a copy for \$27.50 (includes postage and handling) directly from Independent Data Processing, P. O. Box 10234, Raleigh, N. C. 27605.

#### BUICE AWARDED SCHOLARSHIP

Ernest Dallas Buice of Greensboro has been named winner of the first annual Joe Schweidler Memorial Scholarship. This scholarship was established by the Licensing Board in honor and memory of Mr. Schweidler who served as Secretary-Treasurer of the Licensing Board from 1960 until 1975.

The North Carolina Real Estate Educational Foundation, Inc. administers the scholarship which is awarded to the student in the first "Course B" class of the Foundation who completes "Course B" with the highest scholastic average; it is equal to one tuition fee of "Course C".

The Licensing Board joins the Foundation in congratulating Mr. Buice as recipient of this singular honor.



## YOU AND YOUR REAL ESTATE LICENSE

### Reporting Changes

One of the most time-consuming phases of license renewal is the processing of literally thousands of changes reported by licensees on their renewal applications. Although we are pleased that you make the necessary changes and corrections on your renewal application, we are nevertheless disturbed that many licensees apparently wait until the annual renewing of their license to notify us of these changes.

Since the Licensing Board must maintain accurate and up-to-date records concerning your licensure, **you must immediately notify our office when changes occur which affect your real estate license.** Among the most common changes affecting your real estate license are (1) changes of address, (2) changes in business name, (3) change of supervising broker (salesman only) and (4) change of corporation principal broker.

#### CHANGE OF ADDRESS

A broker or salesman can be shown in our records at one and only one address. Although a broker can be shown at either his residence or business address (at his option), a salesman must be shown at the address of his supervising broker; consequently, when a broker notifies the Board of a change in his address of record, the address of each salesman under his supervision is also changed. A licensee's address of record can be changed only upon his/her signed, written request and **changes of address must be reported within 10 days of said change** (Licensing Board Rule .0103).

#### CHANGE IN BUSINESS NAME

The Licensing Board must be constantly kept advised of the business or trade name under which a licensee operates or is associated with as a real estate broker or salesman. Also, brokers who are owners or partners in firms using a trade name or assumed name which does not set forth his/her surname (for example, Acme Realty, J & D Realty, Jim's Realty) must file a Certificate of Assumed Name with the Register of Deeds in the county in which the office is located and furnish the Licensing Board a copy of the Certificate after it has been properly filed. As in the case of address changes, **changes in business or trade names must be reported to the Board in writing within 10 days of said change** (Licensing Board Rule .0103).

#### CHANGE OF SUPERVISING BROKER (Salesmen Only)

A salesman's license is valid only while he/she is associated with and supervised by a broker. Although a broker can supervise more than one salesman, a salesman can be supervised by only one broker at any given time, and this specific broker is considered his supervising broker of record. A salesman cannot be supervised by a company nor can a salesman transfer to the supervision of another broker without the approval of the Licensing Board.

When a salesman terminates his/her association with his/her supervising broker of record, the salesman or his/her broker must immediately return the license to the Board; by doing so, the supervising broker is relieved of further responsibility and liability for the acts of the salesman. Upon receipt of the salesman's license, the Licensing Board will place the license on Inactive Status in accordance with Licensing Board Rule .0504. To reactivate and transfer the license to a new broker, the salesman must then file with the Licensing Board a \$1.00 fee and a Salesman's License Transfer Form (available upon request from our office) which form must be properly completed and signed by both the salesman and his/her new broker. Upon approval of the request for transfer, the salesman's license will be re-issued and mailed to the salesman at his/her new broker's address of record where it must be prominently displayed.

#### CHANGE OF CORPORATION PRINCIPAL BROKER

Corporations engaging in real estate brokerage for others in North Carolina must first secure a corporation real estate broker's license (applications are available upon request from our office). An executive officer of the corporation who holds an active North Carolina real estate broker's license must serve as principal broker of the corporation, and the license of the corporation is valid only while the principal broker is associated with the corporation.

To change principal brokers, the Board of Directors of the corporation must by formal Resolution appoint the new principal broker who must likewise be an executive officer of the corporation and hold an active North Carolina real estate broker's license; a certified copy of this Resolution must be furnished the Licensing Board. A \$1.00 fee and the corporation real estate license must also be returned to the Board if the name of the previous principal broker appears on this license. Upon receipt of the Resolution (and the license and fee, if necessary), the Licensing Board will recognize and list the new broker as the corporation's principal broker of record.

Since these are only a few of the many changes which could affect your real estate license, we suggest that you remember the following maxim:

WHEN IN DOUBT  
WRITE, CALL OR VISIT  
THE NORTH CAROLINA REAL ESTATE  
LICENSING BOARD  
P. O. BOX 266  
RALEIGH, N. C. 27602  
TELEPHONE (919) 833-2771

## EXAMINATION RESULTS

Examination — May, 1976			
	<b>Passed</b>	<b>Failed</b>	
Brokers	416	199	
Salesmen	42	36	
Examination — June, 1976			
	<b>Passed</b>	<b>Failed</b>	
Brokers	406	199	
Salesmen	26	32	
Examination — July, 1976			
	<b>Passed</b>	<b>Failed</b>	
Brokers	303	387	
Salesmen	18	60	

### BROKERS BEWARE

Although more than 90% of all brokers and salesmen have renewed their real estate licenses for the year 1976-77, approximately 2,400 persons failed to renew, and their licenses automatically expired on June 30, 1976. These persons should be aware that if they continue to engage in the real estate business, they will be subject to the penalties prescribed by law for engaging in business without a license.

Brokers should check the pocket renewal cards of all salesmen in their employ to ascertain whether they have renewed their licenses. By employing unlicensed salesmen, brokers subject themselves to having their own licenses suspended or revoked.

Brokers should also require other brokers with whom they are cooperating with in real estate transactions to verify that they have renewed their licenses. By sharing a commission with an unlicensed person, brokers may be subjecting themselves to having their own licenses suspended or revoked.

Remember to carry your pocket renewal card with you at all times when engaging in the real estate business. It is your only means of identifying yourself as a licensed real estate broker or salesman.

## FUTURE EXAMINATION DATES

Filing Date  
July 19, 1976  
August 16  
September 20  
September 20  
October 18

Broker & Salesman Exams  
August 24, 1976  
September 21  
October 26 (Winston-Salem)  
October 28 (Raleigh)  
November 23

### NO EXAM IN DECEMBER

December 13

January 18 & 19, 1977

### TEST CENTERS

Winston-Salem Convention Center  
301 W. Fifth Street  
Winston-Salem, N. C.

Gov. W. Kerr Scott Building  
State Fairgrounds  
(Gate 11, Blue Ridge Road)  
Raleigh, N. C.

### DISCIPLINARY ACTION

**JARRELL ROSS BROCK, Fayetteville** — Broker's License No. 29776 — License revoked for violation of G.S. 93A-6(a) (7) and (8) (failing, within a reasonable time, to account for or to remit money coming into his possession which belongs to others and failing to contact or make himself available to complainant concerning the transaction). Broker gave notice of appeal.

**THERESE ANNE MERRIMAN, Tryon** — Broker's License No. 33553 — Suspended for ninety (90) days for violation of G.S. 93A-6(a) (12) (failing to maintain in an escrow account earnest money received while acting as a real estate broker).

**CHARLES LARRY HENIFORD, Holden Beach** — Broker's License No. 21859 — Revoked for violation of G.S. 93A-6(a) (7) and (8) (failing to remit rent monies within a reasonable time and issuing a worthless check for said rent monies). No hearing was requested.

**CHARLES L. BYRD, JR., Burnsville** — Broker's License No. 15748 — Suspended for ninety (90) days for violation of G.S. 93A-6(a) (12) and (14) (failing to maintain and deposit in an escrow account money received while acting as a real estate broker, commingling deposit money with personal funds, and failing to deliver to the buyers a complete closing statement showing the receipt of money from the buyers and the disbursement of said money).

**WILLIAM S. JAMISON, Cullowhee** — Broker's License No. 28397 — Consent Order of reprimand for violation of G.S. 93A-(a) (12).

**NORTH CAROLINA  
REAL ESTATE LICENSING BOARD**

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RALEIGH, N. C. 27602

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