

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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ATTN: BUREAU OF REAL ESTATE LICENSEES

HAPPY NEW YEAR!

Apparently, based on a recently published count, on January 1st, there were 900 new laws that took effect or will soon take effect in California. Yikes. One of them however, may actually be of help to Bureau of Real Estate licensees.

As reviewed on the BRE website at www.bre.ca.gov, Assembly Bill 2018 takes effect on the 15th of this month. The new statute deals with fictitious business names, "FBN", and "team" names.

First it provides that a broker may allow a salesperson to file an application for a FBN, deliver the application to the BRE requesting the bureau's permission to use the name and pay for and maintain the name which may be used subject to the control of the broker. New Form RE-247 can be used to add or cancel the salesperson's FNB. The FNB once approved will appear on the broker's license record. Certain disclosure requirements apply to the use of such a FNB.

In addition, the statute defines and provides the guidelines for the use of a new concept, the “team name” which is defined as a professional identity or brand name used by a salesperson and one or more other licensees to provide services requiring a license. This is not considered by statute as a FBN and does not require a separate license when the name;

- 1) is used by two or more licensees to work together to provide services,
- 2) the name includes the last name of one of the members in conjunction with the term “associate”, “group” or “team” and
- 3) does not include the use of terms such as “real estate broker”, “broker” or “brokerage”.

When a “team name” is used the licensee’s name and license number and the broker’s identity must be disclosed and the licensee must not imply that the team is a separate real estate entity.

We can’t wait to hear some of the new team names!

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