

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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BRE WARNS INDUSTRY ABOUT BROKER ESCROW ACTIVITIES

California real estate brokers who engage in escrow activities pursuant to an exemption in the Escrow Law, are required, under Section 10141.6 of the California Business and Professions Code, to file a report with the California Bureau of Real Estate (“BRE”) if these activities exceed the statutory threshold level. That threshold level is met when a broker engages in escrow activities for five or more transactions in a calendar year or whose escrow activities exceed \$1, 000,000 in a calendar year. The report must be filed with the BRE within 60 days following completion of the calendar year.

This week the BRE published an advisory regarding this issue. It can be found at: <http://www.bre.ca.gov/files/pdf/adv/Broker%20Escrow%20Reporting%20Article-Alert%20June-16.pdf>.

According to the BRE, “*Many brokers who should have reported have failed to do so.*” The number of non-reporting brokers, in the opinion of the Bureau, may be in the hundreds. Those who fail to report “*may subject themselves to potential citations and/or fines (which may be significant), and disciplinary action*”.

If you have met these levels but failed to report, the BRE suggests that you submit those reports as soon as possible to avoid the fines and penalties.

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ALT & ASSOCIATES provides regulatory, compliance, operational advice and transactional assistance, as well as litigation representation, to the financial services industry. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their operations.

If you have any questions please contact:

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