

CHAPTER 520-1 LICENSURE AND BROKERAGE

RULES
OF
GEORGIA REAL ESTATE COMMISSION

CHAPTER 520-1
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(6) Disclosure of Commissions, Fees, Rebates, or Other Valuable Consideration

(a) Settlement Statements and Settlement Documents

Any fee, charge, rebate, profit, commission, referral fee, or other valuable consideration that is related to a purchase, sale or exchange transaction of real property shall be disclosed on the settlement statement for that transaction or on a supplemental document given to the licensee's principal at or before the closing of the transaction. So long as a copy of such disclosure is maintained in the broker's records, no additional disclosure is required to comply with O.C.G.A. Sections 43-40-25 (b) (6) and (29).

Notwithstanding the above, no disclosure shall be required of any the following:

(1) ordinary business expenses incurred on behalf of a licensee's principal in performing the services of a broker;

(2) gifts, products, services or other things of value given to the licensee, provided that the receipt of any of the same is not contingent upon any of the following: a) the purchase, sale or exchange of specific real property; b) the referral by the licensee of products, services or other business related to a specific real estate transaction, or c) the licensee performing services, other than the real estate brokerage services, related to a real estate transaction;

(3) gifts, products, services or other things of value given to the licensee's principal, provided that the receipt of any of the same is not contingent upon the purchase, sale or exchange of real property;

(4) how a real estate commission, fee charge, profit, referral fee or other valuable consideration of the same is shared with the affiliated licensees of the broker or with any licensed and unlicensed assistants of those affiliated licensees.

(b) Leases

A lease, or accompanying document, may establish the terms under which a licensee may pay a referral fee, or offer other valuable consideration related to the real property being leased. So long as payment or other offering of valuable consideration is made by the licensee pursuant to the pre-established terms and recorded in the brokers file, no additional disclosure is required to comply with O.C.G.A. Sections 43-40-25 (b) (6) and (29).

(c) Management Agreements

A management agreement, or accompanying document, may establish the terms under which a licensee may pay a referral fee, or offer

other valuable consideration related to the management of the real property on behalf of an owner. So long as payment or other offering of valuable consideration is made by the licensee pursuant to the pre-established terms and recorded in the broker's file, no additional disclosure is required to comply with O.C.G.A. Sections 43-40-25 (b) (6) and (29).

(d) Miscellaneous

For the purposes of this regulation, the term "licensee's principal" shall mean the following:

(1) a client of the broker in the specific real estate transaction for which disclosure is being made provided, however, that if the broker is practicing dual or designated agency the required disclosures to each client shall only be those disclosures that would be have been given had the broker only been representing that client; or

(2) the customer of the broker, provided that the customer is not being represented by or is not primarily working with another broker.