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2018Calendar

Class Offerings

2018 Dates to Be
Announced for
GREC Sponsored
Classes

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View Current
Suspensions and
Revocations

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Certifying Signatures on Real Estate Documents

Real Estate licensees regularly deal with the signing and notarizing of legal documents. Most legal documents require some type of verification of signature, even if only at the closing table, in order to verify the identity of the signing person with a driver's license or passport. There are several ways to legally certify documents. Licensees should contact legal counsel to determine what documents need authentication and what method of attestation is required.

1. Notary

The most common validation of a signature is performed by the Notary Public. In Georgia, the Office of the Clerk of Superior Court approves and issues commissions of notary public. The Notary witnesses and attests to the signature of the person executing a deed or written document. A Georgia notary has authority anywhere within the State of Georgia, provided his/her commission is current. The notary confirms identity, signs the document and stamps or presses the notary seal onto the document. "A Notary is authorized to perform and includes, without limitation, attestation, the taking of an acknowledgment, the administration of an oath or affirmation, the taking of a verification upon an oath or affirmation, and the certification of a copy." ¹¹ The Notary is not obligated to perform a notarization if he/she suspects that the person involved is not genuine or the act for which the notary is required is illegal, false or deceptive. ¹ <https://www.gsccca.org/notary-and-apostilles/notaries/georgia-notary-law>

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 THE CLERKS AUTHORITY Georgia Superior Court Clerks' Cooperative Authority	Notary Public Search Index The Georgia Superior Court Clerks' Cooperative Authority (GSCCCA) maintains a database of notaries public from the Georgia Secretary of State.
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December 2017 Meeting - Commission Actions Taken	
Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	2
Cease & Desist Orders Issued	0
Citations Issued	13
Letter of Findings Issued	0
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	0
Cases Closed for Insufficient Evidence or No Apparent Violation	19
Licensing Cases - Applicant has a Criminal Conviction - License Issued	15
Licensing Cases - Applicant has a Criminal Conviction - License Denied	0
Total	50

[Click here to review a legend of the disciplinary actions the Commission may impose.](#)

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Online
Courses
from GREC

\$10 each
3 Hour CE
Course
Total of 9
Hours CE
Available

(Also Approved
as Instructor CE,
not approved as
License Law CE)

“Avoiding
Trust
Account
Trouble”

“Practicing
Real Estate &
Staying Out
of Trouble”

“Being a
Broker and
Staying Out
of Trouble”

**Georgia Real Estate
Commission**

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Atlanta, GA 30303-1605
Phone 404-656-3916

Certifying Signatures on Real Estate Documents

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2. Apostilles

As real estate transactions and business in general becomes more global, international transactions often require more formality in the signatory process. The term Apostille refers to a certificate that is usually attached to a notarized document for certain reasons or conditions. If an individual plans to live, work, do business, or marry in another country, documents will probably need to be verified and authenticated with an Apostille. An Apostille is used for documents transferred between countries that are part of the [Hague Apostille Convention of 1961](#). Such documents may include birth certificates, powers of attorney or diplomas, for example.

[The Georgia Superior Court Clerks' Cooperative Authority \(GSCCCA\)](#) - “The Authority was recognized in 1998 by the U.S. Department of State as the only state agency authorized to issue Apostilles (certifications of public documents for use in a Hague Treaty Convention 12 country) for documents originating in the State of Georgia.”¹

3. Medallion Signature Guarantee

A Notary can be used for a variety of documents, but financial institutions often require a [Medallion Signature Guarantee](#) for the transfer of certain securities or financial documents. The Medallion Signature Guarantee is different than a notarization mostly because of the document it is used for and who is permitted to authenticate the signature. It involves risk for the institution because it is insuring the signature and assuming risk of the transaction if the signature is not authentic. A notary cannot provide a Medallion Signature Guarantee. This role is often assigned to a specific bank employee and can be required for estate transfers and other financially related documents. The stamp is bar coded and contains high level security features. Medallion Signatures Guarantees are becoming more prevalent for a variety of reasons.

For further explanation of various signatory requirements and authorizations, visit <https://www.gsccca.org/notary-and-apostilles/notaries/georgia-notary-law>

Required License Law Topics or Ethics – Not the Same

Ethics training required by the National Association of Realtors® is **NOT** the same as the 3-hour License Law course that is mandated by the Georgia Real Estate Commission. Although some Ethics courses may provide Continuing Education credit, an Ethics course does not satisfy the requirement of completing 3 hours in specific topics on Georgia License Law that all licensees must complete for each 4-year renewal period. Be sure to inquire what requirements any course meets before enrolling.



Focus on Terminology: “Indenture”

The word **Indenture** stems from an ancient custom whereby deeds were made for each of the parties on the same sheepskin and then torn apart on an uneven line. They could later prove genuineness by matching up their indentures. Many documents begin by stating “This Indenture....” Source: [The Language of Real Estate](#), by John W. Reilly, Page 205, Seventh Edition, 2013 Kaplan, Inc.

The definition most relevant to real estate can be found in the [Merriam-Webster Dictionary](#) which states an indenture is “a formal or official document usually executed in two or more copies.”



The Appraisers Page

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[GREAB Web Site](#)

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Appraisal Terminology

By: D. Scott Murphy, SRA

Happy New Year! I thought we should launch the new year covering common appraisal terminology. Some of these terms may have alternative meanings in different context, these all are as they apply to real estate.

Let's first define real estate - The physical parcel of land and all improvements permanently attached.

Appraisal – an estimate of market value; the process of developing an opinion of value

Appraiser – a licensed professional in the valuation of real estate

Assessment – a value set by an assessor for the purpose of taxation

Assessor – governmental employee charged with estimating the value of property in the jurisdiction

Actual age – chronological age

Effective age – based on improvements and maintenance, effective age is the age the property appears to be

Economic life – how long a property would remain standing with no maintenance

Remaining Economic Life – the economic life minus the effective age. This is important to a lender which is about to put a 30 year mortgage on a home – they want to make sure the home will last throughout the term of the mortgage

Appreciation—Increase in value of a property, in terms of money, from causes other than additions and betterments. I included this definition because it seems that many appraisers did not learn about this.

Gross living area (GLA) - Total area of finished, above-grade residential space; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. Finished basements and attic areas are not generally included in total gross living area

Gross building area (GBA) – Total space within a building, included gross living area, other finished and unfinished spaces

Sales comparison approach – method of estimating value by comparing other similar homes to the subject and adjusting for variances

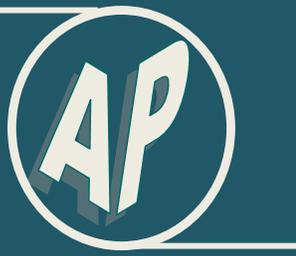
Cost approach – method of estimating value by using cost data for reconstructing the home, less depreciation plus the land value

Allocation method – The Allocation Method of appraising land is a technique of appraising land in which the appraiser collects information about the site values of comparable sales and establishes a ratio between the site value and the total value. The ratio is then applied to the subject property

Extraction method – the extraction method of determining site value is the difference between the sale price of a property and the contributory value of its improvements

Income approach – the income approach analyzes the current and potential income generated by the subject property to estimate the value of the subject.

Acre – 43,560 sf feet – think of it as a lot roughly just more than 200' x 200'



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Excess land-- is defined as that which is larger than what is typical in the neighborhood AND capable of a separate use. Such as a large parcel which can be divided into multiple building sites.

Surplus land – is defined as that which is larger than what is typical in the neighborhood AND not capable of a separate use. Such as a large lot which has a large amount of flood plain.

Functional obsolescence – reduction in the usefulness or desirability of an object because of an outdated design feature, usually one that cannot be easily changed. Can also be caused by an over improvement – ie: inground pool

External (economic) obsolescence – something external to the property which has a positive or negative impact on value – ie: traffic, powerlines

Physical obsolescence – generally deferred maintenance items

Effective date – the date for which the property is being valued. Most often the date of inspection but sometime the value is based on a prior date – ie: date of death

Highest and best use – Theory of substitution – a buyer will not pay more for the subject property than he could purchase an alternate property for

Capitalization Rate—Any rate used to convert an estimate of future income to an estimate of market value; the ratio of net operating income to market value

Comparable sales – properties which have sold and are similar to the subject property.

Concession—Benefits granted by a lessor or seller as an inducement to lease or purchase

Market value – is defined by The Appraisal Institute in their basic text; The Appraisal of Real Estate, 13th Ed., p.23 as: “The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

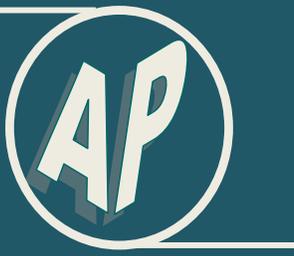
Marketability—The salability of a property at a specific time, price, and terms

Price, Sale— The actual amount of money exchanged for a unit of goods or services, whether or not established in a free and open market. It is AN indicator of market value.

Principle of Contribution—The principle of contribution requires an appraiser to measure the value of any improvement to a property by the amount it contributes to market value, not by its cost.

Principle of Substitution—The principle of substitution states that no buyer will pay more for a good than he or she would have to pay to acquire an acceptable substitute of equal utility in an equivalent amount of time.

Stigma—A perception that a property continues to be contaminated even though it has been cleaned up. Stigma may affect property value.



The Appraisers Page

Georgia Real Estate Appraisers Board

January 2018

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Appraisal Terminology

By: D. Scott Murphy, SRA

Personal Property—Consists of every kind of property that is not real property; movable without damage to itself or the real estate

Property Use Category—A United States Census Bureau classification scheme based on actual utilization of real property. There are seven classes of real property:

Residential (Nonfarm) Single-Family—Includes each detached, semidetached, or attached house, if separately assessed and not on a farm, that is a residence for one family only. For detached houses, this would include one-family rural properties or suburban estates not used primarily for farming, and mobile homes assessed as real property. This category includes each condominium unit in a multiunit dwelling structure, plus each condominium's share of the common area, unless the common area is separately assessed.

Residential (Nonfarm), Multifamily—Includes each residential property that contains two or more living units, including duplexes, apartment houses, and cooperatives that are assessed as a single entity. The category encompasses street level stores and doctors' offices in apartment buildings, but excludes motels or hotels.

Acreage (or "Acreage and Farms")—Includes farms, timberland, recreational acreage, idle land, and waste land in rural locations. Excludes vacant platted lots that lie within or adjacent to a municipality and that usually carry a lot/block system designation rather than acreage. Separately assessed timber or mineral rights are omitted from this category.

Vacant Platted Lots—Unimproved parcels described in terms other than acreage, usually by a convention using lot, block, and subdivision name. Vacant platted lots are often located either within a municipality or in areas of higher population density than the surrounding territory.

Commercial Property—Generally any nonindustrial, nonresidential realty of a commercial enterprise. Includes realty used as a retail or wholesale establishment, retail establishment with living quarters, office building, hotel or motel, gasoline service station, commercial garage, parking lot, warehouse, theater, bank, clinic, nursing home, proprietary school, and the like.

Industrial Property—Generally any property used in a manufacturing activity, including a factory, wholesale bakery, dairy plant, food processing plant, mill, mine, quarry, all locally assessed utility property, and the like.

Other and Unallocable—Includes any property not classified within any of the preceding groups. Examples are mineral rights, timber rights, and oil rights, if they are separately assessed as real estate.

I welcome your comments and feedback. Please send me ideas for future articles.

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