

TEACH YOUR CHILDREN WELL¹

By Jim Hochman

Yes, another column brought to you by rock 'n' roll lyrics. A recent experience helping an Illinois brokerage firm through a license audit brought this song to mind.

In this industry we often talk about technology, we still value sales skills, we always value market knowledge, and of course, we have great respect for experience. But consider this absolute fact of real estate brokerage life: if you, your sales team, and/or your firm do not maintain current licenses, or if you do not meet continuing education requirements timely, you're done. You're cooked. You're out of the game.

It is a violation of every state's real estate license act to perform any licensed services without being currently licensed. True, these statutes intend to protect consumers from hucksters who would harm consumers without the knowledge, ethics, and professional responsibility that a real estate license requires. But the fact remains that:

1. If you let that new hire start his business before he or she is licensed; or

2. If you work on a deal and mid-stream your license lapses; or

3. If you overbook the requirement of taking those continuing education courses while in mid-transaction; or

4. If your firm's license is not timely renewed...

then you are committing the infractions, or in some people's eyes, the "sin," of unlicensed practice. The consequences can be severe:

a. Loss of the right to collect (or sue for) commissions;

b. Fines or suspension, even license revocation (and that discipline will become public knowledge);

c. Possibly, you could be required to disgorge commissions you earned and received when you were not licensed.

I suspect the use of the term "disgorged" is well chosen; it may be your own reaction to the possibility.

Here are my suggestions - my plan for each of you to "Teach Your Children Well."

1. Assemble the licenses of the firm and each individual at the firm.

2. Note names, license numbers, types of licenses, and expiration and renewal dates.

3. Note the requirements for CE (hours, types of classes, etc.) and deadlines for completion.

Then put all of this information in an Excel spreadsheet. Sync it to calendar reminders in Outlook. Run firm-wide CE classes right in your own office, so you can require attendance and monitor completion of the courses. Require new hires to have and produce their license on their first day. Finally, renew your licenses as a group, well in advance of the deadline.

By the way, if you are thinking that an expired license "can't happen to you," think again. It is my guess that when you assemble all that licensed information, you could have an unpleasant surprise or two.

Train your rookies, train your admin staff, and in short, "Teach Your Children Well." ▼

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¹Crosby Stills and Nash, 1970