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## **Don't get caught without an active real estate license**

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The Department of Business Regulation (DBR) is "revoking" expired licenses now. Did you renew your real estate broker's or salesperson's license by April 30th? Principal brokers and managers: did all of your licensees renew?

Just because DBR hasn't sent you a notice doesn't mean that you're in the clear. DBR has hired new staff and is investigating real estate brokers and salespeople who failed to renew their license in April. All of the local Realtor associations are cross-referencing their membership database with the DBR list of licensees.

If you renew now, DBR can require you to pay a \$100 late fee and submit proof that you've complied with all educational requirements.

Further, here the penalties that you and/or your office could face if you allowed your license to lapse but continue to list, sell, rent, and refer real estate for a fee:

Loss of MLS access: Without a valid real estate or appraiser's license, you cannot be a Realtor or list properties in state-wide MLS.

Loss of income: You cannot legally work as a real estate broker or salesperson with an expired license. All of your listings and clients must be transferred to someone with an active, valid license.

Forfeit all commissions: If you continue to work without a license, a court can order you to pay a penalty of three times all of the commissions and referral fees that you received.

Criminal penalties: DBR can prosecute you for practicing real estate without a license. Penalties for a first offense: First offense: maximum one year in prison and/or maximum fine of \$500. First offense for a corporation: maximum fine of \$2,000.

Special penalties for principal brokers:

Office shutdown: If a principal broker allowed his/her own license or corporate license to lapse, the entire office can be forced to close until the licensing issue is resolved or another broker with a valid license can be found to manage the office.

Fine for failure to supervise: State regulation holds a principal broker responsible for the "verification that each licensee affiliated with the brokerage has a license in good standing . . . at the beginning of each renewal term." The maximum penalty is a \$1,000 fine and/or suspension or revocation of license.