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Allen Matkins

Legal Alert



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New Disclosure Requirements for Real Estate Licensees

Information in this Alert directly affects all **California real estate licensees**.

Effective as of **July 1, 2009**, all California real estate licensees will be required to disclose his or her **Department of Real Estate (DRE) license identification number** in certain specified solicitation materials. The new law amends Section 10140.6 of the Business & Professions Code and applies to “solicitation materials intended to be the first point of contact with consumers.” Section 2773 of the Regulations of the Real Estate Commissioner has been adopted to provide clarity with regard to the new disclosure requirements.

The covered solicitation materials include:

- business cards;
 - stationery;
- websites owned, controlled and/or maintained by the soliciting real estate licensee;
- promotional and advertising flyers, brochures, email and regular mail, leaflets; and
- any marketing or promotional materials designed to solicit the creation of a professional relationship between the licensee and a consumer, or which is intended to incentivize, induce or entice a consumer to contact the licensee about any service for which a license is required.

In addition, the new law specifically requires the licensee to disclose his or her DRE license number on all real property purchase agreements when acting as an agent in those transactions. The C.A.R. has already incorporated into its standard form purchase agreement a line for disclosure of the agent’s license number. The amendment does not impose the new disclosure requirements on classified rental advertisements reciting address or phone number of property offered for rent.

The regulations specify that the type size of the license

identification number shall be no smaller than the smallest size type used in the solicitation material.

The regulations provide that the disclosure requirement does not apply to the following solicitation materials:

- advertisements in electronic media (including, without limitation, radio, cinema and television ads, and the opening section of streaming video and audio);
 - print advertising in any newspaper or periodical; and
- “for sale” signs placed on or around a property, intended to alert the public to the fact that the property is available for lease, purchase or trade.

If you have any questions with regard to these new disclosure requirements, you may contact James E. “Kimo” McCormick III, Esq., at Allen Matkins Leck Gamble Mallory & Natsis, LLP at (949) 851-5478 or kmccormick@allenmatkins.com.

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