



# TRAINING TIP OF THE WEEK

## BROKER Responsibility

When the Utah Real Estate Division presents a case to the Real Estate Commission for disciplinary action of a sales agent, whether in a stipulation or a hearing, often time the commission will ask, “what are we doing with the principal broker?” Commissioners have indicated that they would like to see more responsibility and accountability with the broker for violations by their affiliated sales licensees.

The statute and rules that pertain to broker supervision are:

### **STATUTE §61-2f-401. Grounds for disciplinary action.**

(14) in the case of a principal broker or a branch broker, failing to exercise reasonable supervision over the activities of the principal broker’s or branch broker’s licensed or unlicensed staff.

### **ADMINISTRATIVE RUL R162-2F-401C(1). A Principal Broker shall:**

(f) Exercise active supervision over the conduct of all licensees and unlicensed staff employed by or affiliated with the principal broker, whether acting as:

- (i) The principal broker for an entity; or
- (ii) A branch broker;

Principal and Branch Brokers...

Are you knowledgeable regarding the statutes and rules?

1. Are you keeping up with changes to statutes and rules?
2. How are you educating your affiliated licensees and unlicensed staff on the requirements found in the statutes and rules?
3. Are you available to your affiliated licensees for questions or to mediate client concerns?
4. Do you have policies and procedures in place to ensure that your brokerage, including all affiliated licensees, is functioning within the requirements of the statutes and rules?

These are just a few of the responsibilities of brokers. Protect yourself by educating yourself and your affiliated licensees, and establishing and following policies and procedures for your brokerage. When agents call the Division about a situation, one of the first questions staff members will ask is “have you spoken with your broker about this?” Almost always, the answer is no.

### **WHAT CAN AGENTS LEARN FROM THIS INFORMATION?**

Technically speaking, if a sales agent is in violation, the principal or branch broker could be as well. This means your actions could have an impact on your broker. While brokers are encouraged to learn, understand and know their responsibilities, it’s equally as important for sales licensees to know and understand their obligations and responsibilities as well.

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