

BROKER CHECKLIST FOR POSSIBLE TEAM LEGAL ISSUES

NAR LEGAL AFFAIRS DEPARTMENT
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State License Law Issues:

Advertising:

- ✓ Does the team properly display name of brokerage? Does the advertisement contain other required information?
- ✓ Do advertisements comply with any other state law requirements, such as font size?
- ✓ Do social media posts promoting properties listed with the team comply with state law?

Laws Regulating Teams:

- ✓ Does team name comply with state law?
- ✓ Does the team meet other requirements of state law, which may include appointing a team leader, registering the team with the state, and/or identifying team members?

Agency:

- ✓ Is the team assuring that team members are keeping client information confidential?
- ✓ Does the team know what is required when two clients of the team enter into a transaction, such as a dual agency disclosures or designated agency?

Unlicensed Assistants:

- ✓ If the team is using unlicensed assistants, is the team assuring that the assistants are not engaged in activities that require a license?

Payment of Commissions:

- ✓ Is the broker receiving commission payments for the team? Are the commissions paid to members split pursuant to the written agreement between the broker and the team members?

Employment Law Issues:

- ✓ Is the team respecting the independent contractor status of the salespeople?
- ✓ If the team leader is micromanaging the actions of team members, should the salespeople become employees of the brokerage?
- ✓ If team members are being paid by commission, are they providing licensed services? If not, should those team members be classified as employees of the brokerage?