

# Real Estate Broker Supervision of Agents

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# **Note**

**While a great deal of care has been taken to provide current and accurate information, the ideas, suggestions, general principles and conclusions presented in this short course are subject to multiple additional factors. If faced with a situation relevant to the course content you are urged to consult an attorney regarding any points of law.**

**This course should not be used as a substitute for competent legal advice.**

# **Course Description**

**This course will explore basic real estate broker supervisory obligations as required under MN Chapter 82. The instructor will analyze the responsibilities relating to preparation and monitoring of real estate related documents and share guidelines and tips to reduce liability.**

# **Learning Objectives**

**Real Estate brokers who attend this class will:**

**Explore supervisory duties and obligations as they relate to the agents licensed to the broker;**

**Gain insight on the need to monitor and review the preparation of real estate related documents;**

**Learn preventive measures to help reduce the broker's exposure to risk and liability.**

# **Broker Supervision of Salespersons (82.73 subd. 3)**

## **A. Monitoring of documents prepared by salespersons**

- 1. Listing agreements**
- 2. Purchase agreements**
- 3. Other real estate related  
documents**

# **Broker Requirements**

**B. Maintenance and review of trust account records**

**C. Supervision and management of multiple offices**

# **Preparation and safekeeping of documents**

- 1. 6 year retention period**
- 2. Retention exemptions**
  - a. EXCEPTION: Agency disclosure if no contract is entered into**
  - b. EXCEPTION: Buyer representation or Facilitator service agreements if purchase agreement is not written**

# **Documentation and resolution of complaints**

- 1. Investigate and attempt to resolve all complaints**
- 2. In a DOC investigation, broker can be held accountable if they have not shown proper supervision**



# **Documentation and resolution of complaints**

## **3. Sanctions and penalties under DOC jurisdiction**

**a. Letter of warning**

**b. Fines up to \$10,000 per violation**

**c. Suspension of license**

**d. Revocation of license**

# **Licensed and unlicensed activity**

**1. Activities that can be  
performed**

**2. Activities that can NOT be  
performed**

# **Responsibilities for license renewal**

**1. Verify salesperson  
continuing education  
compliance**

**2. Notification requirements**

# **Preventive Measures to Reduce Liability**

## **A. Policy manual**

- 1. Consequences for agents who do not comply with company policy**

## **B. Company checklists**

- 1. Completing a purchase agreement**

- 2. Closing a file**

- 3. Training salespeople**

# **Preventive Measures to Reduce Liability**

## **4. Procedures for handling problems and/or complaints**

### **a. Attorney**

**E & O insurance**

**D. Notes**

# Preventive Measures to Reduce Liability

## **E. Education**

### **1. Regular in-house training sessions**

## **F. Timely and effective use of attorney**

## **G. Effective communication**

# **Review/Questions/Answers**