
Issue No. 29 – September 2020

BULLETIN

The *Real Estate Trading Act* and Related Regulations ("Real Estate Legislation")

As a follow-up to Bulletin No. 28, the division has prepared a Questions & Answers Bulletin to provide further information on the changes effective September 1, 2020.

My bond will soon expire, how do I apply to the Recovery Fund?

The Real Estate Recovery Fund was established to replace the need for brokers and salespersons to purchase bonds on a yearly basis. All licensees are required to pay into the fund at least once. Future payments into the fund will be determined based on claims being paid out of the fund.

Brokers and salesperson should check their bond expiry date and are required to apply to the Recovery Fund at least 30 days prior to their bond expiring.

Recovery Fund Application Link:

https://www.gov.nl.ca/snl/files/application_real_estate_recovery_fund_combined_sept-2020_fillable.pdf

Payment:

Only a cheque, money order or bank draft payable to: Real Estate Recovery Fund can be accepted.

An administrative penalty will apply to all licensees who are late submitting their application to the Recovery Fund.

Are there new requirements when applying for a new license or upon renewal?

Yes. Requirements outlined below:

- All licensees are required to carry a minimum limit of \$1,000,000 errors and omissions liability insurance, issued by an insurance company that is authorized to carry on business in the province.
- A certificate of conduct from the Royal Newfoundland Constabulary or a certified criminal records check from the Royal Canadian Mounted Police satisfactory to the superintendent.
- Section 4 of the Real Estate Regulations outlines the examination requirements to be a Broker or Salesperson.
- The division is working on system changes that are required in order to process a Personal Real Estate Corporation license; additional information will follow once system changes are completed.
- Links below for the Salesperson and Broker's Application.
 - **Salesperson's Application:**
https://www.gov.nl.ca/snl/files/application_real_estate_salesperson_application_sept-2020_fillable.pdf
 - **Broker's Application:**
https://www.gov.nl.ca/snl/files/application_real_estate_broker_licence_sept2020_fillable-1.pdf
- **NEW:** Accepting application payment fees online, please see link for further details:
<https://onlinepayments.gov.nl.ca/OnlinePayments/index.jsp;jsessionid=10218CA37EC6EA898816A609D72EB165>

What is the process for trust account reconciliations? Why?

- To ensure consumer funds are protected, it is important for brokers to actively manage their trust accounts. Trust accounts are required to be reconciled within 30 days of receipt of the bank statement.
- If there are unauthorized disbursements or negative balances, the broker needs to notify the superintendent immediately.
- As part of submitting its semi-annual report, the broker shall include a balance sheet and a copy of the monthly bank reconciliations for the preceding six-month period.

If you have any questions, please contact the Office of the Superintendent of Real Estate Brokers and Salespersons or email servicenlinfo@gov.nl.ca or phone 729-4834.

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September 10, 2020