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To: Nevada Real Estate Commission
Nevada Real Estate Division

From: Darrell Plummer, Commissioner
Broker/Owner of Sierra Nevada Properties

Date: June 15-17, 2021 Hearings

Re: Agenda Item #3 (F) Discussion regarding changes to the Real Estate Termination from Company or Broker Form No. 505

Thank you for the opportunity to present this topic for discussion during a Public Meeting of the Nevada Real Estate Commission.

This specific topic is part of a larger conversation I hope we can have in the future on how the Nevada Real Estate Division regulates and administers real estate brokerage firms in Nevada.

I have held a Nevada real estate license since 1995 and since 2001 operated as Broker/Owner of a real estate firm in Northern Nevada. We have historically operated with multiple office locations and held over 100 licenses for real estate professionals.

What today's real estate business looks like for a brokerage firm:

- 1) Real estate agents work from anywhere they are allowed to conduct business with a Nevada license. Agents are becoming more and more "virtual" with brokerage firms. Most agents even pre-pandemic did not have a physical office at their brokerage and operated from a "home office".
- 2) "Teams" or "Groups" are getting larger than some brokerage firms without the same restrictions/requirements of a Broker (no physical office, no Broker Salesperson – Office Manager designated by Division, no separate E&O carrier, etc.).
- 3) Buyers and sellers seldom visit a physical real estate office during the entire process of buying or selling.
- 4) Technology, even prior to pandemic, has allowed a real estate agent to conduct business with clients all over the world.
- 5) Real estate agents are supervised by qualified staff, managers, Broker/Managers and Brokers/Owners. The majority of this is performed through email, phone and now Zoom with very little ever face-to-face.
- 6) Transaction file records are more often now maintained in a paperless system by the Broker.
- 7) While there is a trend for fewer physical offices there continues to be a need in some markets for "regional" offices to recruit and retain agents.



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What I was taught by my father, Hal Plummer, a former Chair of the Nevada Real Estate Commission:

- 1) A real estate agent's license must be held at the office where he or she will "work from".
- 2) If a Broker is going to "transfer" an agent from one office to another he or she must transfer the agent's physical license through Forms by the Division. Broker must then notify their local Association for additional Office Transfer Forms. These steps require fees and paperwork.

What I currently understand from the Division and local Association:

- 1) A real estate agent's license does not have to reside at the office closest in proximity to his or her personal residence.
- 2) A local Board/MLS Association does not require an agent (Association member) recognized at the same office location as recognized by the Division. An Association can have all agents of a brokerage recognized as located at Broker's "main" office.
- 3) A PM permit must reside at the same office location as an agent's license.
- 4) If an agent's license is recognized at a "Branch Office" there must be a Broker Salesperson – Office Manager recognized at the same office to supervise said agent.
- 5) If an agent's PM permit is to be approved by Division it must be held at same location (building address) as his or her license and a Designated Property Manager (DPM) must reside at said location to supervise said agent's PM activities. A DPM must also be a Broker-Salesperson to qualify and have two years "active" in PM activities prior to request for DPM status.
- 6) A Broker cannot operate a brokerage firm providing traditional services (residential resale, commercial and property management) and operate a referral only company under his or her Broker license. A Broker can apply for and use an Individual License to operate a separate referral only company.
- 7) A Broker cannot maintain a DPM permit as Broker and have all agent PM permits under the Broker.
- 8) A Broker's Corporate license and PM license can expire at the same time while a Broker's Individual license might expire at a different time leaving continuing education classes not within the same time periods while class requirements are virtually the same with a few extra classes for a Broker and PM permit.
- 9) To "transfer" a license from one Branch Office to another a Broker must "Terminate" agent using Form 505 **REAL ESTATE TERMINATION FORM**. Original signatures were even required of the agent and Broker prior to acceptance of electronic signatures since pandemic.



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- 10) To “transfer” a license from one Branch Office to another a Broker must also complete Form 504 along with termination of said agent and complete Section 1. **CHANGE OF BROKER/EMPLOYER/COMPANY** and submit \$20 for each permit.
- 11) Each physical office of a brokerage must be recognized by the Division as a REAL ESTATE BRANCH OFFICE with fees associated and expiration/renewal periods.

For consideration and discussion:

- 1) A real estate brokerage firm should be able to operate with the licenses and permits of its agents held at one office designated by the brokerage as its “main” office.
- 2) A real estate brokerage firm should be able to submit the address of each physical office to the Division and pay a one-time fee to establish a “use” permit to open.
- 3) A real estate brokerage firm should be able to provide an access key to all Branch Offices for any agent licensed with said brokerage firm.
- 4) A real estate brokerage firm should provide opportunity for Broker to hold their DPM permit and any agent with a license under said Broker with a PM permit would be acceptable by Division.

NOTE: These items would eliminate the current requirement to “terminate” an agent when transferring from one Branch Office to another. There would be no need to transfer agents. Agents should be free to use the offices provided by their brokerage firm without concern of where their physical licenses are held. The actual physical license should be electronic moving forward avoiding the entire process of providing physical licenses and “business card versions”. This is not keeping up with technology and Best Practices.

Sincerely,

Darrell Plummer

Nevada Real Estate Commissioner

Broker/Owner, Sierra Nevada Properties



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