

# Kimball, Tirey & St. John LLP

## Legal Alert

Updated August, 2017

### License Number Disclosure Requirements for Real Estate Agents and Brokers

Because there are more than 500,000 real estate licensees in California, many with the same or similar names, verifying Bureau of Real Estate license status can sometimes be challenging. To assist with identification, California real estate agents and brokers must disclose their BRE license number on:

- all "solicitation materials intended to be the first point of contact with consumers"; and
- "real property purchase agreements when acting as an agent in those transactions".

There are also laws and regulations that require certain phrases and license numbers in advertisements. More information about these requirements, (Business & Professions Code §§10140.6, 10235.5, 10236.4 and 10 CCR §2770.1 and 10 CCR §2847.3), is available in a BRE publication at [www.dre.ca.gov/files/pdf/forms/re858.pdf](http://www.dre.ca.gov/files/pdf/forms/re858.pdf).

Before January 1, 2018, there was an exception to this requirement for advertisements in printed format such as magazines, newspapers, etc., as well as on electronic media. This exception was eliminated by [AB 1650](#) effective January 1, 2018. An exception remains for open house, "for sale", "for rent or for lease" and directional signs, as long as no identifying licensee information is included (or only the broker's name appears).

Real estate licensees should include their name and license number, and the responsible broker, on all solicitation materials, including business cards, stationary, advertising flyers, advertisements on television, in print, or electronic media, signage, and other materials designed to "solicit the creation of a professional relationship between the licensee and a consumer."

Additionally, if a licensee is a mortgage loan originator, the Nationwide Mortgage Licensing System and Registry identifier must also be included.

The BRE has a chart (RE 559) showing the required licensure disclosures for real estate-related advertisements, available at [www.dre.ca.gov/files/pdf/forms/re559.pdf](http://www.dre.ca.gov/files/pdf/forms/re559.pdf).

The text of the laws and regulations discussed in this article follow on the next two pages.

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**California Business and Professions Code §10140.6** (effective through December 31, 2017)

(a) A real estate licensee shall not publish, circulate, distribute, or cause to be published, circulated, or distributed in any newspaper or periodical, or by mail, any matter pertaining to any activity for which a real estate license is required that does not contain a designation disclosing that he or she is performing acts for which a real estate license is required.

(b) (1) A real estate licensee shall disclose his or her license identification number and, if that licensee is a mortgage loan originator, the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry, on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when acting as an agent in those transactions. The commissioner may adopt regulations identifying the materials in which a licensee must disclose a license identification number and, if that licensee is a mortgage loan originator, the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry.

(2) For purposes of this section, "solicitation materials intended to be the first point of contact with consumers" includes business cards, stationery, advertising flyers, and other materials designed to solicit the creation of a professional relationship between the licensee and a consumer, and excludes an advertisement in print or electronic media and "for sale" signs.

(3) Nothing in this section shall be construed to limit or change the requirement described in Section 10236.4 as applicable to real estate brokers.

(c) The provisions of this section shall not apply to classified rental advertisements reciting the telephone number at the premises of the property offered for rent or the address of the property offered for rent.

(d) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

(e) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

**California Business and Professions Code §10140.6** (operative on January 1, 2018)

(a) A real estate licensee shall not publish, circulate, distribute, or cause to be published, circulated, or distributed in any newspaper or periodical, or by mail, any matter pertaining to any activity for which a real estate license is required that does not contain a designation disclosing that he or she is performing acts for which a real estate license is required.

(b) (1) A real estate licensee shall disclose his or her name, license identification number and unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry, if that licensee is a mortgage loan originator, and responsible broker's identity, as defined in Section 10159.7, on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when acting as an agent in those transactions. The commissioner may adopt regulations identifying the materials in which a licensee must disclose a license identification number and unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry, and responsible broker's identity.

(2) For purposes of this section, "solicitation materials" include business cards, stationery, advertising flyers, advertisements on television, in print, or electronic media, "for sale," rent, lease, "open house," and directional signs, and other materials designed to solicit the creation of a professional relationship between the licensee and a consumer.

(3) Nothing in this section shall be construed to limit or change the requirement described in Section 10236.4 as applicable to real estate brokers.

(c) This section shall not apply to "for sale," rent, lease, "open house," and directional signs that do either of the following:

(1) Display the responsible broker's identity, as defined in Section 10159.7, without reference to an associate broker or licensee.

(2) Display no licensee identification information.

(d) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

(e) This section shall become operative on January 1, 2018.

**10 CCR § 2773**

(a) A real estate broker or salesperson, when engaging in acts for which a license is required, shall disclose its, his or her real estate license identification number on all solicitation materials intended to be the first point of contact with consumers. If the name of more than one licensee appears in the solicitation, the license identification number of each licensee shall be disclosed. Solicitation materials intended to be the first point of contact with consumers, and in which a licensee must disclose a license identification number, include the following:

(1) Business cards;

(2) Stationery;

(3) Websites owned, controlled, and/or maintained by the soliciting real estate licensee; and

(4) Promotional and advertising fliers, brochures, email and regular mail, leaflets, and any marketing or promotional materials designed to solicit the creation of a professional relationship between the licensee and a consumer, or which is intended to incentivize, induce or entice a consumer to contact the licensee about any service for which a license is required.

The type size of the license identification number shall be no smaller than the smallest size type used in the solicitation material.

(b) For the purposes of Business and Professions Code Section 10140.6, solicitation materials do not include the following:

(1) Advertisements in electronic media (e.g. radio, movie and television ads);

(2) Classified rental advertisements containing the telephone number at the premises of the property offered for rent or the address of the property offered for rent; and

(3) "For Sale" signs placed on or around a property intended to alert the public the property is available for lease, purchase or trade.

**Business & Professions Code §10235.5**

(a) No real estate licensee or mortgage loan originator shall place an advertisement disseminated primarily in this state for a loan unless there is disclosed within the printed text of that advertisement, or the oral text in the case of a radio or television advertisement, the Bureau of Real Estate number and the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry under which the loan would be made or arranged.

(b) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

**Business & Professions Code §10236.4**

(a) In compliance with Section 10235.5, every licensed real estate broker shall also display his or her license number on all advertisements where there is a solicitation for borrowers or potential investors. Every mortgage loan originator, as defined in Section 10166.01, shall also display the unique identifier assigned to that individual by the Nationwide Mortgage Licensing System and Registry on all advertisements where there is a solicitation for borrowers.

(b) The disclosures required by Sections 10232.4 and 10240 shall include the licensee's license number, the mortgage loan originator's unique identifier, if applicable, and the department's license information telephone number.

(c) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

**10 CCR § 2770.1**

Use of the terms broker, agent, Realtor, loan correspondent or the abbreviations bro., agt., or other similar terms or abbreviations, is deemed sufficient identification to fulfill the designation requirements of Section 10140.6 of the Business and Professions Code.

Use of the terms and abbreviations set forth above does not satisfy the requirements of Sections 10235.5 and 17539.4 of the Code.

**10 CCR § 2847.3**

(a) Use of either of the following statements shall satisfy the requirements of Sections 10235.5 and 17539.4 of the Code:

(1) Real estate broker, California Bureau of Real Estate.

(2) California Bureau of Real Estate, real estate broker.

The words "California" and "Bureau" may be abbreviated only as "CA" or "CAL" or "Calif" and "Bur". A dash (- -) may be used in lieu of the comma appearing in the statements set forth above in paragraphs (1) and (2).

(b) The type size of the statement shall be no less than the smallest size type used in the advertisement copy.

(c) Use of either statement as set forth in subdivision (a) will also satisfy the designation requirements of Section 10140.6(a) and (c) of the Code.