

REAL ESTATE BROKERAGE IN INDIANA

STUDY SHEET

Summary

The purpose of a real estate brokerage is to bring parties together and assist them in a real estate transaction, for a fee. Each broker company in Indiana has a managing broker who's responsible to the Indiana Real Estate Commission for all actions at the firm. Affiliated licensees are usually independent contractors. All licensees must operate within the scope of their expertise, avoid the unauthorized practice of law, and understand and follow antitrust laws and privacy laws.

Top Takeaways

- The residential sales process includes activities to obtain and prepare for the listing, list and market the property, and manage the transaction through closing.
- Brokerage roles include managers, the sales force (licensees), clerical/administrative support, and unlicensed assistants.
- The managing broker is the person responsible for supervising the actions of all licensees affiliated with the broker company and ensuring that the firm's activities are completed legally and ethically. This individual is the company's representative to the commission.
- Affiliated licensees are usually employed as independent contractors, which affects the amount of control the managing broker has over their work.
- Real estate brokers must follow federal regulations regarding telephone and email solicitation. Telephone solicitors may not call phone numbers registered on the National Do Not Call Registry. Email solicitations are regulated by the CAN-SPAM Act.
- Federal privacy regulations protect consumers' credit information and their right to accuracy and fairness from consumer reporting agencies.
- Real estate licensees are required to operate within the scope of their expertise, and to avoid the unauthorized practice of law.

National Do Not Call Registry—established by the Federal Trade Commission (FTC) in 2008, the service prevents organizations from calling any phone numbers registered with the FTC.

CAN-SPAM—protects consumers against unwanted email solicitations.

Sherman Act of 1890—protects the public from antitrust actions such as monopolies or agreements between competitors that restrain trade.

Clayton Act of 1914—supplement to the Sherman Act; prohibits mergers that would unreasonably reduce competition or create a monopoly.

Federal Trade Commission Act (1914)—created the Federal Trade Commission (FTC), a federal agency with the purpose of preventing unfair methods of competition in commerce.

Antitrust violations—practices that limit marketplace competition (e.g., price fixing, group boycotts, market allocation agreements, and tie-in arrangements).

Illegal per se—inherently illegal; guilt is established on the face of the circumstances.

Fair Credit Reporting Act (FCRA)—federal act which promotes the accuracy, fairness, and privacy of information in files of consumer reporting agencies.

Privacy Act of 1974—controls the information federal agencies may collect and maintain; guarantees certain consumer rights.

Gramm-Leach-Bliley Act—limits when financial institutions may disclose information to third parties, requires notice of sharing practices to be clear and conspicuous, and requires the ability of consumers to opt out of that sharing.

Take a look back at your notes for these items:

- The purpose of a real estate brokerage and the real estate sales process
- The role of the managing broker
- Affiliation and independent contractor status
- A broker's responsibility to practice within the scope of expertise and avoid the unauthorized practice of law
- Antitrust and the legislation that prohibits actions such as price fixing
- Privacy laws that protect consumer interests
- Telephone and email solicitation regulations (Do Not Call Registry and CAN-SPAM)