

re•source (*ri-sôrs*), *n.* **1.** a source of supply or support; an available means. **2.** a source of information or expertise.
– *SYN.* see **Placer Title Company.**

Prohibited Activities for REALTORS® and Title Company Employees

There are two basic sets of law regulating activities of title companies when it comes to what we can and cannot do for clients and other parties who provide us business. The first is found in the Real Estate Settlement Procedure Act (RESPA) and the second is found in the Insurance Code. REALTORS® have their own regulations that restrict their ability to accept “rebates” as an inducement for referral of business. The following is intended to give you an overview of the do’s and don’ts so you can avoid inadvertently stepping over the line.

RESPA Section 8 prohibits anyone from giving or accepting a fee, kickback or anything of value in exchange for referrals of settlement service business involving a federally related mortgage loan. In short this means that we cannot offer to any person, anything “of value” in order to get their business.

The following is a list of activities, which have been found to violate RESPA and the Department of Insurance. This is not intended to be a complete list but rather a guideline:

- 1) Coupons or give-aways for placing an order
- 2) Providing office equipment or office assistance to anyone
- 3) “Thank You” gift for referral business
- 4) Reduction of posted escrow/title fees
- 5) Assisting in advertising; and
- 6) Providing a conference room free of charge to brokers without directly relating to the escrow/title business
- 7) Disburse commissions to agents before escrow has closed
- 8) Hold/set up/pay for an Open House
- 9) Prepare, mail or track farming activities.

What is permitted?

- 1) Reasonable and moderate expenditures for entertainment, educational programs and promotional items. The cost is not to exceed \$25.00 per calendar year per REALTOR®. Educational Programs must be for the SOLE purpose of training to access or educate on a title or escrow product or service.
- 2) The furnishing of names of owners of record, descriptions of real property, and property characteristics (property profiles, farm packages and comparable sales package).



Questions should be addressed to your Placer Title Representative or your Broker.