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# Pam-a-gram

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Newsletter for California Mortgage & Real Estate Brokers

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## Department of Real Estate Links

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For a thorough evaluation of your company's compliance with the multitude of regulations that pertain to the real estate industry, I am available for private, confidential in-office consulting. Further information is available on my website: [www.pamstrickland.com](http://www.pamstrickland.com).

Please reply to this message with requests for additions, deletions or changes to this e-mail list. I respect your privacy and do not provide your name or e-mail address to any outside party.

Any recommendations contained in this message are based on my many years of personal experience and research in the Real Estate industry and must not be considered legal advice. I recommend that you consult with appropriate legal counsel for further clarification.

Contact Pam at:

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**The mortgage and real estate business has changed a lot in the last year and will change a lot more in the near future...are you prepared in case your company is audited and your practices are put under the microscope?**



## Loan Modifications

One of the big "sub-industries" that has cropped up is in helping consumers with modifications of their existing mortgages. Did you know that this is a LICENSED activity regulated by the Department of Real Estate? Are you aware of the Advance Fee rules and regulations that you must follow in order to take monies upfront for these services? Are you working with a law firm or individual attorney as a "finder" for clients with these kinds of needs? Is what you are doing legal? Beware! This is a highly regulated area of business and you need to make sure that you are providing these services legally.

## Listing REOs

Many Brokers are listing REOs and providing BPOs for Asset Managers of banks, trusts, etc. There are many pitfalls in this area of the business and you need to make sure that your practices are compliant. I cannot tell you how many Brokers I know RIGHT NOW who are being sued by either those being foreclosed upon or by the buyers of these properties!

## Audits Increasing

Auditors from both the CA Department of Real Estate and the CA Department of Corporations (lending and escrow), not to mention the numerous auditors who are arriving from out of state, are being kept extremely busy responding to consumer complaints. Are you ready for their call or visit?

## Be Prepared

So many times I'm called by a Broker's attorney after the state or federal audit has occurred and try to help them mitigate the accusation from the audit's findings. How easy it would have been to have taken care of problems BEFORE the auditors arrived and to have come through the audit with NO VIOLATIONS! Now is the time to do a pre-audit, find the potential problem areas and correct them, discuss ways of conducting business in this changing environment, and be prepared once the audit occurs.

### About Pam Strickland

Real Estate Broker from Santa Barbara with over 28 years experience in Real Estate and Mortgage Lending

Past-President: California Association of Mortgage Brokers (CAMB)

Selected Mortgage Broker of the Year

- 1992: California Association of Mortgage Brokers
- 1993: National Association of Mortgage Brokers