

ONTARIO REAL ESTATE EXAMS

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BQ

**REAL ESTATE
LICENSE EXAM**

STUDY NOTES

TREASURY

**BROKER
QUALIFYING EXAM**



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MiniCram® Real Estate Exam Study Notes
Broker Qualifying Exam

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INTRODUCTION

Dear Reader,

Congratulations on purchasing our **MiniCram®** for Ontario Real Estate License Exam preparation. The purpose of this book is to provide you with last minute review of important theory and math concepts for the exam. **MiniCram®** has compiled this booklet so that you can focus on key areas of study as well as prepare to overcome the most common mistakes that students make on the actual test day.

How to Use This **MiniCram®**

We understand that you do not have enough time for studying the online content of the official real estate courses. This **MiniCram®** booklet is designed in such a way that your review for the exam is fast paced. It is suggested that you go through each topic one by one. However, it is assumed that you have already covered the official course content in either the actual class or by self-study.

We Want to Hear from You

This book is written by a practicing Real Estate Broker who is also a trained adult trainer. If you have a feedback for the author, need more information, or have general comments, please send an email to minicram@outlook.com.

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**ONTARIO REAL ESTATE
LICENCE EXAM PREP**

TRESA 2002

UPDATED & REVISED STUDY MATERIAL

BROKER QUALIFYING EXAM

SELF-STUDY NOTES

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1. UNDERSTANDING TRESA AND CODE OF ETHICS

Topics Covered in this Module

- Professional conduct and prohibited actions for salespersons in the Code of Ethics Regulations
- Requirements for disclosures, consents, and acknowledgements
- Other duties and obligations under TRESA
- Additional registrant obligations and disclosures

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1.1 Regulatory Governance

TRESA and Regulations

- The *Trust in Real Estate Services Act (TRESA)* and associated *Regulations* include detailed requirements for a Brokerage, Broker of Record, Broker, and Salesperson when trading in real estate.
- The Act and *Regulations* include the *Code of Ethics* for all Registrants.
- The *Regulations* include procedures and programs to enhance consumer protection.
 - These *Regulations* are meant for strong enforcement of items such as education, registration, insurance, handling of trust money, brokerage management, and record keeping.

Real Estate Council of Ontario (RECO)

- RECO works under the *Ministry of Government and Consumer Services, Ontario* to enforce the *Trust in Real Estate Services Act (TRESA)*.
- The Ministry is responsible for TRESA and RECO's role is to interpret, enforce, and suggest modifications to the legislation.
- RECO's mission is to build and sustain public trust in real estate trading by supporting a fair, safe, and informed real estate market for consumers.
- RECO protects public interest in real estate trading by –
 - Enforcing standards for real estate education to obtain and maintain registration.
 - Holding registered salespersons and brokers to professional standards.
 - Establishing and administering insurance requirements for salespersons and brokers.
 - Addressing inquiries, complaints, and concerns about the conduct of salespersons, brokers, and brokerages.
 - Conducting inspections of brokerages to ensure compliance with TRESA.
 - Educating consumers so that they understand the benefits of regulated real estate profession.

The Role of Broker of Record

- Every brokerage must designate a *Broker of Record* who must be an employee of the brokerage and registered as a Broker with RECO.
- He/she is involved in day-to-day activities of the brokerage and has the ultimate responsibility of its employees (salespersons, brokers, and other employees).
- The *Broker of Record* ensures that all activities of the brokerage, its employees, salespersons, and brokers are in compliance with TRESA.
- Corporations and partnerships may designate either the owner or another registered broker (other than the owner) as the *Broker of Record*.
- In a sole-proprietorship brokerage, the owner himself/herself must be the *Broker of Record*.

- He/she must actively participate in brokerage management, and
 - Provide supervision to registrants and non-registrants,
 - Take reasonable steps to deal with failures to comply with the Act,
 - Review and approve trade related documents,
 - Review and sign the monthly *Trust Account Reconciliation* and *Trade Record Sheets*, and
 - Authorize transactions from the *Real Estate trust Account*.

Branch Manager

- Every office of the brokerage that invites public must be registered with RECO (with certain exceptions).
- One office must be registered as the main office and others as branch office(s).
- A branch with two or more salespersons/brokers must have a *Branch Manager* for supervision.
- The *Branch Manager* may be a broker or a salesperson with over 2 years of experience and under direct supervision of a broker.

Real Estate Trust Account

- Legal Requirement: All brokerages are required under TRESA to maintain a *Real Estate Trust Account*, which is used to deposit all money related to a transaction.
 - The trust money must be kept separate from the money belonging to the brokerage.
 - Transactions from the *Real Estate Trust Account* must be authorized by the *Broker of Record*.
- Reconciliation: A bank reconciliation report must be prepared for the trust account every month.
- Receipt of Buyer's Deposit: The buyer may make the deposit by cheque, money order, or a bank draft, as given in the *Agreement of Purchase and Sale*.
 - Cheque must be capable of being accepted or should be a certified cheque.
 - If deposit is received by a co-operating brokerage, a receipt should be issued.

- Buyer's salesperson must ensure that the deposit is forwarded to the deposit holder without delays.
- 5 Business Days: The brokerage must deposit the received funds in the *Real Estate Trust Account* within 5 business days (excluding Saturdays, Sundays, and statutory holidays), or as early as possible.
- Disbursements: Disbursements from the trust account can be made when –
 - the transaction closes,
 - the seller and the buyer sign a *Mutual Release*, or
 - a court orders/authorizes disbursement if the seller and buyer did not agree.
- Interest: The deposit holder brokerage must disclose the interest earned on the trust account and how much interest would be paid to the beneficial owner of the money.

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1.2 Registration

Registration for Trading in Real Estate

- *Real Estate Trading* refers to any activity of acquisition, disposition, or transaction in real estate by sale, purchase, agreement of purchase and sale, exchange, option, lease, rental, or any attempt to list real estate for these purposes.
- A brokerage, broker, and a salesperson must be registered under TRESA to trade in real estate.
- Lease of seasonal/vacation properties and commercial leases also require registration under TRESA.
- When applying for registration, the applicant must wait for approval, and must not be involved in any '*trading*' activity until he/she receives notification of registration approval from RECO.
- Unregistered persons can be employed by a brokerage but cannot perform any activity that falls under the definition of *trade*.

Unregistered Persons

- Unregistered persons are permitted to perform the following activities under the guidance of a Broker or a Salesperson –
 - Attend a listing or offer presentation and be a witness for a buyer or a seller.
 - Set up listing files, marketing sheets, and submit documents.
 - Schedule appointments or draft an offer for a buyer.
 - Prepare marketing materials such as flyers and place a "*For Sale*" or "*Sold*" sign.
 - Install lockboxes and attend an open house with a Broker/Salesperson.

- Unregistered persons are *not permitted* to perform any of the following activities as these are considered a form of trading under TRESA –
 - Active participation in a listing or offer presentation, providing advice, or negotiating terms of an offer.
 - Receive or acknowledge any notice on behalf of a seller or buyer.
 - Show any property or answer questions of any seller or buyer.
 - Phone soliciting, prospecting or door knocking.
 - Access the listed property with a buyer or a third-party such as a home inspector.
 - Hold an open house for other salespersons or for public to view the listed property.

Registration Exemptions

- A lawyer settling an estate and selling real estate on behalf of the estate.
- A property owner privately selling his/her owned property (*For Sale By Owner*).
- A financial institution selling a property under mortgage default.
- A full-time salaried employee of a new home builder who sells *only* builder's homes at the site office.
- An auctioneer auctioning a property, equipment, livestock, etc. of a retired farmer.
- A residential property manager leasing an apartment on behalf of the landlord.

Registration Requirements

- Anyone who wants to obtain a real estate salesperson registration in Ontario must be at least 18 years of age and a resident of Canada (*Citizen or Permanent Resident*).
- The person must complete the three steps, which are –
 - (i) Completion of the educational requirements,
 - (ii) Registration with RECO after joining a brokerage, and
 - (iii) Purchase mandatory insurance through RECO.
- Once registered with RECO, the post-registration educational requirements must be completed within the first 2 years of registration cycle.

Considerations During Registration/Renewal

- If the *Registrar* believes that the applicant or the registrant does not meet the requirements of financial responsibility, past conduct, and false statements, the *Registrar* may take appropriate action such as refusal to register or renew registration, suspend a registration, and/or approve a registration with conditions.
- *Financial Position*: A salesperson's registration or renewal application may be refused if they have substantial unpaid debts and have not shown financial responsibility.
 - Unpaid judgements, consumer proposals (discharged or not), personal insolvency, and bankruptcies must be disclosed in the application.
 - Disclosure does not necessarily mean that registration is refused; each application is assessed individually.

- Past Conduct: Any conduct that gives reasonable grounds to believe that the applicant will not conduct business with integrity, honesty, and in accordance with the law may lead to refusal of registration/renewal.
 - Any convictions or pending criminal charges must be fully disclosed.
 - Any refusal, suspension, or revocation of license/registration in any profession must be fully disclosed.
- False Statements: If the applicant does not provide full and complete information, including non-disclosure of information or makes false statements in the application, the application for registration/renewal may be refused.
- Approval with Conditions: Conditions are meant to restrict the activities of the registrant.
- Some examples are –
 - Financial Issues: The individual will provide quarterly reports to the Registrar with proof of debt payments.
 - Bankruptcy: The individual agrees not to be an officer, director, partner, sole proprietor brokerage, or broker of record of a real estate brokerage.
 - Criminal Charges: The individual must keep the Registrar updated on court dates, disposition of charges, and court documents.

RECO Insurance

- RECO's Insurance is mandatory for all registrants (salespersons and brokers).
- Annual insurance coverage is from September 1st to August 31st of the following year and premiums are due in mid-August of each year.
- Registration does not become active unless insurance premiums are paid.
- The three coverages provided by RECO insurance provides three types of coverage to registrants.
 - Consumer Deposit Protection: Provides coverage to consumers for loss of deposits due to registrant fraud, misuse of funds or insolvency (bankruptcy).
 - Errors and Omissions: Provides protection to registrants for errors and omissions committed during provision of services to buyers and sellers.
 - Commission Protection: Provides protection to registrants from loss of their commission due to other registrant's fraud, misuse of funds and insolvency (bankruptcy).

Post-Registration Education

- RECO's registration cycle for every registrant is 2 years and a renewal reminder is sent by 60 days before the renewal date.
- First-time registrants must complete the post-registration education requirements within the 2-year (24 months) registration cycle.
- Non-completion of post-registration courses may result in refusal of registration renewal.
- To maintain registration, every registrant must also complete the *Mandatory Continuing Education (MCE)* courses in every 2 years of the registration cycle.

1.3 Salesperson's Roles and Activities

Representing the Seller

- Listing: A *Seller Representation Agreement (Listing Agreement)* is signed between the seller and the brokerage, and the salesperson is called *Listing Salesperson*.
 - The listing salesperson must ensure that the listing price is based on market values in the neighbourhood.
 - It is the seller who ultimately decides the listing price.
- Marketing: A market plan should be developed that outlines the promotional materials, identifying the target market, signage, and other advertising methods.
 - Most advertising is done at the cost of the salesperson, whether the property sells or not.
- Prospecting: Searching for qualified buyers may involve meeting neighbours, distributing flyers, and introducing the property to other salespersons.
 - Prospecting also promotes the salesperson and the services he/she offers to sellers and buyers.
- Preparing to Show: The listed property must be confidently shown to the prospective buyers.
 - If required, repairs must be done by the seller before the showings start.

Representing the Buyer

- Qualifying the Buyer and Showing: The salesperson must understand buyer's needs and show them those properties that meet their search criteria.
 - Buyer's financial capabilities and mortgage requirements should be discussed.
- Preparing an Offer: Buyers depend on the advice of salespersons and hence, the offer must be accurate and complete with necessary conditions in order to protect the best interests of the buyers.
 - At the same time, the seller must be treated with fairness and honesty.
- Presenting an Offer: The salesperson guides the seller when analyzing an offer to ensure that they make an informed decision.
 - They must understand the existing market conditions, the offered price, and the conditions included in the offer.
- Follow Up: After acceptance of the offer, the salesperson must work with the sellers and buyers to ensure that the conditions are fulfilled within required time.

- The transaction should proceed without any issues, leading to successful completion/closing.

Remuneration Calculation Process

- Typically, two real estate brokerages are involved in a transaction.
- The listing brokerage works with the sellers and the selling (co-operating) brokerage works with the buyers.
- Total remuneration is received by the listing brokerage and divided into two portions: *Listing Portion* and *Selling Portion*.
- If a co-operating brokerage is involved, it receives the selling portion.
- Each brokerage *splits* the remuneration with its salesperson.
 - *Gross to Brokerage* is the remuneration before *split*.
 - *Net to Brokerage* is the remuneration after *split*.
- Example: A 70/30 remuneration split means that the Salesperson gets 70% of brokerage gross remuneration and the brokerage gets 30%.
- A brokerage may also charge a *Desk Fee* in addition to the remuneration split, which is deducted from the salesperson's remuneration.

Payment of Remuneration

- Salespersons/brokers must be employed by a brokerage in order to receive remuneration.
- Brokerages can pay remuneration only to its own employee salespersons and brokers.
- A brokerage cannot pay remuneration to an employee of another brokerage or to any unregistered person.
- Brokerages are prohibited from paying any referral fees to unregistered persons.

Remuneration Calculations

- The remuneration charged from a client may be a fixed amount, a percentage of sale price, or a combination of both.
- When a percentage of sale price is used, it may be a fixed percentage or several percentages, which must decrease as the sale price goes up (descending order).
- If no remuneration is specified/agreed with the seller or the buyer, the brokerage may charge the prevailing rate in the community.
- A remuneration based on difference between the listing price and the sale price is prohibited.

Personal Real Estate Corporation (PREC)

- TRESA allows real estate brokerages to pay remuneration to a *Personal Real Estate Corporation (PREC)* held by a salesperson or a broker, subject to certain qualifying criteria.
- A salesperson or broker may establish a PREC for directly receiving the remuneration from their brokerage as a result of a transaction.

- A PREC may have certain financial advantage to the individual salesperson or broker, but they should consult their financial advisor in this regard.
- A PREC is *allowed* but is *not a requirement* under TRESA.
- The brokerage may or may not be willing to enter into an agreement with the PREC.

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1.4 Relationships Under TRESA

Representation Relationships

- Different relationships in real estate trading lead to different obligations of the parties involved.
- It is the brokerage that enters into an agreement with the seller or buyer, and not the salesperson/broker.
- Brokerage Representation: A *Representation Agreement* is signed with a party (seller, buyer, landlord or tenant), which is referred to as a '*client*'.
 - It creates an '*agency*' relationship between the brokerage and the party.
 - The brokerage and all its salespersons and brokers owe '*fiduciary duties*' such as loyalty, confidentiality, protection of best interests of client, etc. to that party.
- Designated Representation: In this case, the agreement identifies one or more agents as the *designated representative* for the client.
 - But the agreement still remains between the client and the brokerage.
 - The salesperson or broker identified as '*Designated Representative*' owes fiduciary duties to the client.
- One of the key differences between two types of representation is who is representing the client.
 - Usually, the brokerage policies decide whether its salespersons or brokers can sign designated representation agreements or not.
 - They are helpful for clients, agents, and brokerages when a brokerage has more than one client in the same trade.
- Client: Any buyer or seller who is receiving services under a representation agreement with a brokerage. The brokerage or a designated agent of that brokerage owes fiduciary duties to the client.
- Self-Represented Party: Any party (buyer or seller) who, with respect to a trade, is not a client of a brokerage and has not entered into an agreement with the brokerage for services or representation.

- Salespersons and brokers are prohibited from providing services, opinions, and advice to a self-represented party.
- However, salespersons and brokers may provide 'assistance' to self-represented party which is only general information but not a service, opinion or advice.

****Note:** *Customer Service & Service Only agreements are not permitted under TRESA.*

Representation Agreements

- An agreement related to real estate can be verbal or written but TRESA requires all agreements to be in writing so that they are enforceable.
- A copy of the agreement must be provided to all parties of the transaction as soon as possible.
- A *Representation Agreement (Listing Agreement or Buyer Representation Agreement)* is entered into with a *client* (seller, buyer, landlord or tenant). This agreement creates an 'agency relationship'.
- *Agreement of Purchase and Sale:* This agreement is for conveyance of an interest in real estate and is entered into between two parties involved in a real estate transaction.

Remuneration Agreement

- Remuneration is paid to a brokerage for services on the sale or lease of a property.
- This is typically included in the *Representation Agreements* and *Limited Representation Agreements*.
- It is typically paid by the seller when the transaction is completed but the buyer may be liable to pay under specific circumstances.
- Remuneration may be -
 - A percentage of sale price or lease amount. For example, 5% of the sale price.
 - A fixed amount such as \$12,000.
 - A combination of percentage and fixed amount. For example, 2.5% of the sale price plus \$5,000.

Note: *Under TRESA, the term 'Commission' has been replaced with 'Remuneration'.*

1.5 Disclosures, Consents, and Acknowledgements

Disclosure Requirements Under TRESA

- Under TRESA, all disclosures, the consent of the involved parties, and their acknowledgements must be in writing.
- Any document that includes a disclosure must be separate from the representation agreement and have the word "*Disclosure*" written prominently.
- Salespersons must ensure that the disclosure is clearly and precisely conveyed to the party (seller or buyer) and they must understand what they are consenting to.

Multiple Representation

- Brokerages and their representatives are prohibited from representing more than one client in the same trade a disclosure is made, and acknowledgement is obtained from each of the clients.
- The required content of the disclosure varies depending on the type of representation (brokerage or designated).
 - The disclosure includes information that the brokerage or the designated representative is proposing to represent more than one client in the trade.
 - The difference in duties and services under sole representation and multiple representation.
 - Any changes to remuneration resulting from multiple representation.
- The brokerage may have a seller and buyer as client in the same trade.
- This fact must be disclosed to every other buyer who is represented by a different brokerage.

Conflicts of Interest

- If a salesperson or broker has a conflict or potential conflict of interest in a trade, it must be disclosed to the client.
- The agent should take steps to ensure that the client understands the conflict and advise them to obtain independent professional advice.
- In case the client agrees to proceed receiving services, the salesperson should obtain written consent.

Financial Benefits

- Salespersons must disclose any direct or indirect financial benefit arising out of services provided to their clients, including all relevant information.
- They must make best efforts to obtain acknowledgement that disclosure was received by the client.
- If the client makes the acknowledgement, a copy should be provided to the client.
 - For example, when a seller has agreed to pay remuneration to the brokerage, the brokerage must not charge any remuneration under another agreement from the buyer unless the terms of that agreement are disclosed to both parties.
- Also, when the seller and the buyer are both clients of the brokerage for the same trade, the remuneration terms in the Buyer Representation Agreement and in the Seller Representation Agreement must be disclosed to both parties.

Property Interests

- Salespersons and brokers must be extra careful when they have any direct or indirect interest in a property they are dealing with.

- This applies when an agent is representing a client in sale or purchase of a property and knows of a property interest by the agent, a person related to the agent, agent's personal real estate corporation (PREC), or a person related to agent's PREC.
- The fact must be disclosed in writing to the client and include information about the property and any potential conflict of interest the property may create.
- The agent must make best efforts to obtain an acknowledgement that the disclosure was made.
- The agent should provide a copy of the disclosure to the client.

Sale/Purchase by a Registrant

- When a registrant is purchasing (acquisition) or selling (disposition) real estate with direct or indirect interest, a written disclosure must be made to the other party.
 - A signed acknowledgement must be received.
- The written disclosure is required even if the sale is a private sale.
 - *Direct Interest*: When the registrant himself/herself in buying or selling.
 - *Indirect Interest*: When a family member (parents, children, brother, or sister) is involved in the trade, or the registrant is a partner or shareholder of company who is buying or selling.
- The disclosure notice cannot be included in the *Agreement of Purchase and Sale* as a clause and must be a separate document.
- The disclosure must be made at the earliest practical opportunity, but in all cases, prior to the offer being made.
- The disclosure notice must include –
 - A statement that the individual is a salesperson, broker, or brokerage.
 - Full disclosure of all known facts that may affect the value of the property.
 - Details of negotiations with any third-party for subsequent sale of the property.

Material Facts

- What constitutes a *material fact* depends on the specific circumstances of a trade.
- For example, for the buyer, it may impact their intended use of the property and for the seller, it may be a new development that may increase the value of their property.
- Salespersons must take reasonable steps to determine and promptly disclose material facts related to the trade.
- They should advise their clients to consider whether or not the material facts affect their decision to buy or to sell.
- They should make best efforts to obtain acknowledgement that disclosure has been made, and provide a copy to the client.

Seller's Legal Obligation to Disclose

- Under TRESA, sellers have a legal obligation to disclose certain *material facts* related to their property to potential buyers.

- While TRESA does not define or identify such material facts, they are the ones that are known to the seller.
- They include but not limited to, facts that render the property uninhabitable, dangerous, invisible to someone exercising reasonable care in inspection, etc.
- Salespersons should advise their seller clients that if they have any concerns regarding disclosure, they should seek legal advice.

- In case the salesperson is aware of a fact or facts that the seller is legally obliged to disclose, the agent must –
 - Disclose the facts to potential buyers,
 - Use best efforts to obtain acknowledgement, and
 - Provide a copy of acknowledgement to the buyer.

Confidentiality

- Agents must not disclose any confidential information about their client to any third-party, unless otherwise required by law.
- The brokerage and its designated representative have specific duties related to confidential client information when the client has signed a *Designated Representation Agreement* with the brokerage.

Seller Property Information Statement

- If the seller has provided a written statement providing information to buyers about the property, the agent must disclose this fact to potential buyers.
- If a buyer requests, a copy of the property information statement must be provided to buyer as soon as practically possible.

1.5 TRESA Code of Ethics Regulations

- *Code of Ethics* is one of the *Regulations* under TRESA, which identifies the minimum standards a registrant must follow when trading in real estate.
- The purpose of the Code is to set minimum acceptable conduct to protect public interest in order to ensure public confidence.
- Non-compliance with the Code may result in a registrant facing penalties imposed by the *Discipline Committee*.
- The *Discipline Committee*, after a hearing, may order a salesperson to do additional educational courses, pay a fine, and/or pay the imposed cost.
- RECO is required to publicly publish its decision on its website for a minimum period of 60 months.

Discipline Committee

- *The Discipline Committee* is comprised of a panel of three or more members to investigate breaches of the *Code of Ethics*.
- Failure to comply with the Code may result in:

- Fines of up to \$50,000 for an individual registrant and up to \$100,000 for a brokerage.
- Completion of further educational courses, and in this case, the brokerage may be required to pay for the registrant's education.
- Payment of additional fixed costs to the administrative authority or the *Minister of Finance*.
- Appeal: The decision of the *Discipline Committee* may be appealed to the *Appeals Committee*, which may overturn, affirm, or modify the order.
- RECO is required to publish the decisions of the *Discipline Committee* on its public website to ensure public protection for a minimum period of 60 months.

Code of Ethics Regulations

- Fairness, Honesty, and Integrity: Registrants must treat every person they deal with (buyers, sellers, other registrants, other professionals, etc.) fairly, honestly, and with integrity.
 - *Honesty* doesn't just mean technically accurate but also includes sharing information relevant to a trade.
 - *Integrity* means engaging in conduct that is consistent with ethical principles, not compromising values, and align behaviour with beliefs and values.
 - *Good Faith* involves acting reasonably, refraining from any actions that could harm somebody, and avoiding abusive and arbitrary behaviour.
 - *Courtesy* means to show respect for others, being polite, and avoid rude or provocative behaviour.
- Unprofessional Conduct: Agents must not engage in any act that could be regarded as being disgraceful, dishonourable, unprofessional, or unbecoming an agent.
- Best Interests: Registrant must provide work that protects and promotes the best interests of the client and place the interests of the client ahead of their personal interests.
- No Counseling Contraventions: Agents must not counsel, advise or knowingly assist anyone to contravene the legislation or any other law applicable to real estate.
- Fraud: Agents must not engage in or be a party to fraud.
- Misrepresentation: Agents must make best efforts to ensure that any representations are accurate and are not misleading.
- No Discrimination: Agents must not treat any person in a manner that would contravene the *Ontario Human Rights Code*, which gives everybody equal rights and opportunities without discrimination, in areas such as jobs, housing, and services.
- Intimidation, Coercion, etc.: Agents must not engage in any conduct that is intimidating, coercive, abusive, or that constitutes undue pressure or harassment.

- Best Interests: The best interests of the client must be protected and promoted even if the personal interests of the registrant are suffering.
 - Agents must take reasonable steps to ensure that the clients understand the information being provided and how it may impact their decision.
 - Protecting best interests is also related to disclosures, and the agents must ensure that the clients understand the content of such disclosures.
 - In case the client does not understand the information or how it could impact their decision, the agent should recommend to the client that they seek independent legal advice.
- Conscientious and Competent Service: Registrants must focus on their duty of care, which is owed to their clients.
 - This duty is related to reasonable knowledge, skills, judgement, and competence in providing information and performing functions to which the registrant has agreed.
 - When in doubt about providing services, the salesperson should ask the Broker of Record and check office policies.
 - The salesperson must be aware that the client will rely on his/her advice, and he/she should do the things in the right way.
 - Continuous learning and checking RECO's website for discipline decisions in previous cases will also help the salesperson.
- Dealing with Self-Represented Parties: Agents are prohibited from providing services, opinions, or advice to self-represented parties.
 - They must be cautious when providing 'assistance' not to encourage a self-represented party to rely on their knowledge, skills or judgment.
 - Agents should ensure that the self-represented party understands that they are not being provided any services, opinions or advice with respect to real estate trade.
- Confidentiality: Agents must protect the confidentiality of their clients, and this duty continues even after the client relationship ends.
 - Confidential client information cannot be disclosed unless the client has provided written consent, or the disclosure is required by law.
 - Under *Designated Representation*, the designated representative is prohibited from sharing confidential client information with any other agent or any person employed by the brokerage.
 - Confidentiality of client's personal information is also protected under federal privacy legislation.
 - Salespersons must obtain client's prior consent when they collect, use, or disclose their personal information.
 - Personal information can only be used for the purpose for which it was collected.
 - If the purpose changes, the client's consent must be obtained again.
- Conflicts of Interest: Promoting and protecting client's best interests includes avoiding any conflicts of interest, which may put the client at risk

- If a conflict arises, the agent cannot provide further services unless required disclosures are made and acknowledgement is obtained from the client.
- The agent can provide further services only after the client has given the necessary consent.
- Contacting Clients of Other Brokerages: Salespersons who wish to communicate with the seller/buyer clients of other brokerages or want to get more information must do so through that brokerage.
 - This does not apply when a seller or buyer has given written permission to their brokerage that salespersons from other brokerages can communicate directly with them.
- Providing Opinions: Registrants must demonstrate reasonable skills, knowledge, judgement, and competence when answering questions, providing information, and when providing real estate services.
 - They should ensure that they have the required education and experience related to the type of property they are dealing with.
- Services from Others: When a registrant does not have the required reasonable knowledge or competence in a specific property, he/she must advise their client to seek services from other professionals.
 - Also, the client or a self-represented party must not be discouraged from seeking expert services from others.
- No Obstruction: Brokerages and their agents must not obstruct RECO's administration of the law.
 - No one should be prevented from making a complaint to RECO.
 - No one should be encouraged to withdraw a complaint made to RECO.
 - Agents are permitted to engage in mediation, settlement discussions, negotiations, or arbitration to settle a dispute.
- Ensure Compliance: The broker of record has a duty to ensure that the brokerage and its employees comply with the Code of Ethics Regulations.

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