STANDARD OPERATING PROCEDURE: Transaction Review Requirements

**Document Name**: Transaction Review Requirements

Date: 12/14/2020

**Affected Parties**: Office Manager; Compliance Officer

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**Scope**: This SOP details instruction when performing the job functions of the Office/Compliance Manager.

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Realty ONE Group prides itself on creating a checklist that will offer the maximum protection for the agent, our clients, and for the Company. The checklist should not be looked at as something of a burden, but rather a convenient structure and tool to protect the agent. Compliance with the checklist ensures agents will be paid timely and offers E&O protection according to the E&O Policy guidelines. Outlined below are the standards by which files must comply, failure to do so will result in disciplinary action up to and including termination.

Checklist

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• Ensure the correct Checklist was used for the transaction type. There are different requirements based on the type of transaction.

• All documents on the checklist are mandatory. Items that do not apply must be noted as N/A. Files may not be signed off if necessary documents are not submitted.

• Only the current Checklist may be used. Old checklists must be removed from the office.

• No Agent, TC, OA, Compliance Officer, or Branch Manager may alter the Checklist in any way without permission from Broker in Charge. It is the duty of the office/compliance manager to make sure all checklist have all required forms that pertain to your market place, which may not be common in other areas.

Transaction File Review

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• Prior to approving each document, check for completeness of the forms, including signatures, dates, initials or other information. Compliance must interpret the data in the file and report any errors, omissions, fraudulent practice or suspected risk/exposure to the agent and/or manager prior to close of escrow.

• Verify sales price matches closing disclosure.

• Commission tab should reflect the correct percentage along with any referrals to be paid out. W9 should be uploaded to the checklist. Referral checks should be written by Admin only.

• Cross reference with lead spreadsheet to verify if referral should be paid out to ROG for the lead/referral.

• Review notes on commission tab for Transaction Coordinator fee. It should state the level of TC chosen.

• Commission checks will only be released to agents when the file has been completely reviewed and changed to a Closed status.

Document Standards

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• Contracts, addendums, and/or disclosures must be submitted within 72 hours of ratification

• Each document submitted must contain all signatures, dates, times, complete addresses including cities, and material facts as required.

• At time of listing, listing requirements as per current checklist.

• At time of sale, sale requirements as per current checklist.

• All buyers and sellers who are a party to the transaction must sign all documents

• Agents should not predate the documents for the client.

• Forms that are attached to other documents (such as addendums, amendments) must reference the original form at the top of the page. Check the box for the appropriate type and include the date the original form was created on.

• All page initials must be present by both parties.

• Agents must sign and date all areas where the agent signature is required.

• Contact information (for clients and agents) should be filled in.

• If a form references an attachment, that document must be attached.

• Some forms on the checklist are labeled If Applicable. It is up to the agent and Compliance reviewing the files to determine if any of these forms are applicable. Based on certain criteria of the property or wording in the contract or other documents, forms may become required. If these forms are used, they must be fully executed and are subject to review.

• If the cooperating agent or their client refuses to sign an item because of their company policy, a note should be made where the signature should be. The agent or Transaction Coordinator must show 3 documented attempts requesting the necessary signatures or documents for the file. Put any response received reflecting that they will not sign into the file.

• All miscellaneous paperwork that is pertinent to the sale such as: correspondence, permits, property tax information, roof certificates etc. must be included in the file. These may be placed in the documents section.