

RESPA

Real Estate Settlement Procedures Act. All agents and Brokers must comply with RESPA. Failure to comply can result in harsh penalties.

Examples of what RESPA does and does not allow.

RESPA

Allows a title agent to provide, during an open house, a modest food tray in connection with the title company's marketing information indicating that the refreshments are sponsored by the title company.

RESPA

Does NOT allow a title company from regularly providing dinner and reception for real estate agents.

RESPA

Allows a home inspection company to sponsor association events when representatives from that company also attend and to post a sign identifying its services and sponsorship of the event.

RESPA

Does NOT allow acceptance of a dinner paid for by a home inspector who doesn't attend the dinner to market his/her services to you.

RESPA

Allows you to jointly advertise with a mortgage broker if you pay a share of the costs in proportion with your prominence in the advertisement.

RESPA

Does NOT allow accepting gifts from mortgage brokers, such as paying your green fees.

RESPA

Allows a lender to pay your fair share market value to rent a desk, copy machine and phone line in your office to pre-qualify applicants.

RESPA

Does NOT allow acceptance of payment from a mortgage lender for just taking a loan application.

These are just a few examples of RESPA regulations. Please visit www.REALTOR.org/RESPA for more information. You may also want to speak with a RESPA Attorney to make sure you comply with all applicable laws. RESPA laws vary from state to state.