



# Chapter 1 Summary

## Introduction to California Real Estate Principles

### California Real Estate Principles

The **California Department of Real Estate – DRE**, headed by the Real Estate Commissioner, administers the real estate license laws, handles advertising, funds, clients and customers.

August 4, 1943 – authority of the DRE was organized into the two Parts of Division 4 of the Business and Professions Code (or the “Code”):

1. Part 1, Sections 10000 to 10580 - [Real Estate Law](#);
2. Part 2, Sections 11000 to 11200 - Subdivided Lands Law.

These laws are NOT the same in their purpose or operation.

**Commission's Regulation 2770** - anyone who advertises about services over the Internet is NOT to be considered a real estate broker in California, if ONE of these apply:

- The advertisement involves a service, BUT IS:
  - NOT directed to any particular customer located within California;
  - LIMITED to general information about the services offered to the public in general;
  - Includes the words: "The services referred to herein are not available to persons located within the State of California."
- If the advertisement does not involve a service for which a real estate license is required;
- If the advertisement is not being published or transmitted on behalf of another person.

A person who advertises is NOT required to have a real estate license if:

- The person who is publishing is exempt from license requirements as set forth in the Code;
- Before there is any direct communication with a specific customer, the business person already has implemented policies and procedures in place for such communication that does not require a real estate license.

Licensees who advertise on the Internet are required by law to indicate their license status.

Misleading advertising can result in criminal penalties.

Anyone who is not a California licensed broker may not legally solicit California residents.

