



Mississippi

Real Estate Commission

April 2023
Newsletter

Commissioners

Vicki Blackwell
1st Congressional District

Pam Powers
2nd Congressional District

Joe Stedman
3rd Congressional District

Robert Praytor
Administrator

Commission Meetings

MREC Commission Meetings are open to the public. For upcoming scheduled meetings, please visit the link below:

[MISSISSIPPI PUBLIC MEETING NOTICES \(ms.gov\)](#)

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The **Mississippi Real Estate Commission (MREC)** is a state government agency located in Jackson. It issues broker and salesperson licenses to qualified individuals who complete pre-licensing education, pass the licensing exam, and meet the MREC's other statutory licensing requirements. Once licensed, all brokers and salespersons are governed by the MREC and must comply with the Real Estate Broker's Act and the state approved Administrative Rules. Real estate licensees must also renew their license with the MREC and complete both post-licensing and continuing education to practice real estate. The MREC's mission focuses on consumer protection, specifically, protecting the public interest in real estate brokerage transactions.

Notes From the Commission:

There are four (4) revised forms available for immediate use at the MREC website. The Property Condition Disclosure Statement includes the Statutory Exclusions which were previously notated on a separate document. It also includes two (2) new pages which can be utilized by the seller and the buyer when material amendments are made to the original Disclosure Statement. The new forms include:

Property Condition Disclosure Statement (PCDS) - Legal size document.
Property Condition Disclosure Statement (PCDS) - Letter size document.
Working With a Real Estate Broker Form - Legal size document.
Working With a Real Estate Broker Form - Letter size document.

Each of the forms is in a fillable format (PDF - using Adobe) and can be completed and saved using a computer or can be printed and completed using pen/pencil. The forms are accessible to anyone by using the FORMS Section (link) at the MREC website. The new forms should be used for all real estate transactions beginning April 15, 2023.

Upon the Governor signing one additional piece of legislation which changes some of the wording of the current Broker's Act a revision of the License Law will be posted at the MREC Website.

Final Summary of new Property Condition Disclosure Legislation:

The passage of legislation which changed the MREC's ability to regulate and discipline licensees in conjunction with the statutorily required Property Condition Disclosure Statement (PCDS) resulted solely from the political activities of the **Mississippi Association of Realtors®** leadership and became effective on March 14, 2023. The **Realtors® Association** is a non-profit professional trade association headquartered in Jackson, and includes local affiliated Boards and Associations statewide. Membership is voluntary. They provide member services including legislative, political and regulatory advocacy, standardized real estate forms and transaction documents, guidance for ethical and professional standards, education, and other products and services.

In light of the new PCDS Legislation, MREC advises and recommends that brokerage firms and real estate licensees formalize procedures/protocols concerning their interactions with Sellers' and Buyers' usage of the PCDS during the home buying process. Brokerage Firms and Principal Brokers should seek legal advice while crafting a written policy which will outline any PCDS-related services that are no longer required but which licensees will be providing to clients. It is not business as usual as it relates to the PCDS.

The statutory changes based on the actual wording of the new law include:

- A licensee is no longer an agent for either the Seller or the Buyer for purposes of the PCDS.
- A licensee is no longer required to accept or deliver the PCDS from/to a Seller or Buyer.
- There is a total lack of accountability for licensees except by legal (civil) action.
- The MREC has no enforcement authority as it pertains to the PCDS.

- ❖ The Seller is required to furnish a PCDS when a residential transaction is contemplated with the aid of a duly licensed real estate broker or salesperson. However, if the Seller does not deliver the PCDS or fails to complete any portion of it, the Buyer is (now) “presumed to be on notice to inquire of the Seller (not a licensee) concerning the content of the disclosure.” Real estate brokerage firms and licensees have no duty or obligation pertaining to the PCDS or the Seller’s failure to disclose. The licensees’ obligation to deliver the PCDS has been **Repealed**.

- ❖ The new statute states, “No person or entity shall be deemed the agent of the Seller or the Buyer for purposes of the disclosure requirements” (though for all other purposes, the brokerage/licensee remains the agent of their client(s), with the attendant fiduciary duties). Prior to the implementation of the new legislation, a brokerage firm/licensee was considered the fiduciary agent of their client for PCDS-related matters. The obligation of licensees to inform their Seller or Buyer of property conditions of which the licensee has personal knowledge that might impact the buyer’s decision to purchase has been **removed** from the statute and is not found in any other provision of the Real Estate Broker’s Act.

- ❖ The MREC’s authority to enforce the provisions of the PCDS has been **Repealed**. The MREC will no longer promulgate any rule or regulation nor make any administrative or other interpretation of the statute where a licensee may be held responsible or subject to any disciplinary action relating to the provisions of the PCDS statute or any PCDS-related information which is required to be disclosed or delivered by the Seller (not the licensee).

- ❖ The MREC designed the Informational Page (form) and the Statement of Exclusion (form) to facilitate consistency throughout the state for usage of the PCDS. These forms reflected certain MREC interpretations of the PCDS statutes and included best practices which are no longer within the jurisdiction of the MREC. Consequently, these forms will no longer be provided by the MREC. However, the statutory exclusions are contained in the 2023 revisions to the PCDS.

Licensing Data as of 04/13/2023

<u>Active Licensees</u>	<u>Residents</u>	<u>Non-Resident</u>	<u>Total</u>
Broker	2,524	931	3,455
Salesperson	5,340	978	6,318
Companies	1,607	398	2,005
Branch Offices	122	16	138
<u>Inactive Licensees</u>			
Brokers			454
Salesperson			1,372
Companies			91
Branch Offices			5