



TREC ADVERTISING REQUIREMENTS



New Advertising Rules

New Rules Adopted November 2017 –Effective May 15, 2018

The rule was split into two rules to separate out name and registration of name requirements from advertising requirements.

§535.154. Registration and Use of Alternate, Team and Assumed Business Names Used in Advertisements.

§535.155. Advertisements



§535.154. Registration and Use of Names

Alternate name, Associated Broker, Assumed Business Name and Team Name are defined.

All must be registered with TREC *BEFORE* the name can be used in advertising.

The Broker registers the assumed business names and team names. The individual license holder registers any alternate name.



§535.154. Registration and Use of Names

Team name is not an assumed business name of the broker

Team name must end with the word “team” or “group”

Team name cannot contain terms that imply that the team is offering brokerage services independent of the broker, even if it ends with the word “team” or “group”



§535.155. Advertisements

Each advertisement must include the following in a readily noticeable location in the advertisement:

- (1) the name of the license holder or team placing the advertisement; and
- (2) the broker's name in at least half the size of the largest contact information for any sales agent, associated broker, or team name contained in the advertisement.

Social media exception changed to be more flexible

Subsection (d) sets out 20 instances of advertisements that mislead or are likely to deceive the public, tend to create a misleading impression, or imply that a sales agent is responsible for the operation of the broker's real estate brokerage business in violation of TRELA 1101.652(b)(23).



§535.155 (d) Highlights

An advertisement violates TREL A 1101.652(b)(23) if it is an ad:

(4) that uses a title, such as owner, president, CEO, COO, or other similar title, email or website address that implies a sales agent is responsible for the operation of a brokerage;

(5) that contains a team name with terms that imply the team is offering brokerage services independent from its sponsoring broker, including, but not limited to, ~~“realty”~~, “brokerage”, “company”, and “associates”;



§535.155 (d) Highlights

An advertisement violates TRELA 1101.652(b)(23) if it is an ad:

(7) that contains the name of a sales agent whose name is, in whole or in part, used in a broker's name and that implies that the sales agent is responsible for the operation of the brokerage;

(11) about the value of a property, unless it is based on an appraisal that is disclosed and readily available upon request by a party or it is given in compliance with § 535.17;



§535.17 Estimated Worth or Sales Price

535.17 Broker Price Opinion, Comparative Market Analysis or Sales Price Estimate – Effective December 6, 2017

Now includes estimated worth or sales price in the types of price statements that require a broker to provide a written statement to consumers.

The required written statement was shortened to read:

“This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice.”



Brokerage Scenario

Broker: Death Star Properties, LLC

(owned by agent Darth Vader who is the CEO)

Designated Broker: Emperor Palpatine

Sales Agent: Darth Vader

Assumed Business Name (DBA) registered with TREC:

- Dark Side Realty

Team name registered with TREC

- Vader Supreme Team



Is the Ad Compliant?

For Sale
Newly Acquired
Planets

Call Darth Vader

666-666-6666

Death Star Properties, LLC

Yes, this ad is compliant

It includes the sales agent's name and the brokerage name in at least ½ the size of the largest contact information.



Is the Ad Compliant?

For Sale

Newly Acquired Planets

Call Darth Vader

666-666-6666

Vader Supreme Team

Death Star Properties, LLC

Dark Side Realty

No, this ad is not compliant

Team names in ads must always also include the broker's name or another assumed name of the broker.

The use of the agent's name in a team name does not imply that the agent is the person responsible for the operation of the brokerage because the brokerage name is included separately and does not contain the agent's name.



Is the Ad Compliant?

For Sale

**Newly Acquired
Planets**

Call Darth Vader, CEO

666-666-6666

Dark Side Realty

No, this ad is not compliant

Although it contains the sales agent's name and a registered assumed name of the broker in the proper size, the use of the word "CEO" next to the agent's name, even though it is a true statement, implies that the agent is the person responsible for the operation of the brokerage and is inherently misleading.



Is the Ad Compliant?

For Sale
Newly Acquired Planets
Call Darth Vader
666-666-6666
Vader & Company

No, this ad is not compliant

Although the ad contains the broker's assumed name in at least ½ the size of the largest contact information:

- the team name does not end with the word "group" or "team" and is not compliant with the rule; and
- the use of the word "company" with the sales agent's name in the team name implies that the agent is offering brokerage services independent from its sponsoring broker and is not allowed under the rule.

He could register another team name such as The Vader Team and then the ad would be compliant.



Is the Ad Compliant?

For Sale
Newly Acquired
Planets

Call Darth Vader

666-666-6666

Vader & Associates Group

No, this ad is not compliant

Although the team name ends with the word “group” and the ad contains the broker’s assumed name in at least ½ the size of the largest contact information, the use of the word “associates” with the sales agent’s name in the team name implies that the agent is offering brokerage services independent from its sponsoring broker and is not allowed under the rule.

He could register another team name such as The Vader Group and then the ad would be compliant.



Another Scenario

Broker: With You Be Homes, Inc.

Nat'l logo:



Designated Broker: Yoda

Sales Agent: Luke Skywalker

Registered DBAs:

- Skywalker Light Saber Homes
- With You Be Homes

Registered Team name

- The Sales Force Group
- Registered Alternate Name: Lefty Skywalker



Is the Ad Compliant?

**Let Our Force
Be With You**
Call Luke Skywalker
111-111-1111
With You Be Homes

Yes, this ad is compliant

It contains the sales agent's name and the brokerage name in at least ½ the size of the largest contact info



Is the Ad Compliant?

**Let Our Force
Be With You**

Call Luke Skywalker

Sales Agent

111-111-1111

Skywalker Light Saber Homes

With You Be Homes

No, this ad is not compliant

Although it contains the sales agent's name and a registered assumed name of the broker, the use of part of the agent's name in the assumed name implies that the agent is the person responsible for the operation of the brokerage.

There are at least two choices to fix this:

- include a different registered broker's assumed name; or
- use the designation "Sales Agent" next to his name.



Is the Ad Compliant?

**Let Our Force
Be With You**

Call Luke Skywalker,
REALTOR®

111-111-1111

The Sales Force Group

With You Be Homes

No, this ad is not compliant

Although it contains the sales agent's name and a registered team name that ends in the word "group", it must also include the name or registered assumed name of the broker in at least ½ the size of the largest contact information.



Is the Ad Compliant?

**Let Our Force
Be With You**

Call Luke Skywalker,

Sales Agent

111-111-1111



With You Be Homes

No, this ad is not compliant

Although it contains the sales agent's name and the broker's logo, it does not contain the broker's name or assumed name.

A logo is not acceptable as a substitution for the broker's name. It must also include the broker's name in at least ½ the size of the largest contact information.



Is the AD Compliant?

**Let Our Force
Be With You**

Call Lefty Skywalker

111-111-1111

The Sales Force Group

With You Be Homes

Yes, this ad is compliant

It contains a registered alternate name of the sales agent, a registered team name and a registered assumed name of the broker in at least ½ the size of the largest contact information.



Is the Ad Compliant?

**Let Our Force
Be With You**

\$\$What's my home worth?\$\$

Enter address here to find out

**Call Luke Skywalker to sell
your home**

111-111-1111

With You Be Homes

This ad may be compliant

Although it contains the sales agent's name and the brokerage name in at least $\frac{1}{2}$ the size of the largest contact, if the ad provides a tool to estimate a property's worth or sales price, when the consumer clicks on the ad and an estimate is given, the disclaimer required by 535.17 must be included. (Example next slide)



Is the Ad Compliant?

**Let Our Force
Be With You**

\$\$What's my home worth?\$\$

Enter address here to find out

Luke Skywalker will sell your home

111-111-1111

With You Be Homes

**Let Our Force
Be With You**

\$\$What's my home worth?\$\$

For 123 Endor Place it's \$200,000

"This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice."

**Call Luke Skywalker
to sell your home**

111-111-1111

With You Be Homes