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January 31, 2020

Caitlin Maxwell
Director, Tennessee Real Estate Commission
500 James Robertson Parkway
Nashville, TN 37243

Director Maxwell:

This letter is to serve as a formal request for an opinion from the Tennessee Real Estate Commission concerning whether lenders offering gift card rebates to consumers violates Tenn. Code Ann. §62-13-302.

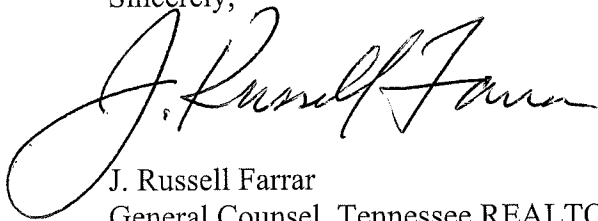
If a lender offers a consumer a gift card for up to \$6,500.00 if the consumer uses a licensee in the lender's network of real estate licensees and the money for the gift card comes from said licensee, is there a violation of Tenn. Code Ann. §62-13-302(b), which states, "A real estate licensee shall not give or pay cash rebates, cash gifts or cash prizes in conjunction with any real estate transaction."?

If a lender advertises to a consumer a gift card for up to \$6,500.00 if the consumer uses a licensee in the lender's network of real estate licensees and the licensee pays \$6,500.00 from their commission to the lender so the lender can purchase the gift card, is there a violation of Tenn. Code Ann. §62-13-302(a), which states, "It is unlawful for any licensed broker to employ or compensate any person who is not a licensed broker or a licensed affiliate broker for performing any of the acts regulated by this chapter."? Is the lender soliciting real estate business, an act regulated by the Real Estate Broker License Act of 1973, and, therefore cannot receive payment from the licensee?

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Thank you for your attention to these inquiries. I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "J. Russell Farrar". The signature is written in black ink and is positioned above the printed name and title.

J. Russell Farrar
General Counsel, Tennessee REALTORS®

cc: Anna Matlock, Counsel, Tennessee Real Estate Commission
Chairman John Griess
Commissioner Marcia Franks
Commissioner Jon Moffett
Commissioner Geoff Diaz
Commissioner Joe Begley
Commissioner Bobby Wood
Commissioner Stacie Torbett