

## FAQ - Doing Business on the Internet

**Q.** - As a consumer, what should I know about doing real estate business on the Internet?

**A.** - Consumers should confirm that any business conducting licensed activities is actually [licensed](#) by the state(s) in which such activity is conducted.

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**Q.** - I want to advertise or do real estate business on the Internet. What should I know about California law?

**A. - California Businesses:** You should be aware of what constitutes licensed activity (See Business and Professions (B&P) Code Sections 10130 et seq.) and what may require DRE advance fee agreement approval (See B&P Code Section 10085 et seq.). Unlicensed activities can result in administrative and criminal penalties.

Licensees who advertise on the Internet are required by law (B&P Sections 10235.5 and 10140.6) to indicate their license status. See also Commissioner's Regulation 2770.

False or misleading advertising can result in administrative, civil and/or criminal penalties.

**Non-California Businesses:** These guidelines have been prepared by the California Department of Real Estate to assist real estate brokers and businesses that are not licensed in California who are considering advertising real estate services on the Internet. See also Commissioner's Regulation 2770.

If you are not properly licensed in California, you may not solicit California residents. To do so would be considered conducting activity for which a real estate license is required. Because the Internet can be read by anyone in any location, advertising your services on the Internet would be considered soliciting a California resident when read by a resident of this state.

If you conduct activity which requires a California real estate license, but you are not a California licensee, you could be subject to administrative sanction such as a Desist and Refrain Order.

Section 10131 of the California Business & Professions Code sets forth a general description of acts which require a real estate license:

- Sells or offers to sell, buys or offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or exchange of real property or a business opportunity.
- Leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase or exchanges of leases on real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from a business opportunity.

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- Assists or offers to assist in filing an application for the purchase or lease of, or in locating or entering upon, lands owned by the state or federal government.
- Solicits borrowers or lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.
- Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange a real property sales contract, or a promissory note secured directly or collaterally by a lien on real property or on a business opportunity, and performs services for the holders thereof.

If you are now conducting, or plan to conduct, the above activity in California, you need to apply for a real estate broker license. To obtain information on becoming licensed in California, see [Examinees/New License Applicants](#).

If you don't plan to become licensed in California, you should make sure your Internet advertising contains a disclaimer such as the following:

"Notice: This offer is valid only in State 1, State 2..."

List the states wherein you are licensed or authorized to do business.

If you are licensed in numerous states, you may want the disclaimer to read:

"Notice: This offer is not valid in State 1, State 2..."

List states in which you are not licensed or authorized to do business.