



Failure to Promote the Best Interests of the Client

This case study highlights the importance of providing reasonable assistance to your buyer in satisfying their contract obligations. The damage done illustrates why it is important to communicate to your buyer their contractual obligations so that they perform, and ensure performance actually occurred.

The Situation

Rebecca Homestead was issued a real estate salesperson license in 2012 and was affiliated with Brighttown Real Estate LLC, a brokerage firm.

On May 5th, 2022, Homestead represented a buyer who entered into a contract for the purchase of a property. The terms of the contract stated the earnest money deposit would be due by the 5th day after ratification.

The Investigation

Buyer ratified a contract on May 5, 2022, with the EMD to be deposited on the 5th day after ratification. The EMD was for a total of \$5,000. During the investigation, Homestead asserted that she informed her client multiple times, by telephone and email, they needed to deposit the EMD by the agreed upon date.

Homestead told investigators that she had also communicated with the title company that was contracted to hold the EMD. Homestead also asserted that she sent her client a UPS label that was addressed to the title company for the purpose of mailing the check.

The buyer, however, was feeling reluctant to perform as part of the contract. The buyer then made an ACH transaction to send the funds to the title company on the 5th day. However, a day later, the client reversed the ACH and the funds never posted.

Through all of this, Homestead was given the opportunity to show that she had told her client about the repercussions of not submitting the EMD, of providing any evidence of communication with the client reminding them to submit the EMD, and whether she had contacted the title company to ensure that the EMD deposit had actually been deposited. However, no evidence was provided other than verifying a pending deposit which was never completed, along with no follow up.

The Result

The Board found Homestead had violated 54.1-2132 and fined her \$1,000.