

## 2016 Calendar

### GREC Brokerage Course & Trust Accounts Class Dates:

April 27-28, 2016  
Central Georgia BOR  
[www.centralgarealtors.com](http://www.centralgarealtors.com)

August 3-4 2016  
Rabun County BOR  
[www.rcbor.org](http://www.rcbor.org)

### Common Violations Class Dates:

April 21, 2016  
Columbus BOR  
706-323-1701

May 19, 2016  
Warner Robbins, GA  
478-922-0099

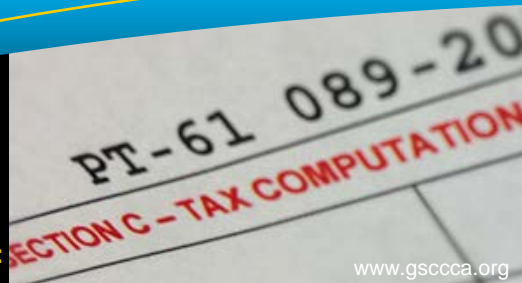
June 7, 2016  
GAMLS  
Tucker, GA  
770-493-9000

[Link to the Georgia Real Estate License Laws, Rules, and Regulations](#)

[Link to GREC Disciplinary Sanctions View Current Suspensions and Revocations](#)

Georgia Real Estate Infobase

[Click Here](#)



### This Issue:

What is the PT-61 Index	P.1-2
Georgia Resources	P. 3
Focus on Terminology	P. 2
The Appraisers Page	P. 3-5

## What is the PT-61 Index?

“The PT-61 Index contains sales and tax data based on the official source of property transfer tax data in Georgia. Before a deed can be recorded in the office of the Clerk of the Superior Court, a PT61 form must be completed, and the real estate transfer tax paid.”

This information is typically available within days of the actual transaction.

As a real estate professional, information regarding recent sales, liens, access to plats and deeds is important. In fact, access from a mobile app or device is now commonplace and often an expected service. Although various residential listing services provide comparable sales information, commercial real estate practitioners do not always subscribe to residential listing services and may not have access to a good data source for recent sales of commercial or residential properties.

“The Georgia Superior Court Clerks' Cooperative Authority (GSCCCA) was created by an act of the Georgia General Assembly in 1993.” [GSCCCA.org](http://www.gsccca.org) provides a much needed service useful to real estate professionals, investors, homeowners and appraisers. Most of the real estate data goes back to at least 1990, but many counties have more extensive records, such as Gwinnett County that goes back to 1872.

Limited searches can be performed under a free (Limited Use) Account, but images and documents cannot be viewed with it. To access more detailed information and be able to use more search functions, GSCCCA has fee accounts from a Single Use account for \$5 for 4 hours up to unlimited use for \$24.95 per month for a Premium Account. (Go to <http://account.gsccca.org/ChooseAccountType.asp> for more information.)

Although you can search names and documents by specific document number without paying for a Premium account, most licensees need the flexibility to identify properties by address or by selecting an area on a map. The Map search of the PT-61 search feature allows the user to enter an address and view sales information on a Google Map®. This is very helpful for identifying the most recent comparable sales.

“The Clerks' Authority Map Search app is the ONLY mobile app that provides real time sales data based on the official source of property transfer tax data in Georgia.”

<https://www.gsccca.org/learn/search-systems/pt-61-index>.

The Georgia Superior Court Clerk's Cooperative Authority at [www.gsccca.org](http://www.gsccca.org) provides a Mobile [Map Search](#) – Unlock the power of your iOS and Android devices to map the most up-to date and accurate Real Estate sales data in the state of Georgia. Click [here](#) to watch the [Map Search Mobile video](#)

**GSCCCA**

Copyright © 1995 - 2016  
Georgia Superior Court Clerks' Cooperative Authority

## GREC Online CE Courses

Also approved for  
Instructor CE

## SUBMIT

Comments  
&  
Suggestions

To sign up to  
receive the GREC  
RENewsletter  
[Click Here](#)

[Link to the  
Georgia Real  
Estate  
License Laws,  
Rules, and  
Regulations](#)

**Georgia Real Estate  
Commission**  
Suite 1000  
International Tower  
229 Peachtree Street NE  
Atlanta, GA 30303-1605  
Phone 404-656-3916

## PT-61 Index Continued from page 1...

As an example, a user of the Premium Search account can look at a map area near a street address; visually see what/how many properties have sold in the selected timeframe; click on the individual property links and gain the following information in just minutes:

1. Buyer/Seller Names and addresses
2. Date of Sale
3. Actual Value of Consideration paid (in most cases)
4. Transfer Tax paid
5. Deed Book and Page for the transaction
6. View and print the deed including the property description on the deed.
7. You can even create your own report and save it for later so it is accessible online from a mobile device.

Clearly, the Premium GSCCCA account allows more flexibility in the search functions, access to digital images, including specific real estate instrument/document searches, and includes a user-friendly mobile app for instant access in the field.

The State of Georgia Superior Court Clerks' Cooperative Authority is at the forefront of providing timely real estate data accessible to professionals and consumers alike, allowing for more informed decision-making in real estate transactions.

### Georgia Legislative Resources

Georgia General Assembly: <http://www.legis.ga.gov/en-US/default.aspx>

- Georgia Code
- State Agencies

Find Your Legislator: <http://openstates.org/ga/legislators/>

- Senate and House are all listed and can be searched by name or sorted alphabetically or by District.

Georgia Real Estate License Law [Title 43 Chapter 40](#)

Georgia Real Estate Rules and Regulations

<http://www.grec.state.ga.us/about/relaw.html>



### *Focus on Terminology: "Transfer Tax"*

"The real estate transfer tax is based upon the property's sale price at the rate of \$1 for the first \$1,000 or fractional part of \$1,000 and at the rate of 10 cents for each additional \$100 or fractional part of \$100. The tax must be paid by the person who executes the deed, instrument, or other writing or the person for whose use or benefit the deed, instrument, or other writing is executed." Georgia Department of Revenue <https://dor.georgia.gov/real-estate-transfer-tax> "The amount of tax to be paid on a deed, instrument, or other writing shall be determined on the basis of written disclosure of the consideration or value of the interest in the property granted, assigned, transferred, or otherwise conveyed." <http://www.legis.ga.gov/Legislation/20032004/30828.pdf>

Although the seller is primarily responsible for the real estate transfer tax, it is common for the parties in the transaction to negotiate in the sales contract who will actually pay the transfer tax.

[The GREC InfoBase provides a formula for the transfer tax:](#)

(Sales Price – Assumed Debt) times 0.1%

This formula simplifies to: (Sales Price – Assumed Debt) / 1000 = Transfer Tax

For example, consider a property sale at \$200,000 with no loan assumption. What is the transfer tax payment? \$200,000 / 1000 = \$200

Usually a real estate deed does not state the amount of the sale price, but the county stamps the deed with the amount of transfer tax paid when the deed is recorded. So conversely, if the deed shows that \$495 was paid in transfer taxes, the consideration paid was probably \$495,000, given no loan assumptions or other unknown circumstances. (\$495,000/1,000).



# The Appraisers Page

Georgia Real Estate Appraisers Board

April 2016

## Useful Links:

[GREAB Web Site](#)

---

---

[Appraisal Act](#)

---

---

[GREAB Disciplinary Sanctions](#)

---

---

## Fannie Mae FAQs – Part 2

By: D. Scott Murphy, SRA

Many of the questions I receive are related to lender or Fannie Mae requirements, as opposed to overall appraisal rules. Appraisers are required to follow USPAP (Uniform Standards of Professional Appraisal Practice) when completing any appraisal but there are added required guidelines for appraisals done for Fannie Mae loans. Keep in mind as you read these and as other questions regarding Fannie Mae arise, the “rules” you

may often hear about are not requirements but guidelines. It is very rare for an appraiser to complete an appraisal report which does not violate at least one guideline. All that is required is that the appraiser provide adequate support or commentary as to why he deviated from the guideline.

This month I thought I would take some more FAQ’s directly from the most recent Fannie Mae directive, 02/12/2016. I will give you the question, Fannie’s Mae’s answer and then in italics my perspective or some additional information where necessary.

**If the subject property features an unpermitted addition, can the square footage of the unpermitted addition be included in the total gross living area reported on the appraisal report?**

If the appraiser has identified an addition(s) that does not have the required permit, the appraiser must comment on the quality and appearance of the work and assess the impact, if any, on the market value of the subject.

*I do not feel that Fannie Mae adequately answered the question. This issue is becoming more and more common and appraisers and the real estate community are looking for Fannie Mae to take a side. It is very complicated, if not impossible, for the appraiser to determine whether the lack of a permit has an impact in the market value of the given property. The appraiser can make a comment about the quality and appearance of the work but appraisers are not home inspectors and cannot determine if the work has been done to code. Municipalities have a permitting process to insure that improvements are completed to certain standards. Most of the critical elements of a renovation are hidden behind the walls (plumbing and electrical).*

**Are there limitations or guidelines regarding adjustments to comparables?**

No. There are no specific limitations or guidelines associated with net and gross adjustments for comparables. The number and/or amount of the adjustments must not be the sole determinant in the acceptability of the comparable. While in theory it remains true that the best and most appropriate comparable would require no adjustments, it would be rare to find two properties and their transaction details that are identical. Fannie Mae does require that adjustments to the comparables be based on the market reaction to the differences noted between the subject and the comparable. For example, it is not acceptable to use a rule-of-thumb \$20 per square foot adjustment for the gross living area when the market analysis indicates that an adjustment of \$100 per square foot should be used. The expectation is that appraisers analyze the market for competitive properties and provide adjustments that reflect the market reaction without any consideration to limits regarding the size of the adjustment. This may be especially important in small towns and rural areas where there may be a relatively low sales volume and a wide variety of property types, and large market-based adjustments may be required.



# The Appraisers Page

Georgia Real Estate Appraisers Board

April 2016

## Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

## Fannie Mae FAQs

**Bv: D. Scott Murphy, SRA**

### **Is it acceptable for an appraiser to use sales that are not truly comparable to the subject?**

Yes. If there is a shortage of truly comparable sales in the area where the subject property is located, either due to the nature of the property improvements or the relatively low number of sales transactions in the neighborhood, the appraiser might need to use as comparable sales, properties that are not truly comparable to the subject property. In some situations, sales of properties that are not truly comparable to the subject may simply be the best available and the most appropriate for the appraiser's analysis. The use of these sales is acceptable provided the appraiser adequately documents the analysis and explains why these sales were used. This may often be the case in rural locations where the best and most appropriate sales may not be truly comparable to the subject being appraised.

### **Can the appraiser use comparable sales that closed over twelve months ago?**

Yes. The best and most appropriate sales may not always be the most recent. A sale more than 12 months old may be more appropriate in situations when market conditions have impacted the availability of recent sales as long as the appraiser reflects the changing market conditions. Additionally, older comparable sales that are the best indicator of value for the subject property can be used if they are appropriate. For example, if the subject property is located in a rural area that has minimal sales activity, the appraiser may not be able to locate three truly comparable sales that sold within the last twelve months. In this

case, the appraiser may use older comparable sales as long as he or she explains why they are being used.

### **Are there any limitations to the distance that a comparable sale may be located from the subject?**

No. Comparable sales located a considerable distance from the subject property can be used if they represent the best indicator of value for the subject property. In such cases, the appraiser must use his or her knowledge of the area and apply good judgment in selecting the comparable sales that are the best indicators of value, and the appraisal must include an explanation of why the particular comparables were selected. This may be especially important for appraising rural housing since rural properties often have large lot sizes, and rural locations can be relatively undeveloped.

*There is a Guideline that the appraiser should chose comparables which are within 1 mile of the subject property but it is not required and quite often not possible. The general idea is that the appraiser should not go any further than is necessary to find reasonable comparables. This get complicated if the property is near a county line or a school district line. It is better, any appraiser and Fannie Mae will agree, to stay within the same market area and go a little further for the comparable than to settle for a sale which is closer and in a different market area.*

### **Will Fannie Mae lend on a property where the utilities were not turned on at the time of the appraisal inspection?**

Yes. Fannie Mae does not require that the utilities that serve the property be turned on at the time of the inspection. *This question is a very good example of how a lender can add requirements on top of the standard Fannie Mae requires – so long as those requirements do not contradict Fannie Mae guidelines. In other words, Fannie Mae does not require the utilities to be on but every lender we work with does.*

I welcome your comments and feedback. Please send me ideas for future articles.

[Dsmurphy@dsmurphy.com](mailto:Dsmurphy@dsmurphy.com) 678-636-4813