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Legal Tip: Law Issues for Teams

States across the country, including Pennsylvania, have struggled with the creation of teams within an existing brokerage firm. The primary concern is that promotion of a team may suggest to the consumer that the team is a separate brokerage firm when in fact the team and its members are licensed under the supervision of a designated broker principle. State real estate commissions have worked through the issue in a variety of ways to allow licensees to work as a team while preserving the integrity of the real estate licensing regulations. These regulations are designed to protect the consumer.

While some states have adopted team specific rules or statues, Pennsylvania is among the majority of states who allow teams by requiring them to comply with existing real estate laws. The focus of Pennsylvania [Team Advertising Guidelines](#) is to provide transparency to the consumer by requiring all marketing and promotion to include the broker name and phone number (just as a single licensee must) and that the team name be the name of an individual licensee on the team. This last requirement helps to avoid confusion by the consumer that the team is a separate brokerage entity.

In this [NAR Window to the Law video](#), NAR Associate Counsel, Chloe Hecht and NAR Senior Counsel Finley Maxson review some of the legal issues licensees and their state regulatory bodies face. In the video, Ms. Hecht and Mr. Maxson also discuss the use of the REALTOR name and trademarks in a team name. This is prohibited. Individuals and the REALTOR® firms that employ them may use the NAR registered trademarks as described in the [membership marks manual](#). Teams are not a licensed entity, and the team is not a member of NAR, therefore use of the REALTOR® name or its marks is prohibited by a team.

Working as a team may have its benefits for the team members. State real estate commissions, including Pennsylvania, work hard to allow licensees to have a team as long as there is full transparency to the consumer.

This Legal Tip is provided by [SWRA Staff Paula Tansey](#)