

RECORDS – TRANSFER OF FILE BETWEEN INDUSTRY MEMBERS

Purpose: This bulletin explains the responsibility for real estate, property managers and mortgage broker professionals to meet their responsibilities in the transfer of documents when there is a change in service providers.

This bulletin applies to real estate, property manager and mortgage broker professionals.

A change of service provider from one brokerage to another may occur when:

- a brokerage closes
- a client is dissatisfied with the current brokerage
- a contract expires and the client moves to another brokerage
- other reasons

The industry professional must ensure the transition occurs smoothly and with the least possible inconvenience to the client.

When disputes arise between industry professionals and their clients, industry professionals must cooperate and assist in the transition and transfer of documents to the new service provider. The electronic transfer, receipt and maintenance of documents is acceptable. There may be documents that must be in their original format.

When there is a change in property managers, cooperation includes the timely exchange of:

- trust account documentation
- tenant information
- financial records for each property
- tenant deposit information
- respond to information requests from the new property manager

Examples

- After a written request from the owner, the real estate professional refused to transfer the property documents until the brokerage settled outstanding matters with the owner. This activity is conduct deserving of sanction.

- An owner client terminates the services of a property manager. The client has requested the property manager transfer the client's records to a new property management brokerage. The property manager refuses, stating the client owes him money. The property manager must not put his interest above the client. The property management professional must transfer the client files to the new property manager and may use a debt action to obtain monies owing.

Related information

- *Real Estate Act Rules* - sections 42(g) and 57(d)