

Vaughn T. Poe, Executive Director
Teresa Hoffman, Assistant Executive Director

TABLE FUNDING

To: Whom it may concern
From: The Alabama Real Estate Commission Legal Division
Date: November 27, 2023
Re: Question regarding table funding

This correspondence is to inform you that it is a violation of real estate License law for a real estate agent who is a salesperson or associate broker to accept a commission or other valuable consideration for performing any act for which a license is required from any person except his or her qualifying broker. It is the Legal Division's understanding that some licensees have created various document strategies, sometimes referred to as "pay at close" or "table funding", to avoid complying with current license law. One example is where a Broker submits a pre-closing document to an attorney that instructs the attorney to write two checks. One check would go to the Broker and the other check goes directly to the agent. Because these strategies are occurring and have been reported to us, the Alabama Real Estate Commission will be enforcing the law as written. The purpose of this law is to protect the public and the Broker from agents who would be able to go to close without telling the broker and who could possibly walk away with a higher commission split than they were entitled to. A real estate agent, broker, and/or company could be charged with real estate violations if they participate in these transactions. See Ala. Code sections 34-27-2(a)(12), 34-27-34(a), 34-27-36(14) and Ala. Admin. Code section 790-X-3-.15. If you have further questions or concerns do not hesitate to reach out.

Respectfully,

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