



South Carolina
Department of Labor, Licensing and Regulation



Real Estate Commission

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Use of Artificial Intelligence in Real Estate Practice

The Commission is aware that the use of artificial intelligence (“AI”) is increasing in the daily and professional lives of all people, including real estate licensees. This guidance document serves as a reminder to real estate licensees of their statutory duties and responsibilities that exist if they use AI as part of their real estate practice.

S.C. Code §40-57-820 states:

A licensee under this chapter is responsible for any and all work product produced by him or with the assistance of artificial intelligence, machine learning, or similar programs. A violation of this chapter that is committed through the use of these programs will be treated as if the violation was committed directly by the licensee.

This statute makes it clear that if AI is used for something involved in real estate practice that results in a violation of the Real Estate Practice Act, the licensee responsible for the action must still be held responsible as if they committed the act directly. For example, if an AI program is used to write an advertisement for a property being offered for sale and that AI written advertisement misrepresents a material fact regarding the property, then the licensee that created the advertisement with the AI program and then distributed the advertisement may be disciplined the same as if the licensee wrote the advertisement themselves.

In addition to being held responsible for all work product produced with the assistance of AI, licensees should also be mindful of several other concerns of using AI. These include, but are not limited to:

1) Privacy Issues for Your Customer/Client

One of the key considerations to AI use is maintaining the privacy and security of your customer or client’s personal information and data. Specifically, information loaded into AI programs is typically retained by the AI program to assist with further learning within the AI environment, to produce improved, more accurate response in the future. So, if you enter or provide personal information and data for your customer or client to the AI program, that data may be retained by the AI program. Examples of such data that would be problematic for the AI program to receive or retain are the name, date of birth, social security number, address, phone number, e-mail address, income estimates, or other types of personally identifying information

(“PII”). Because use of an AI program can be achieved without providing PII to the AI program, the Commission strongly recommends licensees not provide any customer or client PII to any AI program. If a licensee elects to use an AI program to produce work product that would normally contain customer PII, the Commission recommends that licensees use example (fake) PII and, after the AI drafting is completed add the correct (real) PII into the document outside of the AI program.

Similarly, if photos are loaded into an AI program for any reason, for example to assist with providing descriptions of a home or other property for sale, personal data contained in those photos may be retained by the AI program. Examples of this data may be the location where the photo was taken (GPS coordinates or the address of the property), dimensions of a room or other space captured in the photo, contents of a room captured in the photo, etc. Removal of metadata from the photo may limit the amount of personal data that may be extracted from the photo by the AI program, but due to the images still being available to the AI program there are still privacy concerns that cannot be fully protected against.

It is strongly recommended that any licensee using AI to create any work product for a customer or client obtain written permission from the customer or client prior to such AI use. S.C. Code §§40-57-350(C)(1)(f), -350(E)(1)(f), -350(I)(1)(b), -350(L)(2)(f), -350(L)(4)(f), and 40-57-710(A)(5). Such permission can be obtained via a standard clause in your representation agreement or can be obtained via a separate agreement that specifically authorizes the use of AI to assist the customer or client with the services provided to them by the licensee.

2) Privacy Issues for Your Real Estate Brokerage

Similar to customer or client PII or privacy issues, there are also privacy issues for your real estate brokerage in using AI. Specifically, as mentioned above, because AI programs typically retain any information provided to them or documents uploaded to them for analysis or drafting, if such information or documents contain any private or proprietary information about your brokerage, how your brokerage works, how your contracts are structured, etc., that information would no longer be private after being provided to an AI program. For this reason, licensees are encouraged to ensure they do not provide any private or proprietary business information to any AI program.

3) Ensuring Compliance with South Carolina Law

Finally, AI programs, while useful at times and growing in accuracy and efficiency, are not perfect. AI cannot always tell the difference between something that is real versus something that is not real. Some AI programs may even generate “data” or “information” that is not based in fact. For example, a Utah attorney was recently disciplined for using an AI program to write a court document.¹ In that case, the AI program included several false citations of cases, including citations and quotations to a “case” fabricated by the AI program. Thus, when using AI, it is critical that licensees review all content generated by the AI to ensure it is factually accurate and complies with all legal requirements set out in South Carolina law.

Disclaimer: This guidance document is not intended as legal advice. The Commission is providing this guidance document to educate licensees on this area of the law with

¹ <https://www.theguardian.com/us-news/2025/may/31/utah-lawyer-chatgpt-ai-court-brief>. Last accessed on June 4, 2025 at 4:41 p.m.

practical, everyday examples. This guidance document is only a high-level overview and may not take into consideration all the intricacies that may be present in a real-life event.