



OKLAHOMA REAL ESTATE COMMISSION COMMENT

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Emergency Rules Adopted by Commission With a Proposed Effective Date of August 1, 2001

The Commission on June 18, 2001 adopted emergency rules to implement legislation that has an effective date of August 1, 2001. Also at the meeting, the Commission took action to address the financial situation facing the Commission due to the consistent loss of licensees, as well as increased operating expenses. The Commission is proposing an increase in license and examination fees to be effective August 1, 2001. The emergency rules have been submitted to the Governor for approval and notice was also sent to the Legislature. Following is additional information to support the Commission's proposal:

In 1980 the Commission had a license base of 37,000 and employee support of 30. In 1988 the Commission had a license base of 27,000 and employee support of 20. Today we have 21,000 licensees and experience a constant 9% lapse rate which is not recovered.

We currently have employee support of 18 and we are operating at 69% of our allocated employee positions as authorized by the legislature. To continue the services we provide, we can **not** lose another staff person. Further, since we are a state agency we are required to comply with all state budgetary and personnel requirements without receiving additional funding.

Since 1980 the Commission has experienced a loss of 16,000 licensees—and fees have **not** significantly increased (a \$5.00 a year increase occurred in 1988.)

Legislation has mandated (The Office of State Finance) all state agencies prepare a "Strategic Five-year Plan," which includes long range goals. The Commission staff has done an excellent job at arriving at long range goals for the agency and the industry; however, at the present time, funds do not exist to implement any of those goals.

The Commission is forced to stay abreast of technology: computer equipment hardware, software, online interaction with web sites, etc. Our customers expect effective and efficient means in which to service their needs and **this costs money—money we do not have.**

Over the past ten years, due to industry concerns regarding public protection issues, the Commission has **implemented major** legislation regarding disclosure mandates and has monitored compliance—all without the receipt of additional funds.

In **1997**, the Commission had a **working capital of \$580,000.** Today our working capital is \$262,000.00. This past year expenditures exceeded income by \$237,000. By continuing down this path we will have **exhausted our operating funds by April, 2002**—the law requires that the Commission meet payroll at the beginning of the month **or** all employees go on "leave without pay" status. The Commission has implemented all cost saving measures feasible, with the exception of eliminating valid services.

The Commission receives no appropriations and is required to pay 10% of all license fees received to the **State's General Fund.**

Expenditures have exceeded income consistently since 1997—however, since license and examination fees were set by Statute we could not approach the legislature without some consistent deficit trend. Instead of asking the legislature to increase fees, we asked the legislature to allow the Commission to adjust fees, as needed, by promulgation of Rules. Due to this change in legislation the Commission will now be able to effectively react to issues affecting the Commission.

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**The Oklahoma Real Estate
Commission Comment**

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Address all communications to the
Commission Office

"Use your zip code and ours
when you write to us"

**Beware of E-commerce
Solicitation.**

As a broker, you are prohibited from splitting a commission with an unlicensed person. You should insure that the recipient is properly licensed to participate in a fee or compensation. Commission Law and Rules allows for the payment of compensation between brokerages so long as they are both licensed in their respective jurisdictions.

If such recipient is licensed in another jurisdiction, but is not licensed in Oklahoma as a nonresident, such person would be prohibited from soliciting in Oklahoma and performing any acts in Oklahoma which require a real estate license.

**CHAIRMAN'S
CORNER**



*Martin Van Meter
Chairman*

Well it is hard to believe that it has already been a year; and what an exciting year it has been. We've seen many changes: new legislation; the loss of Commissioner Charles Harris, who will be greatly missed; the appointment and confirmation of Pat Schafer of Bartlesville who will replace Charles; and the reappointment of Commissioner Bud Engstrom who was confirmed to serve another term.

Also the retirement of the Executive Director Norris Price, who is now riding his motorcycle and spending time at the lake. Norris will be missed. Anne Woody, who was the Deputy Director for many years, is now the new Executive Director and is doing an excellent job. If you don't know Anne, you'll enjoy meeting her, she's a pleasure.

In the early 80's the real estate community in Oklahoma grew to approximately 37,000. In the late 80's it shrank to 27,000. Since the 80's the number of licensees has continued to decline to the current count of approximately 21,250. The dynamics of the industry is changing with fewer people entering the business, new technology, and increased operating costs. The Commission is charged with governing licensees and protecting the public, and meeting the ever-changing demands of the industry regulatory wise. All of this adds up to a license fee cost increase which has been proposed to the Governor. The Commission plans to publish their annual report in the future so that you can see what is going on.

A big thank you to the Oklahoma Association of Realtors for their support and encouragement in the Real Estate Commission's endeavors this past year. The Commission could not have accomplished it without their support.

I've acquired a high level of respect for the Commission. Everyone should attend a Commission meeting when possible to see what takes place. Attendance counts for 3 hours of continuing education credit and it is definitely a learning experience.

Sincerely,
Martin VanMeter
Chairman

COMMISSION HIRES NEW EXECUTIVE DIRECTOR

The Commissioners on December 6, 2000, hired Anne M. Woody as the Director of the Real Estate Commission effective February 1, 2001. Ms. Woody has been employed with the Commission since 1973 and was originally hired by the first Director of the Commission, Joseph T. Frizzell. Ms. Woody has a thorough understanding of the operations of the Commission and over the years has worked in every department. Prior to becoming Director she had served as Deputy Director for the Commission since 1988; she is a Certified Public Manager graduate of the State of Oklahoma, and she maintains an inactive broker's license.

Ms. Woody states, "I am excited about my new venture. I enjoy the public sector and look forward to future challenges. Trying to stay up with new technology is about as easy as trying to figure out what real estate scam is forthcoming.

My goal is to have Oklahoma real estate licensees at the top of the chart as far as professionalism goes. I intend to increase the consumer's knowledge regarding the requirements of the License Code and Rules; and revamp the continuing education program so licensees will want to take education rather than need to. If you have ideas or suggestions on improvements, please feel free to write or contact me."

Norris Price, Executive Director Retired January 31, 2001



Norris Price, Executive Director of the Oklahoma Real Estate Commission, retired from the Commission effective January 31, 2001.

Price had been Director of the Commission since February, 1988. He served under Governors Henry Bellmon, David Walters, and Frank Keating.

Under Price's direction, the Commission received National Awards for Pre-License Education, Instructor Development Education, Industry Newsletter, Licensee Continuing Education, Consumer Education, and Post-License Education.

During Price's tenure, many legislative changes were made that allowed the agency to operate more efficiently in serving the public and the licensees. In the State of Oklahoma, a qualified individual may take the real estate

examination without making an appointment, and upon passing the exam, may be licensed the same day. As a benefit for the licensees, highly professional continuing education programs were provided throughout the state from Guymon to Idabel, from Siloam Springs, Arkansas to Sayre and from Afton to Frederick, at no additional cost to the licensees.

In addition, the new brokerage relationships act, one of the most innovative in the nation, became law on November 1, 2000.

Price had served as Parliamentarian for the National Association of Real Estate License Law Officials (ARELLO) since 1991, serving under 9 presidents. ARELLO is made up of 47 states, the District of Columbia, 8 provinces of Canada, Australia, Bermuda, Hong Kong, the Philippines, and South Africa.

Price said that his main interests upon retirement were involving himself and his boat in the sailing program of the Explorer Sea Scouts, putting some "miles" on his Harley, teaching his grandson the proper way to 'bait a hook', and become more involved in volunteer programs. He will also re-enter the property management field.

Congratulations Norris.

Education Director Retires New Director Installed

Dale Baze, Education Director who had been employed with the Real Estate Commission since 1980, retired on December 31, 2000. Dale experienced many changes during his employment at the Commission, from scheduled examinations to walk-in computer testing. Dale was instrumental in drafting many education syllabi, including the broker education manual and broker examination. During his tenure the Commission received numerous education awards from the Association of Real Estate License Law Officials (ARELLO.) Dale was particularly active in the most recent implementation of the Broker Relationships Act and canvassed the entire state to insure all licensees had adequate training. Dale will be missed—thanks, Dale for a job well done.

Connie Miller of Del City was hired as Education Director on October 1, 2000. Ms. Miller has held a real estate license since 1981 and prior to her employment

operated a Century 21 franchise. She has 11 years of mortgage lending experience and has been an approved real estate instructor since 1992. In the past Ms. Miller has taught for Charles Barnes School of Real Estate in Midwest City, Francis Tuttle Vo-Tech and has instructed courses for the Commission. Congratulations, Ms. Miller.



Connie Miller



HOW TO AVOID COMPLAINTS BEING FILED AGAINST YOU

A large percentage of complaints that are filed with the Commission by the public allege that the licensee failed to keep the complainant informed of the status of the transaction and/or failed to follow through with requests for information. Complaints seem to begin with the complainant becoming frustrated from not knowing what is happening in the transaction. It is typical for a complainant to outline in their complaint minute details such as “I called the licensee on 12-3-00 at 9:00 a.m., again at 1:00 p.m., and again at 5:00 p.m. to try to see if my offer had been presented to the seller. The licensee failed to call me back until 12-3-00 at 8:00 p.m.” Once the complainant begins to get frustrated, it does not take much for them to begin looking for ways to get out of a transaction or look for another licensee who they think would better service their needs.

This article is being written to make you aware of how sensitive and important a home buying or selling event is to the general public. Granted, if you are dealing with an investor who has vast experience in buying and selling, your lack of a quick response to the investor might not be as important since the investor is use to the process. On the other hand, a member of the public not so well versed, is excited, anxious and eagerly awaits any type of response from you regarding their transaction to buy or sell their “home.”

In an effort to better serve the public and help reduce the number of complaints filed, we suggest the following:

1. When dealing with the public you should access their needs—do not try to remember their particulars, write them down and keep them in your file so that you can reference back to them.
2. Follow through with what you said you would do. If you told them you would call to provide them with some information by a certain time and you do not have the information by that time, call and inform them of that fact. Do not make it their business to find you, especially when you indicated you would call them back with the information. This is where the possibility of a complaint begins.

Remember, the public depends on you as their means of communication in a real estate transaction.

3. Encourage the public to perform all relevant inspections. Do not make statements like “it is not necessary to have an inspection” or “the seller has indicated everything is working great.” Let the party select their own inspection company and encourage them to be present during the inspections.

Many complaints indicate that the licensee selected and scheduled an inspection company of the licensee’s choice and thereby allege coercion. You may have a vendor list, however, you should let the consumer select from a list of at least three vendors and retain a copy of that selection in

your file for future reference. Some companies place a disclaimer on the vendor list regarding the quality of the work—that the list in no way warrants or guarantees quality of workmanship.

4. Insure that the public receives all relevant documents as required by the Code and/or Rules, to include additional documentation they have independently requested. Many complaints allege that the public requested certain documents or information from the licensee, that the licensee said it would be no problem to obtain, then the licensee failed to follow through. This is another critical area which can initiate the possibility of a complaint. Your failure to do what you said you would do raises a red flag.

If the request is beyond your knowledge, indicate this to the consumer. Advise them to seek such information or documentation and possibly provide them a resource. Do not tell them you are going to do something and then you fail to follow through.

5. Do not interpret what legal documents say. Advise the party to thoroughly read what they are signing or seek legal counsel for advice. Many consumers allege in their complaints that they viewed the licensee as a professional and that the consumer just took the licensee’s word as to what the document contained and therefore, they did not read the document. Alleviate your liability by not interpreting legal documents—advise the party to take their time and read what they are signing.
6. Last, but surely not least, is the scheduling and coordination of the closing. Insure that you have accomplished everything you needed to do so that closing can take place without a hitch!!!! Inform the party well in advance of the date and time, and if there are any additional documents they should bring with them. Call the closer and verify that all documentation is ready for closing and that it will take place on the date and time so indicated. If you become aware of a problem, contact your party and so advise. If any thing negative occurs at this stage this is the final blow that surely will bring about a complaint.

Points to ponder:

- Complete, effective and direct communication will accomplish wonders.
- Keep in mind that many families are dependent upon you to help them find their dream home.
- Many spend their life savings on their “dream home” and if the transaction goes sour, guess who gets the blame.
- Try not to spread yourself too thin wherein you are unable to service the needs of your party.
- You are the professional and the public is paying you for professional services.

License Code Amended

Effective Dates

August 1, 2001 and November 1, 2001

House Bill No. 1134 was signed into law and will go into effect on August 1, 2001. The specific language changing Title 59 of the Oklahoma Statutes is listed below. Please note language that is being eliminated is stricken through and language being added is underlined. Three asterisks indicate current language exists; however, it remains unchanged.

Effective August 1, 2001

Section 858-102. When used in this Code, unless the context clearly indicates otherwise, the following words and terms shall be construed as having the meanings ascribed to them in this section:

* * *

5. "Provisional sales associate" shall include any person who has been licensed after June 30, 1993, employed or engaged by, or associated as an independent contractor with, or on behalf of, a real estate broker to do or deal in any act, acts or transactions set out in the definition of a real estate broker and subject to an additional ~~forty five (45) clock hour~~ forty-five-clock-hour postlicensing educational requirement to be completed within the first ~~thirty six (36) month~~ twelve-month license term. The license of a provisional sales associate shall be nonrenewable unless the postlicensing requirement is satisfied prior to the expiration date of the license. Further, the term sales associate and provisional sales associate shall be synonymous in meaning except where specific exceptions are addressed in the Oklahoma Real Estate License Code;

* * *

7. The term "renewable license" shall refer to a sales associate who is a holder of such ~~and who has completed the educational requirements and obtained a sales associate license prior to July 1, 1993, or shall refer~~ to a provisional sales associate who has completed both the prelicense and postlicense educational requirements within the required time period as stated in the Code;

8. The term "nonrenewable license" shall refer to a provisional sales associate who is the holder of such license and who has ~~only not~~ completed the prelicense postlicense educational requirement;

* * *

Effective August 1, 2001

Section 858-208. The Oklahoma Real Estate Commission shall have the following powers and duties:

1. To promulgate rules, prescribe administrative fees by rule, and make orders as it may deem necessary or expedient in the performance of its duties. ~~Administrative fees as referred to in this paragraph do not include the fees enumerated in Sections 858-307.1 and 858-602 of this title;~~

* * *

12. To contract with attorneys and other professionals to carry out the functions and purposes of this Code; ~~and~~

13. To apply for injunctions and restraining orders for violations of the Code or the rules of the Commission; ~~and~~

14. To create an Oklahoma Real Estate Contract Form Committee by rule which will be required to draft and revise residential

real estate purchase contracts and any related addenda for voluntary use by real estate licensees.

Effective August 1, 2001

Section 858-307.1 A. The Oklahoma Real Estate Commission shall issue every real estate license for a term of thirty-six (36) months with the exception of a provisional sales associate license whose license term shall be for twelve (12) months. ~~The license term~~ License terms shall not be altered except for the purpose of general reassignment of the terms which might be necessitated for maintaining an equitable staggered license term system. The expiration date of the license shall be the end of the twelfth or thirty-sixth month, whichever is applicable, including the month of issuance. ~~The license fees for a thirty six month term~~ Fees shall be ~~One Hundred Five Dollars (\$105.00) for a real estate broker's or broker associate's license and Seventy Five Dollars (\$75.00) for a real estate sales associate's or a provisional sales associate's license promulgated by rule,~~ payable in advance, and nonrefundable.

B. If a license is issued for a period of less than thirty-six (36) months, the license fee shall be prorated to the nearest dollar and month. If a real estate sales associate or a provisional sales associate shall qualify for a license as a real estate broker, then the real estate provisional sales associate's or sales associate's license fee for the remainder of the license term shall be prorated to the nearest dollar and month and credited to such a person's real estate broker's license fee.

~~C. For each duplicate license, where the original license is lost or destroyed, and an affidavit made thereof, a fee of Five Dollars (\$5.00) shall be charged.~~

~~D. The broker examination fee shall be Fifty Dollars (\$50.00), and the provisional sales associate/sales associate examination fee shall be Forty Dollars (\$40.00).~~

Effective November 1, 2001

Section 858-307.2 A. 1. ~~Prior to July 1, 1996, as a condition of renewal or reactivation of the license, each licensee with the exception of these except as set out in this section shall submit to the Commission evidence of completion of twenty one (21) clock hours or its equivalent as determined by the Commission of continuing education courses approved by the Commission, within the thirty six (36) months immediately preceding the term for which the license is to be issued. Each licensee shall be required to complete and include as part of said twenty one (21) clock hours of continuing education a three clock hour course conducted on required subjects as prescribed by the Commission.~~

2. Beginning July 1, 1996, as a condition of renewal or reactivation of the license, each licensee, with the exception of those exempt as set out in this section, shall submit to the Commission evidence of the completion of ~~twenty one (21) clock hours or its equivalent as determined by the Commission~~ the specified number of clock hours of continuing education courses approved by the Commission, within the thirty-six (36) months immediately preceding the term for which the license is to be issued. The number of hours, or its equivalent, required for each licensed term shall be determined by the Commission and promulgated by rule. Each licensee shall be required to complete and include as part of said ~~twenty one (21) clock hours of continuing education~~ nine (9)

clock hours of courses conducted on a certain number of required subjects as prescribed by the Commission rule.

2. Beginning November 1, 2004, as a condition of renewal or reactivation of the license, each licensee with the exception of those exempt as set out in this section shall submit to the Commission evidence of completion of a specified number of hours of continuing education courses approved by the Commission, within the thirty-six (36) months immediately preceding the term for which the license is to be issued. The number of hours, or its equivalent, required for each licensed term shall be determined by the Commission and promulgated by rule. Each licensee shall be required to complete and include as part of said continuing education a certain number of required subjects as prescribed by rule.

B. The continuing education courses required by this section shall be satisfied by courses approved by the Commission and offered by:

1. The Commission;
2. A technology center school;
3. A college or university;
4. A private school;
5. The Oklahoma Association of Realtors, the National Association of Realtors, or any affiliate thereof;
6. The Oklahoma Bar Association, American Bar Association, or any affiliate thereof; or
7. An education provider.

C. The Commission shall maintain a list of courses which are approved by the Commission.

D. The Commission shall not issue an active renewal license or reactivate a license unless the continuing education requirement set forth in this section is satisfied within the prescribed time period.

E. The provisions of this section do not apply:

1. During the period a license is on inactive status;
2. To a licensee who holds a provisional sales associate license;
3. To a nonresident licensee licensed in this state if the licensee maintains a current license in another state and has satisfied the continuing education requirement for license renewal in that state; or
4. To a corporation, association, partnership or branch office.

Effective August 1, 2001

Section 858-312. The Oklahoma Real Estate Commission may, upon its own motion, and shall, upon written complaint filed by any person, investigate the business transactions of any real estate licensee, and may, upon showing good cause, impose sanctions as provided for in section 858-208 of this title. Cause shall be established upon the showing that any licensee has performed, is performing, has attempted to perform, or is attempting to perform any of the following acts:

* * *

3. Failing to comply with the requirements of Sections ~~858-351~~ through ~~858-363~~ of this ~~act~~ title;

* * *

Effective August 1, 2001

Section 858-602. A. An additional, nonrefundable fee of ~~Fifteen Dollars (\$15.00)~~ as promulgated by rule by the Commission shall be added to and payable with the license fee for both new licenses and renewals of licenses for each licensee as provided in Section 858-307.1 of this title. Such additional fee shall be deposited in the Oklahoma Real Estate Education and Recovery Fund.

* * *

Provisions of HB 1134

Eliminating the fees out of statute to allow the Commission to adjust them by rule. (Effective August 1, 2001)

- The only fees currently in statute are the license and examination fees. Future adjustments in fees will be done through the rule making process which will give notice to licensees, the legislature and the Governor.
- Emergency rules adjusting the license and examination fees will be considered by the Commission prior to the effective date of this bill (August 1, 2001.)
- The Commission has not increased license fees since 1988. An alternative to a fee adjustment is to drastically cut services.
- OREC has lost 6,000 licensees since 1988 and continues to experience a decline in licensees. Currently there are only 21,000 licensees.

Creating a contract committee that will draft and revise real estate residential purchase contracts and related addenda for voluntary use by real estate licensees. (Effective August 1, 2001—however, rules must be adopted to implement this committee. Forms and related addenda are not anticipated for at least one year. Licensees will be notified through the rule process.)

- The residential form will consist of a minimum standard to be used in transactions that are assisted by real estate licensees.
- Currently, there are numerous forms being used by licensees, with no standard of consistency for the general public and cobrokers.
- Licensees will have continuous opportunity for input into the form through the rule making process.

Eliminating the Continuing Education Hours in statute and placing them in rules. (Effective November 1, 2001—Licensees will be notified through the rule making process.)

- The Commission intends to modify the current system of required hours by specifying certain courses be taken, such as Fair Housing, Ethics, etc.
- Any change in the number of hours will be done through the rule making process of the Commission. Licensees will have continuous opportunity for input into this process as well as the legislature and the Governor.

Shortening the Provisional Sales Associate (PSA) license term from 36 months to 12 months. (Effective August 1, 2001)

- Currently PSA's are postponing their postlicense course until the last 6 months of license expiration. The postlicense education requirement consists of critical information needed to adequately represent the public.
- Any PSA license issued on and after August 1, 2001, will receive a non-renewable twelve (12) month license and shall be required to complete the forty-five (45) clock hour course requirement by the expiration date of their twelve (12) month license.

Emergency Rules adopted by the Commission on June 18, 2001 to be considered by the Governor for an effective date of August 1, 2001

605:10-3-1. Prelicensure education requirements

(a) On and after July 1, 1993, as evidence of an applicant's having satisfactorily completed those education requirements as set forth in Sections 858-302 and 858-303 of the Code, each applicant for licensure shall present with his or her application a certification showing successful completion of the applicable course of study approved by the Commission as follows:

(1) To qualify an applicant for examination and licensure as a provisional sales associate, the course shall consist of at least forty-five (45) clock hours of instruction or its equivalent as determined by the Commission. In order for a provisional sales associate to obtain a sales associate license, the provisional sales associate must, following issuance of a provisional license, complete additional education as required in Section 858-302 of the Code. The prelicense ~~Such~~ course of study shall be referred to as the Basic Course of Real Estate, Part I of II and shall encompass the following areas of study:

* * *

(2) To qualify an applicant for examination and licensure as a broker, the course shall consist of at least seventy-five (75) clock hours of instruction or its equivalent as determined by the Commission. Such course of study shall be referred to as the Advanced Course in Real Estate and shall encompass the following areas of study:

- (A) Laws and Rules Affecting a Real Estate Office Practice
- ~~(B) Office and Personnel Administration~~
- ~~(C) Brokerage Operations and Accounting~~
- ~~(D) Risk Management~~
- ~~(E) Real Estate Insurance~~
- ~~(F) Real Estate Finance~~
- ~~(G) Management Practices~~
- ~~(H) Auditing and Investigative Procedures~~
- ~~(I) Anti-Trust~~
- ~~(J) Strategic Planning~~
- ~~(K) Real Estate Negotiations~~
- ~~(L) Property Management~~
- ~~(M) Zoning~~
- ~~(N) Communications~~
- ~~(O) Closing Real Estate Transactions.~~
- (B) Establishing a Real Estate Office
- (C) Office Management
- (D) Anti-Trust and Deceptive Trade
- (E) Oklahoma Broker Relationships Act
- (F) Risk Management and Insurance
- (G) Disclosures, Hazards and Zoning
- (H) Financial Management
- (I) Real Estate Financing
- (J) Specialized Operations
- (K) Transaction File Maintenance
- (L) Trust Accounts and Trust Funds
- (M) Closing a Real Estate Transaction

(N) Closing Statements

* * *

605:10-3-5. Examinations

(a) **Applicant must appear in person.** When an application for examination has been submitted to the Commission, the applicant shall be required to appear in person, at a time and place to be designated by the Commission, and answer questions based on the required subject matter as prescribed elsewhere in the rules of this Chapter. Unless otherwise directed by the Commission, all examinations will be conducted in Oklahoma City. On and after August 1, 2001, each broker examination fee shall be Seventy-five Dollars (\$75.00) and each provisional sales associate/sales associate examination fee shall be Sixty Dollars (\$60.00.)

* * *

605:10-3-7. Provisional sales associate postlicense education requirement

* * *

(d) **Subject content.**

(1) On and after July 1, 1993, a provisional sales associate shall be required to successfully complete prior to the first license expiration date, forty-five (45) clock hours of postlicensing education or its equivalent as determined by the Commission. Such course of study shall be referred to as the Provisional Postlicense Course of Real Estate, Part II of II and shall encompass the following areas of study:

* * *

605:10-5-3. Standards for Commission approved real estate courses

* * *

(k) Each entity shall promote the Basic Course of Real Estate as Part I of a two part series and the Provisional Postlicense Course of Real Estate as Part II of that series. Applicants are to be advised that Part II of the series is not to begin until after license issuance and shall be completed prior to their first license expiration.

605:10-7-2. License terms and fees; renewals; reinstatements

(a) **License term and fees.** Each original license issued under the Code on and after July 1, 1981, shall be issued to expire at the end of the thirty-sixth (36) month including the month of issuance. Each original provisional sales associate license issued under the Code on and after August 1, ~~1993~~ 2001 shall be issued to expire at the end of the ~~thirty-~~

~~sixth (36)~~ twelfth (12th) month including the month of issuance. On and after August 1, 2001:

(1) For an original broker license and each subsequent license renewal, to include corporations, associations or partnerships, the fee shall be Two Hundred and Ten Dollars (\$210.00.)

(2) For an inactive original broker license and each subsequent license renewal, with the exception of corporations, associations or partnerships, the fee shall be One Hundred and Twenty-five Dollars (\$125.00.) In order to activate such license that was renewed inactive in the same license term, the licensee shall pay One Hundred and Thirty Dollars (\$130.00.) Thereafter, any future request to activate in the same license term shall be in accordance with Rule 605:10-7-4.

(3) For an active original sales associate license and each subsequent license renewal the fee shall be One Hundred and Fifty Dollars (\$150.00.)

(4) For an inactive original sales associate license and each subsequent license renewal the fee shall be Ninety-five Dollars (\$95.00.) In order to activate a sales associate license that was renewed inactive in the same license term, the licensee shall pay One Hundred Dollars (\$100.00.) Thereafter, any future request to activate in the same license term shall be in accordance with Rule 605:10-7-4.

(5) For a non-renewable original provisional sales associate license the fee shall be Seventy (\$70.00.)

(6) For an original branch office license and each subsequent license renewal the fee shall be One Hundred and Twenty-five Dollars (\$125.00.)

(7) For each duplicate license or pocket card, where the original license is lost or destroyed, and a written request is made, a fee of Seven Dollars and fifty cents (\$7.50) shall be charged.

(8) An additional Fifteen Dollar (\$15.00) fee, the Education and Recovery Fund fee, shall be added and payable with the license fee for an original license and subsequent license renewal for each licensee with the exception of a provisional sales associate license which fee shall be Five Dollars (\$5.00) for their twelve (12) month license term.

~~(b) Terms cannot be altered. After January 1, 1982, each license renewal term shall be for a period of thirty six (36) months. Terms shall not be altered except for purposes of general reassignment of terms which might be necessitated for the purpose of maintaining an equitable staggered license term system.~~

* * *

(m) Issuance of license from provisional sales associate to sales associate if licensed prior to August 1, 2001. A provisional sales associate is required to furnish to the Commission evidence of successful completion of the postlicense education requirement as set forth in Section 858-302 of Title 59, of the Oklahoma Statutes. Upon successful completion of the postlicense education requirement, the provisional sales associate must apply by submitting the appropriate doc-

ument(s) and fee of Twenty-five Dollars (\$25.00) to the Commission for issuance of a renewable sales associate license. The issuance of the license from a provisional sales associate to a sales associate only changes the license type and does not change the expiration date of the license.

(n) Issuance of license from provisional sales associate to sales associate if licensed on and after August 1, 2001. A provisional sales associate is required to furnish to the Commission evidence of successful completion of the Provisional Postlicense Course of Real Estate, Part II of II education requirement as set forth in Section 858-302 of Title 59, of the Oklahoma Statutes. Upon successful completion of the Provisional Postlicense Course of Real Estate, Part II of II education requirement, the provisional sales associate must submit the appropriate document(s) to the Commission prior to the provisional sales associate's license expiration date for issuance of a renewable sales associate license. The Commission shall not issue the provisional sales associate a renewable sales associate license until the end of the provisional sales associate's license term and the provisional sales associate has successfully completed the Provisional Postlicense Course of Real Estate, Part II of II education requirement and initiates a renewal for a renewable sales associate license.

(o) Active status requested, however, Commission unable to activate for reasons as stated in statutes elsewhere. In the event a licensee requests an active original license or subsequent license renewal to be issued on active status and for reasons beyond the Commission's control the licensee is unable to obtain an active license at that time, the fees as received by the Commission shall be retained and not refunded. Once the licensee corrects the problem with the appropriate regulatory agency and such agency authorizes the issuance of an active license, the Commission will then upon receipt of an activation fee and required documentation initiate the issuance of an active license within the respective license term.

(p) On and after August 1, 2001, in the event an active sales associate within six (6) months of obtaining their original license, reinstatement or license renewal qualifies for an inactive broker license, the Commission shall not refund the difference in the license fees.

605:10-7-7. Branch offices

(a) Each additional office must be licensed. If a broker desires to do business from more than one office, each additional office must be licensed as a branch office upon the payment of a ~~three (3) year broker~~ branch office license fee. The license shall be displayed in the branch office.

* * *

Upon these emergency rules being approved by the Governor, the Commission will proceed to promulgate permanent rules to replace the emergency rules. (Emergency rules can only be utilized for emergency situations and are only valid throughout the next legislative session.) If you have any questions, please contact Anne M. Woody, Executive Director at the Commission office.

Legislature Revises Tax Commission Law Which Affects Licensed Real Estate Professionals

The Real Estate Commission was instrumental in changes made to a Tax Commission law which affected all real estate professionals. Senate Bill 1040 went into effect July 1, 2000 requiring the Real Estate Commission to perform additional record keeping on all licensees who were identified by the Tax Commission as not being tax compliant. The procedures were redundant and did not allow the licensee sufficient time to be notified and work out an arrangement with the Tax Commission to become tax compliant.

Effective May 31, 2001, Senate Bill 9 went into effective revising the law. The changes are as follows:

1. The Real Estate Commission is now required to provide a list of all licensees to the Tax Commission.
2. The Tax Commission will notify the licensee directly and give the licensee at least six (6) months to become tax compliant.
3. The Tax Commission will notify the Commission of those licensees who are not in compliance within the required time period and the Commission will then place a hold on the license renewal.
4. Any license with a Tax Hold at license renewal will be renewed on "inactive" status.
5. Once a Tax Hold has been placed on a license, the Tax Commission will notify the Commission to remove the hold upon the licensee becoming tax compliant.
6. Further, new license applicants are no longer required to complete a tax compliant form.

Home Inspector Law Becomes Effective November 1, 2001

The Home Inspector Law becomes effective November 1, 2001 and is under the jurisdiction of the Health Department. The Home Inspection Act shall not apply to:

1. Individuals inspecting new residential construction;
2. Architects;
3. Engineers;
4. Individuals holding other occupational licenses who only do home inspections within the occupational confines of that license;
5. Government employees who perform inspections when acting within the scope of their employment; or
6. Individuals licensed in structural pest control who only do wood-destroying insect infestation inspection reports.

The Committee of Home Inspector Examiners shall consist of seven members who have been residents of Oklahoma for at least three (3) years prior to their appointment. The members shall be appointed by the Governor with the advice and consent of the Senate; four members shall hold memberships in a state or national housing inspection association or foundation; one member shall be a licensed real estate broker who is active full time in the real estate brokerage business; one member shall be a licensed real estate appraiser who is active full time in the real estate appraisal business; and one member shall be a lay person who is not involved in the property business.

Any individual of good moral character eighteen (18) years of age or older who has successfully completed fifty (50) clock hours of home inspection training or its equivalent as determined by the Committee of Home Inspector Examiners may apply to take a home inspector examination.

If the Department determines that the applicant has successfully passed the examination or an equivalent examination as determined by the Committee, the Department shall, upon the payment of the license fee and submission of other documents as required by the Act or rules, issue to the applicant a license which shall authorize the applicant to perform home inspections.

The Department shall license without examination any person who can demonstrate to the Committee that the person was actively engaged in home inspection work on November 1, 2001, and had been actively engaged in such work for at least six (6) months or any person who can demonstrate that, prior to November 1, 2001, the person successfully completed a home inspection course offered or sanctioned by a home inspection foundation or a home inspection association. No new license shall be issued pursuant to this subsection after January 1, 2002. Demonstration that the person has actively engaged in home inspections prior to November 1, 2001, must include copies of invoices for work done in the field for the six (6) months prior to November 1, 2001, as well as at least three satisfactory references from three customers served during the twelve (12) months prior to November 1, 2001.

To be licensed as a home inspector, the individual will be required to obtain a certificate of general liability not less than Fifty Thousand Dollars (\$50,000.00); and complete five (5) clock hours of continuing education within their twelve (12) month license term.

Further information regarding this act can be found in Senate Bill 198, which was signed by the Governor on June 5, 2001.

Education Advisory Committee Does an Outstanding Job

The Education Advisory Committee was formed by the Commission on November, 1999. Since that date the Committee has completed the following projects:

1. Reviewed and modified the provisional sales associate education criteria;
2. Reviewed national textbooks encompassing the provisional sales associate education criteria to insure content coverage;
3. Modified the sales examination question bank to coincide with national textbooks and to insure accuracy of material;
4. Reviewed and modified the broker education criteria;
5. Reviewed national textbooks encompassing the broker education criteria to insure content coverage; and
6. Are in the process of modifying the broker examination bank to coincide with national textbooks.

“The committee has done an outstanding job on these projects. Many voluntary hours have been donated by the

members and it took personal dedication to assist in the projects,” states Anne M. Woody, Executive Director, “I look forward to working with this group in the future.”

The Committee consists of three members appointed by the Commission, three members appointed by the Oklahoma Association of Realtors, and three members appointed by the Oklahoma Real Estate Educators Association.

The Education Advisory Committee elected officers on February 14, 2001, for the next fiscal year. Elected as Chairman was Joe Whitaker of Tulsa and Jean Smith of Shawnee as Vice-Chairman. Other members include Mary Johnson of Edmond, Bill Poertner of OKC, Jerry Huggins of Muskogee, Dale Baze of OKC, Charles Harris of OKC, Bud Engstrom of Tulsa and E.R. Andrew of Enid.

Thank you Education Advisory Committee for a job well done.

Assistant Attorney General Advice Letter Sale of Manufactured Homes Not Attached to Real Property Requires Additional License

Question: Must a real estate licensee obtain a manufactured home dealer’s license from the Oklahoma Used Motor Vehicle and Parts Commission if that person plans to sell a manufactured home which is not accompanied by a land sale?

Answer: The answer is yes, a manufactured home dealer’s license must be obtained. This is based on definitions contained in statutes governing both the Real Estate Commission and Used Motor Vehicle and Parks Commission.

A “Manufactured home dealer” is defined in pertinent part as “any person who, for a commission or with intent to make a profit or gain of money of other thing of value, sells, offers to sell, or attempts to negotiate a sale or exchange of interest in, new or used manufactured homes, or that is engaged wholly or in part in the business of selling any new and unused, or used, or both new and used manufactured homes.” 47 O.S. Supp. 2000, Section 581 (5) (a). Certain individuals are exempt from that definition, including “any Oklahoma licensed real estate broker or sales associate when buying or selling used mobile homes as a part of a real estate business.” 47 O.S. Supp. 2000, Section 581 (5) (b) (emphasis added). The term “real estate” is defined in pertinent part as “any interest or estate in real property.” 59 O. S. Supp. 1999, Section 858-

102 (1). A “real estate broker” is defined in pertinent part as “any person,...who for a fee, commission or other valuable consideration,...sells...any real estate....”

Used Motor Vehicle has interpreted this as follows: if a real estate broker is selling real estate, and a manufactured home is on that real estate, such a sale would be considered “a part of a real estate business,” as the focus of the sale is the real property, not what is on that property. However, if the focus of the sale is not the real property, but rather the manufactured home which sits on it, that is by definition not “part of a real estate business,” since no real property is involved in the transaction. Consequently, the real estate broker is not engaged in the real estate business, and does not fall within the exemption of the definition of a manufactured home dealer. If the licensee is not within the exception, the real estate licensee must be licensed appropriately (with Used Motor Vehicle) if the sale of a manufactured home is involved.

Of course, if the manufactured home is personally titled by the licensee (i.e., if the licensee owns the mobile home), that too, falls within the exception listed in 47 O. S. Supp. 2000, Section 581 (5) (b), and the licensee can sell the mobile home without having to be licensed by Used Motor Vehicle.

Used Motor Vehicle can be reached at (405) 949-2626.

RULE AMENDMENTS TO BECOME EFFECTIVE JULY 1, 2001

Following are rules that were adopted by the Real Estate Commission on February 14, 2001. They were submitted to the Governor and Legislature for consideration. **These rules will become effective on July 1, 2001.**

Underlined language represents new language. Words that are hyphenated through indicates language that is being deleted. Three asterisks indicate that existing language appears before or after the asterisk but the language was not changed and therefore does not appear in this listing.

Please visit our website at www.state.ok.us/~orec/ for a revised version on or after July 1, 2001. If you have any questions about the rules, please contact our office.

CHAPTER 10. RULES AND REGULATIONS REQUIREMENTS, STANDARDS AND PROCEDURES SUBCHAPTER 1. GENERAL PROVISIONS

605:10-1-2. Definitions

When used in this Chapter, masculine words shall include the feminine and neuter, and the singular includes the plural. The following words or terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

“Advertising” means all forms of representation, promotion and solicitation disseminated in any manner and by any means of communication to consumers for any purpose related to licensed real estate activity.

“Bona fide offer” means an offer in writing.

“Branch office broker” means a person who qualified for a broker license and who is designated by a broker to direct and supervise a branch office on behalf of the broker in conformance with Section 858-310 of the Code. A branch office broker is considered an associate of the broker and a managing broker of the branch office.

“Broker” means a sole proprietor, corporation, managing corporate broker of a corporation, association, managing broker member of an association, partnership, or managing partners of a partnership and shall be one and the same as defined as a broker in Section 858-102 of the Code and whom the Commission shall hold responsible for all actions of associates who are assigned to said broker.

* * *

SUBCHAPTER 3. EDUCATION AND EXAMINATION REQUIREMENTS

605:10-3-1. Prelicense education requirements

(a) On and after July 1, 1993, as evidence of an applicant's having satisfactorily completed those education requirements as set forth in Sections 858-302 and 858-303 of the Code, each applicant for licensure shall present with his or her application a certification showing successful completion of the applicable course of study approved by the Commission as follows:

(1) To qualify an applicant for examination and licensure as a provisional sales associate, the course shall consist of at least forty-five (45) clock hours of instruction or its

equivalent as determined by the Commission. Such course of study shall be referred to as the Basic Course of Real Estate and shall encompass the following areas of study:

- (A) Nature of Real Estate
- (B) Rights and Interests in Real Estate
- (C) Agency Concepts Between Broker and Affiliated Associates
- (D) Listing Contracts and Pricing
- (E) Valuation and Appraisal
- (F) Marketing and Selling
- (G) Contract Law
- (H) Legal Descriptions
- (I) Offer and Purchase Contracts
- (J) Title Search, Encumbrances, and Land Use Control
- (K) Financing Real Estate
- (L) Transfer of Interest in Real Estate
- (M) Duty to Account
- (N) Regulations Affecting Real Estate Transactions
- (O) Brokerage Relationships With Parties to a Transaction

* * *

605:10-3-6. Continuing education requirements

* * *

(c) **Goals.** The goals of continuing education are:

- (1) To provide licensees with opportunity for obtaining necessary current information and knowledge which will enable them to conduct real estate negotiations and transactions in a legal and professional manner in order to better protect ~~client and~~ public interest.
- (2) To assure that the licensees are provided with current information regarding new and/or changing laws and regulations which affect the real estate business.
- (3) To ensure that the consumers interest is protected from unknowledgeable licensees.

* * *

(f) **Ineligible courses.**

- (1) The following offerings will not be considered by the Commission to meet continuing education requirements:
 - (A) General training or education not directly related to real estate or real estate practices.
 - (B) Offerings in mechanical office and business skills such as typing, speed reading, memory improvement, report writing, and personal motivation that is not directly related to real estate.
 - (C) Sales promotion or other meetings held in conjunction with the general real estate brokerage business.
 - (D) Meetings which are a normal part of in-house training.
 - (E) That portion of any offering devoted to breakfast, luncheon, dinner, or other refreshments.

(F) Prelicense general training and education to obtain a provisional sales associate or sales associate license or license examination refresher courses for provisional sales associate/sales associate or broker.

(2) The list in (1) of this subsection does not limit the Commission's authority to disapprove any offering which fails to meet the adopted purposes, goals and objectives.

* * *

605:10-3-7. Provisional sales associate postlicense education requirement

* * *

(d) Subject content.

(1) On and after July 1, 1993, a provisional sales associate shall be required to successfully complete prior to the first license expiration date, forty-five (45) clock hours of postlicensing education or its equivalent as determined by the Commission and shall encompass the following areas of study:

- (A) Real Estate Marketplace
- (B) Marketing Real Estate
- (C) Personal Marketing
- (D) The Qualifying Process
- (E) Prospecting and Negotiating
- (F) Financing Real Estate, Investments and Exchanges
- (G) Financial Documents
- (H) Duty to Account
- (I) Title Search
- (J) Risk Management
- (K) Buyer Agency Broker Relationships With Parties to a Transaction
- (L) Property Management
- (M) Laws and Regulations Affecting Real Estate Practice
- (N) Disciplinary Action.

(2) The Commission has prepared a syllabus with prescribed content for the postlicense education course encompassing the areas as listed in (1) of this subsection. However, this shall not prevent those who are specializing in a specific real estate area from requesting approval of such offering if it can be proven to meet the purpose, goals and objectives as listed in this Section.

* * *

SUBCHAPTER 5. INSTRUCTOR AND ENTITY REQUIREMENTS AND STANDARDS

605:10-5-1. Approval of prelicense course offerings

(a) Course approval. Any person or entity seeking to conduct an approved course of study shall make application and submit documents, statements and forms as may reasonably be required by the Commission. The request shall include the following:

- (1) Completed course application.
- (2) Application fee of One Hundred Twenty-five Dollars (~~\$100.00~~) (\$125.00) for each course.

(3) An approved course syllabus encompassing the contents enumerated in 605:10-3-1 and divided by instructional periods, the name, author and publisher of the primary textbook, or a statement stating the entity will use OREC syllabus and other items as may be required by the Commission.

* * *

(e) **Instructor application requirements.** An individual determined by the Commission to possess one or more of the following qualifications may, upon receipt of an application and evidence of education and/or experience, be considered for approval as an approved instructor. Each application for approval must be accompanied by a ~~Twenty-five~~ One Hundred Dollar (~~\$25.00~~) (\$100.00) application fee. In order to qualify, an individual must possess proof of one of the following:

- (1) A bachelor's degree with a major in real estate from an accredited college or university.
- (2) A bachelor's degree from an accredited college or university, and at least two (2) years active experience within the previous ten (10) years as a real estate broker.
- (3) A real estate broker licensed in Oklahoma with a minimum of five (5) years active experience within the previous ten (10) years as a real estate broker and proof of high school education or its GED equivalent.
- (4) An individual determined by the Commission to possess a combination of education and/or active broker experience in real estate or real estate related fields which constitute an equivalent to one or more of the qualifications in paragraphs (1), (2), or (3) of this subsection.

* * *

(j) **Facility approval requirements.** Before an approved course offering can be presented at a location, the person or group presenting the course must seek approval of the facility to be used for presentation of the course. A Commission approved application must be completed and accompanied by a ~~Twenty-five~~ Seventy-five Dollar (~~\$25.00~~) (\$75.00) application fee.

(1) The application fee may be waived if the facility request for approval has been approved for use as a classroom by the State Department of Education, State Regents of Higher Education, or State Vocational and Technical Education.

(2) The application fee may be waived if an entity is requesting to utilize a facility that is currently approved by the Commission as an active facility site.

(3) The Commission shall act on a facility application within thirty (30) days of receipt of application.

* * *

605:10-5-1.1. Approval of postlicense course offerings

(a) **Course approval.** In accordance with Section 858-304 of the License Code, the Commission shall provide a syllabus outline for the Basic postlicense course of real estate to each person or entity conducting a postlicense course and requesting approval thereof. Any person or entity seeking to conduct an approved course of study shall make application and submit documents, statements and forms as may reasonably be

required by the Commission. The request shall include the following:

- (1) Completed course application.
- (2) Application fee of One Hundred Twenty-five Dollars (~~\$100.00~~) (\$125.00) for each course.
- (3) An approved course syllabus encompassing the contents enumerated in 605:10-3-7 and divided by instructional periods, and the name, author and publisher of the primary textbook, or a statement stating the entity will use OREC syllabus and other items as may be required by the Commission.

* * *

(e) Instructor application and approval requirements.

~~Each applicant seeking approval as an instructor shall submit an application, education certification(s) and any other information which may reasonably be required by the Commission. An individual determined by the Commission to possess one or more of the following qualifications may be approved as an instructor of continuing education offerings: An individual determined by the Commission to possess one or more of the following qualifications may, upon receipt of an application and evidence of education and/or experience, be considered for approval as an approved instructor. Each application for approval must be accompanied by a One Hundred Dollar (\$100.00) application fee. In order to qualify, an individual must possess proof of one of the following:~~

- (1) Possession of a bachelor's degree in a related field.
- (2) Possession of a valid teaching credential or certificate from Oklahoma or another state authorizing the holder to teach in an applicable field of instruction at the entity.
- (3) Five (5) years full-time experience out of the previous ten (10) years in a profession, trade, or technical occupation in the applicable field of instruction.
- (4) An individual determined by the Commission to possess a combination of education and/or experience, in a related field to that in which the person is to teach, which constitutes an equivalent to one or more of the qualifications in (1), (2) or (3) of subsection (e) of this Section.

* * *

(h) Facility approval requirements. Before an approved course offering can be presented at a location, the person or group presenting the course must seek approval of the facility to be used for presentation of the course. A Commission approved application must be completed and accompanied by a Twenty-five Seventy-five Dollar (~~\$25.00~~) (\$75.00) application fee.

- (1) The application fee may be waived if the facility request for approval has been approved for use as a classroom by the State Department of Education, State Regents of Higher Education, or State Vocational and Technical Education.
- (2) The application fee may be waived if an entity is requesting to utilize a facility that is currently approved by the Commission as an active facility site.
- (3) The Commission shall act on a facility application within thirty (30) days of receipt of application.

(i) Disciplinary action. An approved course of study, director, instructor and/or facility may be withdrawn or disciplined as outlined in Title 59, O.S., Section 858-208, paragraph 6 either on a complaint filed by an interested person or the Commission's own motion, for the following reasons, but only after a hearing before the Commission and/or a Hearing Examiner appointed by the Commission:

- (1) In the event the real estate license of a director is suspended or revoked, the course of study shall automatically be revoked.
- (2) In the event the real estate license of an instructor is suspended or revoked.
- (3) Failure to comply with any portion of the Code or the rules of this Chapter.
- (4) Falsification of records and/or application(s) filed with the Commission.
- (5) False and/or misleading advertisement.
- (6) Any other improper conduct or activity of the director, instructor, or entity the Commission determines to be unacceptable.

605:10-5-2. Approval of continuing education offerings

(a) Approval and expiration of application. An entity seeking to conduct an approved continuing education offering shall make application for the approval or renewal of each offering. Such approval or renewal shall expire at the end of the twelfth (12) month including the month of issuance.

(b) Application form. Each application by a sponsoring entity for approval of an offering or group of offerings not exceeding thirty-six (36) hours covered by the same application must be accompanied by a non-refundable Twenty-five Thirty-five Dollar (~~\$25.00~~) (\$35.00) application fee. Such application shall be made on a form prescribed by the Commission. The application shall include, but not limited to, the following information:

- (1) The name(s), address(es), and telephone number(s) of the sponsoring entity, the owner(s), and the coordinator/ director responsible for the quality of the offering.
- (2) The title(s) of the course offering or offerings.
- (3) A complete description of or copies of all materials to be distributed to the participants except that if materials provided by the Commission are to be used, a complete description shall not be required.
- (4) The number of hours in each course offering.
- (5) The tuition/registration fee and cancellation/refund policy.
- (6) A copy of each offering's curriculum, or revised curriculum with revisions noted, including comprehensive course objectives, detailed outline of the course subject matter, instructor for each segment, and teaching technique used in each segment.
- (7) The method of evaluation of the course offering which will be used by the entity.
- (8) The procedure for monitoring attendance.
- (9) A personal resume indicating name(s) and qualifications of the instructor(s).
- (10) The number of years the entity has been offering real estate related education.
- (11) Any other relevant information useful in determining that the entity is presenting an offering which will meet

the definition, purposes, goals and objectives adopted by the Commission.

(12) A statement attesting to the fact that in accepting approval as a continuing education offering entity, the entity will protect and promote the purposes, goals and objectives of continuing education as stated in the License Code and Rules.

(c) **Commission course approval notice.** The Commission shall within sixty (60) days after receipt of an application inform the entity as to whether the offering has been approved, denied, or whether additional information is needed to determine the acceptability of the offering.

(d) **Course renewal requirements.** An application for renewal of any offering or group of offerings by an entity shall also be accompanied by a non-refundable application fee of ~~Twenty-five~~ Thirty-five Dollars (~~\$25.00~~) (\$35.00). Renewal applications shall be subject to the same requirements as original applications, but may cross-reference an earlier application regarding previously approved course offerings to the extent that items have not changed since a previous application.

(e) **Change of information notice requirement.** Whenever there is any change in an offering, the entity shall notify the Commission prior to the effective date of the change. Such change shall not be considered approved until written notice is received from the Commission.

(f) **Advertising of course offering.** An entity advertising an offering as being approved for continuing education credit shall state in such advertisement, "Approved by the Commission for (correct number) hours of continuing education credit."

(g) **Course guidelines and limitations.**

(1) An offering approved pursuant to this Section shall be open to all licensees, except as may otherwise be approved by the Commission upon request of the offering entity.

(2) An offering will not be approved by the Commission if its duration is less than two (2) consecutive clock hours or its equivalent as determined by the Commission.

(3) To meet the statutory requirement, a clock hour shall equal sixty (60) minutes, with no more than ten minutes of each hour utilized for breaks.

(4) An entity conducting an offering shall, within five (5) days of the completion thereof, submit to the Commission on a form prescribed by the Commission, a list of the names and license numbers of those licensees who successfully completed the said offering, along with other information which may reasonably be required.

(5) Each licensee successfully completing an offering shall be furnished a certificate, prescribed or approved by the Commission, certifying completion.

(6) Each offering shall be presented in such facilities and on such premises as shall be necessary to properly present the course as determined by the Commission.

(7) An approved instructor must be present in the same room during all course instruction for students to receive credit toward course completion. If an instructor is presenting a Commission approved course offering which is delivered to the licensees by way of television, the Commission may require that each delivering entity have a monitor in lieu of a Commission approved instructor.

(h) **Recruitment disallowed.**

(1) A coordinator/director or instructor shall not allow the premises or the facilities to be used by anyone to advertise and/or recruit new affiliates for any company. The coordinator/director shall cause the following statement to be posted at the premises or the facilities in such a manner as will be readable by all participants: "No recruiting for employment opportunities for any real estate brokerage firm is allowed in this class or on the premises. Any recruiting on behalf of, or permitted by, the Instructor should be promptly reported to the Oklahoma Real Estate Commission."

(2) An instructor shall not wear any identification relating to a specific name or identity of a real estate company, a group of companies or franchises while in the class or on the premises.

(i) **Instructor approval requirements.** ~~Each applicant seeking approval as an instructor shall submit an application, education certification(s) and any other information which may reasonably be required by the Commission. An individual determined by the Commission to possess one or more of the following qualifications may be approved as an instructor of continuing education offerings: An individual determined by the Commission to possess one or more of the following qualifications may, upon receipt of an application and evidence of education and/or experience, be considered for approval as an approved instructor. Each application for approval must be accompanied by a Ten Dollar (\$10.00) application fee. In order to qualify, an individual must possess proof of one of the following:~~

(1) Possession of a bachelor's degree in a related field.

(2) Possession of a valid teaching credential or certificate from Oklahoma or another state authorizing the holder to teach in an applicable field of instruction.

(3) Five (5) years full-time experience out of the previous ten (10) years in a profession, trade, or technical occupation in the applicable field of instruction.

(4) An individual determined by the Commission to possess a combination of education and/or experience, in a related field to that in which the person is to teach, which constitute an equivalent to one or more of the qualifications in (1), (2) or (3) of this subsection.

* * *

SUBCHAPTER 15. DISCLOSURES

605:10-15-2. ~~Brokerage relationship disclosure; Broker Relationships Act to become effective November 1, 2000~~

~~(a) After July 1, 1990, in every real estate sales transaction involving a licensee, the licensee must clearly disclose to the buyer and seller the brokerage relationship(s). The disclosure must be made prior to the buyer and seller entering into a binding agreement with each other; and when a binding agreement is signed, the prior brokerage disclosure must be confirmed in a separate provision, incorporated in or attached to that agreement.~~

~~(b) The licensee's conduct in the real estate transaction shall be in conformity with the disclosure made. The payment of compensation or the obligation to pay compensation to a broker is not necessarily determinative of a particular brokerage relationship.~~

(e)(a) **Broker Relationships Act effective November 1, 2000.** A new law, Title 59, O. S., Sections 858-351 through 858-363 of the License Code, becomes effective on November 1, 2000, which law shall be referred to as the Broker Relationships Act.

(1) **Brokerage service agreement defined.** The term "brokerage service agreement" shall mean an oral or written agreement to provide brokerage services entered into by a real estate broker and a person who is a party to a real estate transaction and shall include, but not be limited to, listing agreements, buyer broker agreements and property management agreements.

(2) **Validity of a brokerage service agreement existing before and on November 1, 2000.** A brokerage service agreement entered into prior to November 1, 2000, shall remain in full force and effect until the agreement expires or is otherwise terminated by the parties to the agreement.

(3) **Addendum or attachment to a brokerage service agreement existing before and on November 1, 2000.** If a brokerage service agreement is entered into prior to November 1, 2000, it may contain an addendum or other attachment that allows the parties on or after November 1, 2000 to change their relationship with the real estate broker to those types of relationships permitted under the Broker Relationships Act. Such addendum or attachment must contain all relevant disclosures, consents and other requirements mandated by the Broker Relationships Act.

(4) **Real estate broker determines relationships under the Broker Relationships Act.** Under Title 59, O.S., Section 858-355, the relationship(s) with any party or parties to any transaction shall be determined by the real estate broker only and not by the associated broker associates, sales associates or provisional sales associates.

(b) **Delivery of a contract to broker after acceptance of a contract between the parties.** A single-party broker is authorized to accept delivery of a contract between the parties to a transaction on behalf of the party for whom the broker is performing single-party brokerage services. A transaction broker is not authorized to accept delivery of a contract between the parties to a transaction on behalf of the party for whom the broker is performing transaction brokerage services unless the contract between the parties authorizes such and the transaction broker agrees to accept delivery in writing.

(c) **Transaction broker may make a suggestion regarding value.** A transaction broker may provide market information and data which may indicate value and may make a suggestion regarding value, but shall not be an advocate for either party.

SUBCHAPTER 17. CAUSES FOR INVESTIGATION; HEARING PROCESS; PROHIBITED ACTS; DISCIPLINE

605:10-17-4. Prohibited dealings

Within the meaning of subsection 8 of Section 858-312 of the "Code," untrustworthy, improper, fraudulent or dishonest dealing shall include, but not be limited to, the following:

(1) The making of a ~~listing, agency or brokerage~~ service contract without a date of termination.

* * *

IMPORTANT INFORMATION FOR:

Associates who have formed corporations or associations for tax purposes

If a corporation or association has been formed by a provisional sales associate, sales associate or broker associate, for the purpose of receiving payment of commissions earned by the licensee, this is to advise that such corporation or association must be formed in compliance with Rule 605:10-11-3; further such entity can not be advertised in anyway or held out as engaged in real estate activities. It has come to the attention of the Commission that associates may be advertising these entities through Team Names which is strictly prohibited under the aforementioned rule. If a licensee has questions, please contact the Records Department of the Commission.



IMPORTANT

Record of Continuing Education Hours

NOTE: If you are a Provisional Sales Associate, the CE requirement does not apply to you, because you are required to complete a Commission approved 45 clock hour post-licensing course prior to the expiration date of your license. Further, if you have converted your license to a sales associate license from a provisional sales associate license and are still in your first license term, you still do not have a continuing education requirement until your second license term.

The continuing education requirement for renewal is 9 clock hours of required subject matter and 12 clock hours of elective subject matter. **The address label above contains information regarding the number of hours we have recorded for you in each category—**“R” denotes required hours and **“E” denotes elective hours. The center date reflects the expiration date of your current license term.**

If your license is on an **inactive status**, it is possible that these hours may only be applied toward activation of your license.

* This label only reflects hours which were posted to your record prior to the label being extracted, which occurred approximately 30 days prior to the current date.

MORTGAGE INFORMATION

CHANGES IN FANNIE MAE AND FREDDIE MAC

In the last year Fannie Mae and Freddie Mac have changed some of their mortgage documents. Some of the changes may only apply to certain states; however some of the changes that apply to Oklahoma are:

- To incorporate the provisions of a new Multi-state Mortgage Insurance Rider.
- Due on Sale Clause, Transfer of the Property or a Beneficial Interest in Borrower. As used in Section 18 of the mortgage, “interest in the property” means any legal or beneficial interest in the property including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales

contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the property or any interest in the property is sold or transferred without Lender’s prior written consent, Lender may require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law.

- Notice of Power of Sale as used in Section 26. This allows the Lender to take the property and sell it without going to court in a foreclosure action, upon default by Borrower.

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