
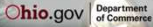


Department of Commerce
Division of Real Estate & Professional Licensing

David Goodman, Director
Anne M. Petit, Superintendent



Ohio Revised Code
Chapter 4735
Core Law Class

ORC 4735.01

- Eliminates “any interest”
- Trust agreement or other instrument must be executed in good faith
- Exemptions limited by the legal interest held
- “Bona fide” means: in good faith or without purpose of circumventing license law

ORC 4735.05

- Superintendent may issue advisory letters in lieu of initiating disciplinary action under .051 or .052
- Superintendent may issue a citation under ORC 4735.16 or 4735.181



ORC 4735.052

- Removes restriction on initiating an unlicensed activity case against individuals or entities that held a valid license during the 12 months preceding the alleged violation.
- Hearing will be held by a hearing examiner.



Licensing period

- The initial licensing period (broker or salesperson) begins when the license is issued and ends on the first birthday thereafter.
- If applicant was an inactive or active salesperson immediately preceding application for a broker's license the initial licensing period begins at the time the license is issued and ends on the date the licensee's CE is due as set when that person was a salesperson.

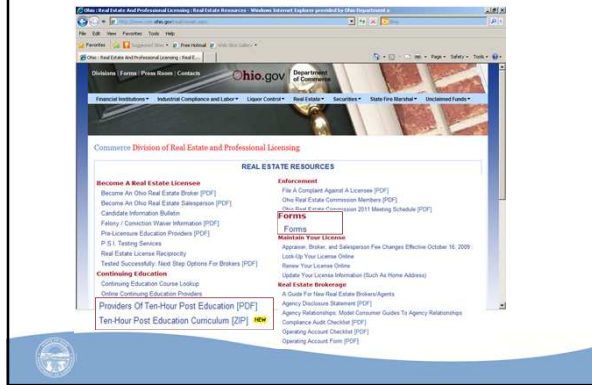


Post Licensure Education

- Ten hours required.
- No earlier than the date of issue of the license.
- Can be completed in schools, seminars and/or educational institutions approved by the Commission.



<http://www.com.ohio.gov/real/remain.aspx>



Prelicensure Education

Any person who has not been licensed as a salesperson or broker within the four-year period immediately preceding the current sales examination application

- Must have successfully completed the required prelicensure education within a ten-year period immediately preceding the current application.



ORC 4735.13

- Every broker must have and maintain a definite place of business in Ohio.
- A post office box is NOT a definite place of business.



ORC 4735.13

- A licensee shall notify the Superintendent in writing within 15 days if:
 - Convicted of a felony or crime of moral turpitude
 - Violated civil rights law pertaining to discrimination in housing
 - Subject to an order by the Dept. of Commerce, Dept. of Insurance, or Dept. of Agriculture revoking or permanently surrendering any professional license, certificate, or registration
 - Subject of an order by any govt. agency concerning real estate, financial matters, or the performance of fiduciary duties with respect to any license, certificate, or registration



ORC 4735.13

Failure to notify the Superintendent within the required time may result in the automatic **SUSPENSION** of the license.



Change of Business Address

Superintendent will prescribe a form that must be submitted to the Division within 30 days after the change of location.



Forms

- **READ** forms before you sign them.
- **REVIEW** all paperwork before submitting.
 - Sign forms where necessary
 - Obtain a valid signature from the broker
 - All CE certificates included
 - Sign your check and ensure it is the correct amount



Clues You Have a Branch Office

- It's your principal place of business.
 - Adding to client base
 - Executing original documents
 - Advertising location phone number
- Brokerage Office is just a "Mail Drop".
 - Are you claiming a home office on tax returns?



Clues You Have a Branch Office

- Original transaction documents
- Where do you work on them?
- Where are these documents maintained?



Branch Offices *Oversight is Key to Compliance*

- ORC 4735.18(B) – Did the broker know?
- Ohio Administration Code (OAC) 1301:5-6-01
 - *Oversee and direct*
 - *Day-to-day operations*
- Signing documents – *after* completed & reviewed
- Current forms
- Keeping records – review for compliance



Armed Forces

Complete continuing education requirements within twelve months of the licensee's **first birthday after** discharge.



Renewals

- Notice of renewal shall be mailed:
 - Two months prior to filing deadline
 - To personal residence on file with the Division
 - If an REC, notice sent to brokerage's business address on file with the Division
- A licensee shall not renew any earlier than two months prior to the filing deadline.



Renewals

ORC 4735.14(D)

- Each licensee is required to notify the division of a change in personal address; failure to do so does not negate the licensee's renewal requirement.
- A failure to renew on or before the filing deadline will be suspended automatically.



Revocation

A failure to properly reactivate a suspended license within 12 months of the date of suspension will result in the automatic **REVOCATION** of the license.



Renewals

- Notification of a license suspension for failure to timely complete CE requirements shall be sent by regular mail to the personal residence on file with the Division.
- Sole broker shall notify affiliated salespersons of the broker's suspension:
 - In writing
 - Within three days of receiving the Division's suspension notice



Continuing Education

- Proof of CE to be submitted with the licensee's renewal.
- License will not be renewed if a licensee fails to comply with ORC 4735.141.
- Licensee will be required to pay penalty fee. ORC 4735.14



Renewals

Salesperson submits a transfer/reactivation form leaving association of a suspended broker and transferring to a different broker:

- Salesperson's license shall be reactivated
- No fee
- May process application whether or not the license is returned to the Division
- Must be in compliance with chapter



Medical Extension

- Any licensee who is physically handicapped at any time during the last three months of the third year of the CE reporting period may receive a medical extension to report continuing education.
- Superintendent may grant an extension of time as deemed appropriate.



Medical Extension

- No later than one month prior to the end of the reporting period
- Unless the physical disability did not arise until the last month
- Extension should be request as soon as practical after the occurrence



Medical Extension

- Request should include a signed statement from the attending physician:
 - Describing the physical disability
 - Certifying the disability prevents the licensee from attending any instruction lasting at least three hours in duration
 - Expected duration of the physical disability



ORC 4735.16 - Advertising

- Property the licensee does not own:
 - Identified in the ad by name
 - Indicate the name of the brokerage in equal prominence
- Property owned by licensee
 - Identified in the ad by name
 - Indicate agent-owned
 - If listed with a brokerage, indicate the brokerage name in equal prominence



ORC 4735.18

(A)(17) – having advertised or placed a sign offering property for sale without the consent of the owner

(A)(29) – having an unsatisfied judgment or lien

(A)(37) – having failed to comply with ORC 4735.24



Citations - ORC 4735.181

The Superintendent may issue citations for violations of:

- Broker not returning sales license upon person leaving the association of the broker [4735.13(B)]
- Broker failing to notify superintendent within 30 days of a change in business location [4735.13(D)]
- Licensee failing to notify superintendent of a change in personal address [4735.14(D)]



Citations under 4735.181

The Superintendent may issue citations for violations of:

- 4735.55 – written agency agreements
- 4735.56 – written brokerage policy on agency required – disclosures to client
- 4735.58 – when disclosure statements to be provided



ORC 4735.20 (C)

- A broker may pay a commission to a company not licensed IF:
 - Valid active license
 - Earned the fee
 - No unlicensed activity
 - Verifies 1 & 2, keep records for three years
 - Keeps record of licensee's name, amount of fee, and name of unlicensed entity.
- Supervises



Commissions

- A licensed real estate broker may pay a commission to a licensed real estate broker of another state or country.
- A licensed real estate broker may receive a commission from a licensed real estate broker from another state or country.



Commissions

- A salesperson may be paid a commission by the broker under whom they were associated at the time the commission was earned.
- A salesperson shall not sell, assign, or otherwise transfer their interest in a commission to an unlicensed entity or person
- If salesperson makes such an assignment or transfer the broker shall not pay the transferee or assignee.



Agency

- ORC 4735.58(A)(2) – a licensee shall indicate the accurate agency relationship on the agency disclosure form
- ORC 4735.59 – the Commission may adopt rules to provide for required disclosures when a licensee terminates an agency relationship and becomes a principal in the transaction



ORC 4735.68

Knowledge of or information contained in a brokerage or an affiliated or past licensee's transaction record of:

- Current or previous defect
- Adverse condition
- Repair

Shall not be imputed to that broker or to other licensee's affiliated with the broker



Dual Agency

No licensed salesperson or broker shall participate in a dual agency relationship where:

- The licensee is a party to the transaction
 - Personally or
 - As a member or officer of a partnership association, LLC, LLP, or corporation
 - that has an interest in the property that is the subject of the transaction or
 - an entity that has the intention of purchasing, leasing or exchanging



Confidential Disclosure

Exception – ORC 4735.74 (B) (6)

- After the performance of all duties or any contract has terminated or expired
 - Keep confidential all information received during the course of the transaction UNLESS:
 - Disclosure is regarding sales information requested by a registered appraiser assistant; licensed or certified appraiser for the purposes of performing an appraisal.



Technology Issues

Social Media


- Blogs
- Tweets
- Texts
- Facebook



Technology Issues

Electronic Signatures

- Division forms
- Transactional Documents





**Department
of Commerce**
Division of Real Estate &
Professional Licensing

Making Sense for Business & Consumers

What can we do to better serve you?

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