

NOTICE OF PROPOSED CHANGES ON EDUCATION REQUIREMENTS FOR REAL ESTATE LICENSURE IN THE REGULATIONS OF THE REAL ESTATE COMMISSION

BRIEF DESCRIPTION: The Real Estate Commission proposes to change regulations regarding real estate education courses used to qualify for initial licensure and for post licensing after initial licensure.

The Real Estate Commission (Commission) proposes to adopt regulation changes in Title 12, Chapter 64 of the Alaska Administrative Code, dealing with minimum education requirements for licensure and education requirements after initial license, including the following:

1. **12 AAC 64.063, Minimum education requirements for licensure**, is proposed to be changed to alter the real estate minimum education requirements for licensure.
2. **12 AAC 64.064, Education requirements after initial license**, is proposed to be changed to alter the requirements for post licensing education after initial licensure.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Marilyn Zimmerman, Paralegal, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806. Additionally, the Commission will accept comments by facsimile at (907) 465-2974 and by electronic mail at RegulationsAndPublicComment@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system at <http://notice.alaska.gov/183356>, and using the comment link. **The comments must be received not later than 5:00 p.m. on November 28, 2016.** Comments received after this deadline will not be considered by the Commission.

You may submit written questions relevant to the proposed action to Marilyn Zimmerman, Paralegal, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806 or by e-mail at marilyn.zimmerman@alaska.gov. **The questions must be received at least 10 days before the end of the public comment period.** The Commission will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System or on the Commission's website at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/RealEstateCommission.aspx>. The Commission may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Marilyn Zimmerman at (907) 465-2532 or marilyn.zimmerman@alaska.gov not later than November 21, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Marilyn Zimmerman at (907) 465-2532 or marilyn.zimmerman@alaska.gov, or go to <https://www.commerce.alaska.gov/web/portals/5/pub/REC-1016.pdf>.

After the public comment period ends, the Commission will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected.** Written comments and questions received are public records and are subject to public inspection.

Statutory Authority: AS 08.88.071; AS 08.88.081; AS 08.88.091; AS 08.88.095; AS 08.88.171

Statutes Being Implemented, Interpreted, or Made Specific: AS 08.88.071; AS 08.88.081; AS 08.88.091; AS 08.88.095; AS 08.88.171

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

Chapter 64. Real Estate Commission.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 64.063(b) is amended to read:

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics:

- (1) [DISCLOSURES - FOUR CONTACT HOURS;
- (2)] broker supervision requirements and record keeping – four contact hours;
- (2)** [(3)] trust accounting procedures – **three** [FIVE] contact hours; [AND]
- (3)** [(4)] organizing and managing a real estate office – **three** [two] contact hours;
- (4) property management – two contact hours; and**
- (5) **in addition an applicant must receive broker level education to**

understand the applicability of the following areas covered previously in their initial education course to receive a license:

(A) licensee relationships, disclosure, and conflict of interest – three contact hours;

(B) forms of ownership – two contact hours;

(C) property law, public and private rights and limitations – two contact hours;

(D) forms of conveyances and recording of documents – two contact hours;

(E) contracts and transaction document – two contact hours;

(F) financing instruments and accounting principles – two contact

hours;

(G) Alaska real estate license law and Alaska landlord tenant law -

three contact hours; and

(H) federal fair housing and RESPA laws – two contact hours

[REPEALED 2/12/99].

(Eff. 10/8/90, Register 116; am 3/6/91, Register 117; am 2/12/99, Register 149; am 8/31/2006, Register 179; am 3/27/2008, Register 185; am ___/___/___, Register ___)

Authority: AS 08.88.081 AS 08.88.091 AS 08.88.171

12 AAC 64.064(b) is amended to read:

(b) After initial licensure as a salesperson, to meet the real estate education requirements of AS 08.88.095 and this section, the salesperson must complete the following course modules:

- (1) contracts and agreements: **10** [NINE] contact hours covering
 - (A) purchase and sale agreements;
 - (B) addendum and amendments;
 - (C) counteroffers;
 - (D) contingencies;
 - (E) multiple offers;
 - (F) back up offers;
 - (G) differences between residential, land, and commercial transactions;
 - (H) personal service agreements; [AND]
 - (I) negotiation and counseling; **and**

(J) lease purchase options;

(2) property management: **four** [THREE] contact hours covering

(A) landlord tenant act;

(B) rental, lease, and occupancy of residential and commercial properties;

(C) associations;

(D) cooperatives;

(E) personal service agreements, management agreements, and lease

listing agreements; [AND]

(F) security deposit statements;

(G) trust accounting and statute requirements; and

(H) notices and evictions;

(3) licensee law: **six** [THREE] contact hours covering

(A) consumer pamphlet and waiver;

(B) ethics;

(C) recovery fund;

(D) confidentiality; [AND]

(E) conflict of interest; **and**

(F) statute and regulations;

(4) paperwork and risk management: six contact hours covering

(A) mandatory and area specific property disclosure;

(B) environmental issues;

(C) zoning;

(D) covenants, conditions, and restrictions;

- (E) title reports;
- (F) resale certificates and public offering statements;
- (G) home inspections and repair negotiations;
- (H) surveys **and easements**; [AND]
- (I) record keeping **and documentation**; **and**
- (J) client and personal safety**;

(5) evaluation and pricing: **two** [FOUR] contact hours covering

- (A) competitive market analysis and appraisals;
- (B) showing property; [AND]
- (C) marketing to buyers and sellers; **and**
- (D) property research**;

(6) financing to closing: **two** [FIVE] contact hours covering

- (A) the importance and differences of pre-approval letters and pre-qualifications, good faith estimates, and loan types, including Internet lending programs;
- (B) review of settlement statements, security deposit transfers, rent prorations, seller net proceeds, and variations in loan costs;
- (C) the closing process;
- (D) good funds law; and
- (E) predatory lending practices.

(Eff. 1/1/2006, Register 176; am 3/27/2008, Register 185; am 5/31/2012, Register 202; am 12/13/2014, Register 212; am ___/___/___, Register ___)

Authority: AS 08.88.071 AS 08.88.091 AS 08.88.095
AS 08.88.081