2026 EDITION

Oklahoma Real Estate
License Code and Rules

Effective November 1, 2026





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Oklahoma Real Estate Commission

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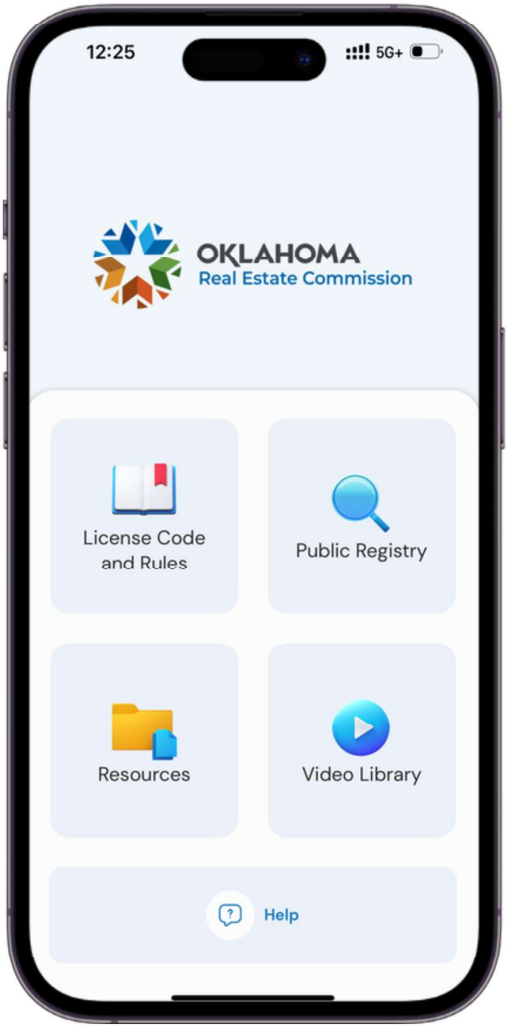
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EFFECTIVE NOV 1, 2026

RENEWAL CONTINUING EDUCATION REQUIREMENTS

Provisional Sales Associates (active and inactive) must complete a 45 hour post-license course and submit licensure fees to the Commission before their license expiration date to maintain licensure and upgrade to Sales Associate.

FIND CE COURSES NOW

All other active licensees are required to complete continuing education and submit renewal fees to the Commission every three (3) years.

Inactive licensees are not required to complete continuing education to renew their license. However, inactive licensees are required to submit inactive renewal fees every three (3) years. Continuing education may be required to reactivate an inactive license.

FIND A POST-LICENSE COURSE NOW

Non-resident licensees are individuals who maintain or work for a place of business in another state.

PROVISIONAL SALES ASSOCIATE

45 HOUR POST-LICENSE COURSE*

*Please note the 45 hour post-license course is required to be completed prior to the expiration of licensure for all active and inactive Provisional Sales Associates.

RESIDENT BROKER / BRANCH BROKER

TOTAL - 30 HOURS EVERY THREE YEARS	
BROKER IN CHARGE	15
CONTRACTS AND FORMS	6
DEED THEFT	1
ANY APPROVED COURSE (including electives)	8

RESIDENT SALES / BROKER ASSOCIATE

TOTAL - 30 HOURS EVERY THREE YEARS	
CONTRACTS AND FORMS	6
PROFESSIONAL CONDUCT	3
CODE AND RULES	1
BROKER RELATIONSHIP ACT	1
FAIR HOUSING	1
DEED THEFT	1
ANY APPROVED COURSE (including electives)	17

NON-RESIDENT SALES / BROKER ASSOCIATE

TOTAL - 8 HOURS EVERY THREE YEARS	
CONTRACTS AND FORMS	6
CODE AND RULES	1
BROKER RELATIONSHIP ACT	1

NON-RESIDENT BROKER / BRANCH BROKER

TOTAL - 8 HOURS EVERY THREE YEARS	
CONTRACTS AND FORMS	6
CODE AND RULES	1
BROKER RELATIONSHIP ACT	1

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OK REAL ESTATE LICENSE STATUS

ACTIVE

- In good standing
- ABLE to perform real estate activities

- Must complete CE requirements
- Pay applicable license renewal fees prior to license expiration
- Local/State/National board dues, MLS dues, etc. may apply depending on your brokerage policies and procedures

INACTIVE

- In good standing
- UNABLE to perform real estate activities

- CE is NOT required while Inactive status **CE must be completed in order to go back to Active status*
- Pay applicable license renewal fees prior to license expiration
- *Local/State/National board dues, MLS dues, etc. not required*
- Prior to license expiration, you will pay license renewal fees WITHOUT starting as a new applicant.

LAPSED

- NOT in good standing
- UNABLE to perform real estate activities

Under 1 year

- Complete CE requirements to reinstate as Active
- Pay applicable license reinstatement fee

1-3 years

- Complete CE requirements to reinstate as Active or Inactive
- Application, background check, state/national exam
- After passing exam, pay license renewal & reinstatement fees

Over 3 years

- 90 hour pre-license, background check, exam, apply as a Provisional Sales Associate

OREC Licensing Department help@orec.ok.gov

Effective 1 November 2024

Fee Schedule

Licensing

	Provisional	Sales Associate	Broker Associate	Managing/ Branch Broker	Broker Proprietor
License Issuance Includes Education Fee	Active: $110 Inactive: $110	Active: $220 Inactive: $145	Active: $265 Inactive: $170	Active: $300 Inactive: $180	Active: $420 Inactive: $180
License Renewal Includes Education Fee	See Sales Associate Issuance	Active: $220 Inactive: $145	Active: $265 Inactive: $170	Active: $300 Inactive: $180	Active: $420 Inactive: $180
Status Change Inactive to active only	$40	$135	$155	$165	$165

Brokerage License Issuance/Renewal Includes Education Fee	$300
Branch Office License Issuance/Renewal Includes Education Fee	$190

Miscellaneous

Application Processing	$35.00
Reinstatement	$80.00 + Renewal Fee
Brokerage Transfer	$40.00
Change of Name	$40.00
Trade Name Registration	$25.00
Team Name Registration	$100.00
Payment of Commissions Registration	$50.00
License History/Letter of Good Standing	$25.00
File Search (One hour minimum)	$10.00
Open Records Request Copies	$0.25 (per page)
Open Records Request Certified Copies	$1.00 (per page)

*A merchant fee is applied to all online transactions

Effective 1 November 2024

Fee Schedule

Education

	Pre-License Basic	Post License	Pre-License Broker	Continuing Education
Course Application	$500	$250	$500	$25 (per course)
Course Renewal (36 month renewal)	$100	$50	$100	$25 (per course)
Instructor Application	$200	$200	$200	$100
Instructor Renewal (36 month renewal)	$100	$100	$100	$100

Real Estate School Application	$500
Real Estate School Renewal (36 month renewal)	$250

Fees Due to Third Parties

Background Check	$60.00
Salesperson State and National Exams (Purchase both State and National exams at the same time to receive a $75 discount)	$75.00 (per exam)
Broker State and National Exams (Purchase both State and National exams at the same time to receive a $75 discount)	$90.00 (per exam)
Instructor Exam - Salesperson	$75.00
Instructor Exam - Broker	$90.00

*A merchant fee is applied to all online transactions

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I. In General

Section 858-101. Short Title

This Code shall be known and cited as "The Oklahoma Real Estate License Code".

Section 858-102. Definitions

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:

1. The term "real estate" shall include any interest or estate in real property, within or without the State of Oklahoma, whether vested, contingent or future, corporeal or incorporeal, freehold or nonfreehold, and including leaseholds, options and unit ownership estates to include condominiums, time-shared ownerships and cooperatives; provided, however, that the term real estate shall not include oil, gas or other mineral interests, or oil, gas or other mineral leases; and provided further, that the provisions of this Code shall not apply to any oil, gas, or mineral interest or lease or the sale, purchase or exchange thereof;

2. The term "broker" shall include any person, partnership, limited liability company, association, corporation, or business entity, foreign or domestic, who for a fee, commission, or other valuable consideration, or who with the intention or expectation of receiving or collecting a fee, commission, or other valuable consideration, performs any of the following acts:

   a. sells, exchanges, purchases, rents, or leases real estate,

   b. offers to sell, exchange, purchase, rent, or lease real estate,

   c. negotiates or attempts to negotiate the listing, sale, exchange, purchase, rent, or lease of real estate,

   d. lists or offers, attempts, or agrees to list real estate for sale, exchange, rent or lease,

   e. auctions or offers, attempts, or agrees to auction real estate,

   f. controls the acceptance or deposit of rent from a resident of a single-family residential real property unit,

   g. solicits listings of places for rent or lease,

   h. solicits for prospective tenants, purchasers, or sellers, or

   i. advertises or holds himself or herself out as engaged in such activities;

3. The term "broker associate" shall include any person who has qualified for a license as a broker associate, and who is employed or engaged by, associated as an independent contractor with, or on behalf of and with the permission of a broker to perform any act set out in the definition of a broker;

4. The term “business day” means any calendar day except for Saturday, Sunday, or any public holiday recognized by state or federal law;

5. The term “contract” means any agreement or arrangement, including power of attorney, for the purchase, sale, or assignment of real estate;

6. The term “homeowner” means any individual, entity, trust, or partnership holding title to residential property;

7. The term "real estate sales associate" shall include any person having a renewable license and employed or engaged by, or associated as an independent contractor with, or on behalf of, a broker to do or deal in any act, acts or transactions set out in the definition of a broker;

8. "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 broker to do or deal in any act, acts or transactions set out in the definition of a broker and subject to an additional forty-five-clock-hour postlicensing educational requirement to be completed within the first twelve-month license term. However, the Oklahoma Real Estate Commission shall promulgate rules for those persons called into active military service for purposes of satisfying the postlicensing educational requirement. 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 terms sales associate and provisional sales associate shall be synonymous in meaning except where specific exceptions are addressed in the Oklahoma Real Estate License Code;

9. The term "successful completion" shall include prelicense, postlicense, and distance education courses in which an approved public or private school entity has examined the individual, to the satisfaction of the entity and standards as established by the Commission, in relation to the course material presented during the offering;

10. The term "renewable license" shall refer to a broker, broker associate or sales associate who is a holder of such license or to a provisional sales associate who has completed the educational requirements within the required time period as stated in the Code;

11. The term "nonrenewable license" shall refer to a provisional sales associate who is the holder of such license and who has not completed the postlicense educational requirement within the required time period as stated in the Code;

12. The term "surrendered license" shall refer to a real estate license which is surrendered, upon the request of the licensee, due to a pending investigation or disciplinary proceedings;

13. The term "canceled license" shall refer to a real estate license which is canceled, upon the request of the licensee and approval of the Commission, due to a personal reason or conflict;

14. The term “publicly market” shall include all advertisements and marketing conducted in a public or open manner or place;

15. "Licensee" shall include any person who performs any act, acts or transactions set out in the definition of a broker and licensed under the Oklahoma Real Estate License Code;

16. The word "Commission" shall mean the Oklahoma Real Estate Commission;

17. The word "person" shall include and mean every individual, partnership, association or corporation, foreign or domestic;

18. Masculine words shall include the feminine and neuter, and the singular includes the plural;

19. The word "associate" shall mean a broker associate, sales associate or provisional sales associate; and

20. The term “wholesaler” means any individual or entity engaging in the business of securing, negotiating, or facilitating the sale of residential real estate for the primary purpose of transferring, assigning, or selling their equitable interest in the property, directly or indirectly, for financial profit. This includes any person or entity that:

a. enters into a contract to purchase residential real estate with the intent of assigning or selling the contractual rights to another party before taking possession or legal ownership of such residential real estate, and

b. engages in double closing. As used in this paragraph, “double closing” means the wholesaler simultaneously closes two separate transactions on the same property, one with the original seller and one with the end buyer, without the intent to reside in or otherwise materially improve such residential real estate.

II. Oklahoma Real Estate Commission

Section 858-201. Oklahoma Real Estate Commission

A. There is hereby re-created the Oklahoma Real Estate Commission, which shall consist of seven (7) members. The Commission shall be the sole governmental entity, state, county or municipal, which shall have the authority to regulate and issue real estate licenses in the State of Oklahoma.

B. All members of the Commission shall be citizens of the United States and shall have been residents of the State of Oklahoma for at least three (3) years prior to their appointment.

C. Five members shall be licensed real estate brokers and shall have had at least five (5) years' active experience as real estate brokers prior to their appointment and be engaged full time in the real estate brokerage business. One member shall be a lay person not in the real estate business, and one member shall be an active representative of a school of real estate located within the State of Oklahoma and approved by the Oklahoma Real Estate Commission. For purposes of this paragraph, “brokers” shall be limited to the license types of managing broker, proprietor broker, or branch broker.

D. No more than two members shall be appointed from the same congressional district according to the latest congressional redistricting act. However, when congressional districts are redrawn, each member appointed prior to July 1 of the year in which such modification becomes effective shall complete the current term of office and appointments made after July 1 of the year in which such modification becomes effective shall be based on the redrawn districts. No appointments may be made after July 1 of the year in which such modification becomes effective if such appointment would result in more than two members serving from the same modified district.

Section 858-202. Members - Appointment - Tenure - Vacancies - Removal

A. Members of the Oklahoma Real Estate Commission shall be appointed by the Governor with the advice and consent of the Senate.

B. Members of the Commission shall serve until their terms expire. The terms of the Commission members shall be for four (4) years and until their successors are appointed and qualified.

C. Each successor member and any vacancy which may occur in the membership of the Commission shall be filled by appointment of the Governor with the advice and consent of the Senate.

D. The Governor may select appointees from a list of not less than two qualified persons submitted by a statewide organization representing realtors.

E. Each person who shall have been appointed to fill a vacancy shall serve for the remainder of the term for which the member whom he or she will succeed was appointed and until his or her successor, in turn, shall have been appointed and shall have qualified.

F. Members of the Commission may be removed from office by the Governor for inefficiency, neglect of duty or malfeasance in office in the manner provided by law for the removal of officers not subject to impeachment.

Section 858-204. Officers - Employees - Duties and Compensation - Meetings

A. The members of the Commission, within thirty (30) days after their appointment, shall organize and elect a Chairman and Vice Chairman. Annually thereafter the offices of Chairman and Vice Chairman shall be attained through election by Commission members.

B. The Commission, as soon after the election of the Chairman and Vice Chairman as practicable, shall employ a Secretary-Treasurer and such clerks and assistants as shall be deemed necessary to discharge the duties imposed by the provisions of this Code, and shall determine their duties and fix their compensation subject to the general laws of this state.

C. The Chairman of the Commission, and in his absence the Vice Chairman, shall preside at all meetings of the Commission and shall execute such duties as the Commission, by its rules, shall prescribe.

D. The Secretary-Treasurer shall keep a complete and permanent record of all proceedings of the Commission and perform such other duties as the Commission shall prescribe.

Section 858-205. Revolving Fund

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Real Estate Commission, to be designated the "Oklahoma Real Estate Commission Revolving Fund". The fund shall consist of all monies received by the Oklahoma Real Estate Commission other than the Oklahoma Real Estate Education and Recovery Fund fees or appropriated funds. The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the control and management of the Oklahoma Real Estate Commission.

B. The Oklahoma Real Estate Commission may invest all or part of the monies of the fund in securities offered through the "Oklahoma State Treasurer's Cash Management Program". Any interest or dividends accruing from the securities and any monies generated at the time of redemption of the securities shall be deposited in the General Operating Fund of the Oklahoma Real Estate Commission. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Real Estate Commission.

C. Expenditures from this fund shall be made pursuant to the purposes of this Code and without legislative appropriation. Warrants for expenditures shall be drawn by the State Treasurer based on claims signed by an authorized employee or employees of the Oklahoma Real Estate Commission and approved for payment by the Director of the Office of Management and Enterprise Services.

Section 858-206. Suits - Service - Seal - Certified Copies - Location of Office

A. The Commission may sue and be sued in its official name, and service of summons upon the secretary-treasurer of the Commission shall constitute lawful service upon the Commission.

B. The Commission shall have a seal which shall be affixed to all licenses, certified copies of records and papers on file, and to such other instruments as the Commission may direct, and all courts shall take judicial notice of such seal.

C. Copies of records and proceedings of the Commission and all papers on file in the office, certified under the seal, shall be received as evidence in all courts of record.

D. The office of the Commission shall be at Oklahoma City, Oklahoma.

Section 858-207. Annual Report of Fees

The Commission shall at the close of each fiscal year file with the Governor and State Auditor and Inspector a true and correct report of all fees charged, collected and received during the previous fiscal year, and shall pay into the General Revenue Fund of the State Treasury ten percent (10%) of the license fees collected and received during the fiscal year.

Section 858-208. Powers and Duties of the Commission

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;

2. To administer or cause to be administered examinations to persons who apply for the issuance of licenses;

3. To sell to other entities or governmental bodies, not limited to the State of Oklahoma, computer testing and license applications to recover expended research and development costs;

4. To issue licenses in the form the Commission may prescribe to persons who have passed examinations or who otherwise are entitled to such licenses;

5. To issue licenses to and regulate the activities of real estate brokers, provisional sales associates, sales associates, branch offices, nonresidents, associations, corporations, and partnerships;

6. Upon showing good cause as provided for in The Oklahoma Real Estate License Code, to discipline licensees, instructors and real estate school entities by:

   a. reprimand,

   b. probation for a specified period of time,

   c. requiring education in addition to the educational requirements provided by Section 858-307.2 of this title,

   d. suspending real estate licenses and approvals for specified periods of time,

   e. revoking real estate licenses and approvals,

   f. imposing administrative fines pursuant to Section 858-402 of this title, or

   g. any combination of discipline as provided by subparagraphs a through f of this paragraph;

7. Upon showing good cause, to modify any sanction imposed pursuant to the provisions of this section and to reinstate licenses;

8. To conduct, for cause, disciplinary proceedings;

9. To prescribe penalties as it may deem proper to be assessed against licensees for the failure to pay the license renewal fees as provided for in this Code;

10. To initiate the prosecution of any person who violates any of the provisions of this Code;

11. To approve instructors and organizations offering courses of study in real estate and to further require them to meet standards to remain qualified as is necessary for the administration of this Code;

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

13. To apply for injunctions and restraining orders to enforce the provisions of applicable laws, rules, and regulations for violations of the Code or the rules of the Commission;

14. To create an Oklahoma Real Estate Contract Form Committee by rule that will be required to draft and revise real estate purchase and/or lease contracts and any related addenda for voluntary use by real estate licensees;

15. To enter into contracts and agreements for the payment of food and other reasonable expenses as authorized in the State Travel Reimbursement Act necessary to host, conduct, or participate in meetings or training sessions as is reasonable for the administration of this Code;

16. To conduct an annual performance review of the Executive Director and submit the report to the Legislature;

17. To enter into reciprocal agreements with other real estate licensing regulatory jurisdictions with equivalent licensing, education and examination requirements.

18. To issue cease and desist orders to any person or business entity that is in violation of any provision of the Oklahoma Real Estate License Code or administrative rule; and

19. To contract with debt collection attorneys or debt collection entities to recover unpaid administrative fines.

Section 858-209. Compliance With the Administrative Procedures Act

A. In the exercise of all powers and the performance of all duties provided in this Code, the Commission shall comply with the procedures provided in the Administrative Procedures Act. Appeals shall be taken as provided in said act.

B. The Commission may designate and employ a hearing examiner or examiners who shall have the power and authority to conduct such hearings in the name of the Commission at any time and place subject to the provisions of this section and any applicable rules or orders of the Commission. No person shall serve as a hearing examiner in any proceeding in which any party to the proceeding is, or at any time has been, a client of the hearing examiner or of any firm, partnership or corporation with which the hearing examiner is, or at any time has been, associated. No person who acts as a hearing examiner shall act as attorney for the Commission in any court proceeding arising out of any hearing in which he acted as hearing examiner.

C. In any hearing before the Commission, the burden of proof shall be upon the moving party.

Section 858-301. License Required - Exceptions

It shall be unlawful for any person to act as a real estate licensee, or to hold himself or herself out as such, unless the person shall have been licensed to do so under the Oklahoma Real Estate License Code. For the purposes of this section, it shall be considered acting as a real estate licensee for any person, partnership, trust, association, limited liability company, or corporation, or the partners, officers or employees of any partnership, trust, association, limited liability company, or corporation, to publicly market for sale an equitable interest in a contract for the purchase of real property between a property owner and a prospective purchaser. However, nothing in this section shall:

1. Prevent any person, partnership, trust, association, limited liability company, or corporation, or the partners, officers or employees of any partnership, trustees or beneficiaries of any trust, association, limited liability company, or corporation, from:

    a. acquiring real estate for its own use,

    b. selling, renting, leasing, exchanging, or offering to sell, rent, lease, or exchange any real estate so owned or leased as the owner, lessor, or lessee, or

    c. performing any acts with respect to such real estate when such acts are performed in the regular course of, or as an incident to, the management, ownership, or sales of such real estate and the investment therein; however, it shall be prohibited for any person, partnership, trust, association, limited liability company, or corporation, or the officers or employees of any partnership, trustees, or beneficiaries of any trust, association, limited liability company, or corporation to publicly market for sale an equitable interest in a contract for the purchase of real property between a property owner and a prospective purchaser without holding an active real estate license;

2. Apply to persons acting as the attorney-in-fact for the owner of any real estate authorizing the final consummation by performance of any contract for the sale, lease or exchange of such real estate;

3. In any way prohibit any attorney-at-law from performing the duties of the attorney as such, nor shall this Code prohibit a receiver, trustee in bankruptcy, administrator, executor, or his or her attorney, from performing his or her duties, or any person from performing any acts under the order of any court, or acting as a trustee under the terms of any trust, will, agreement or deed of trust;

4. Apply to any person acting as the resident manager for the owner or an employee acting as the resident manager for a licensed real estate broker managing an apartment building, duplex, apartment complex or court, when such resident manager resides on the premises and is engaged in the leasing of property in connection with the employment of the resident manager;

5. Apply to any person who engages in such activity on behalf of a corporation or governmental body, to acquire easements, rights-of-way, leases, permits and licenses, including any and all amendments thereto, and other similar interests in real estate, for the purpose of, or facilities related to, transportation, communication services, cable lines, utilities, pipelines, or oil, gas, and petroleum products;

6. Apply to any person who engages in such activity in connection with the acquisition of real estate on behalf of an entity, public or private, which has the right to acquire the real estate by eminent domain;

7. Apply to any person who is a resident of an apartment building, duplex, or apartment complex or court, when the person receives a resident referral fee. As used in this paragraph, a "resident referral fee" means a nominal fee not to exceed One Hundred Dollars ($100.00), offered to a resident for the act of recommending the property for lease to a family member, friend, or coworker;

8. Apply to any person or entity managing a transient lodging facility. For purposes of this paragraph, "transient lodging facility" means a furnished room or furnished suite of rooms which is rented to a person on a daily basis, not as a principal residence, for a period less than thirty (30) days; or

9. Apply to employees of a licensed real estate broker who lease residential housing units only to eligible persons who qualify through a state or federal housing subsidized program to lease the property in an affordable housing development project. "Affordable housing development project" means a housing development of four or more units constructed for lease to specifically eligible persons as required by the particular federal or state housing program, including, but not limited to, the U.S. Department of Housing and Urban Development, the U.S. Department Agriculture Rural Development, the U.S. Department of Treasury Internal Revenue Service, or the Oklahoma Housing Finance Agency.

Section 858-301.1. Eligibility of Applicants Convicted of Crimes to Obtain a Real Estate License

A. Any applicant convicted of any crimes defined in Section 13.1 of Title 21 of the Oklahoma Statutes shall not be eligible to obtain a real estate license within twenty (20) years of the completion of any criminal sentence, including parole and probation.

B. Any applicant convicted of a felony crime that substantially relates to the occupation of a real estate agent and poses a reasonable threat to public safety shall not be eligible to obtain a real estate license within ten (10) years of the completion of any criminal sentence, including parole and probation.

C. For the purposes of this section, the term "applicant" shall mean any person making an application for original licensure as a provisional sales associate, sales associate, broker associate, or broker, and shall not apply to any licensee seeking renewal of a current license.

D. Any applicant with a felony conviction shall not automatically receive a license after the timelines set forth in this section, but may be licensed in accordance with the licensing provisions set forth in the Oklahoma Real Estate License Code and Rules.

E. As used in this section:

1. "Substantially relates" means the nature of criminal conduct for which the person was convicted has a direct bearing on the fitness or ability to perform one or more of the duties or responsibilities necessarily related to the occupation; and

2. "Poses a reasonable threat" means the nature of criminal conduct for which the person was convicted involved an act or threat of harm against another and has a bearing on the fitness or ability to serve the public or work with others in the occupation.

Section 858-301.2. Duty of Licensees to Notify Commission of Conviction, Guilty Plea, or Nolo Contendere Plea of Felony Offense

Every licensed person pursuant to the provisions of the Oklahoma Real Estate License Code shall notify the Commission in writing of the conviction or plea of guilty or nolo contendere to any felony offense within thirty (30) days after the plea is taken and also within thirty (30) days of the entering of an order of judgment and sentencing.

Section 858-302. Eligibility for License as Real Estate Sales Associate - Qualifications - Examination

A. Any person eighteen (18) years of age or older who shall submit to the Commission evidence of successful completion of ninety (90) clock hours or its equivalent as determined by the Commission of basic real estate instruction in a course of study approved by the Commission, may apply to the Commission to take an examination for the purpose of securing a license as a provisional sales associate. The education required in this subsection shall only be valid for a period of three (3) years from the date the school certified successful completion of the course; thereafter, the applicant shall be required to successfully complete an additional ninety (90) clock hours or its equivalent in basic real estate instruction.

B. Application shall be made upon forms prescribed by the Commission and shall be accompanied by an application fee as provided for in this Code and all information and documents the Commission may require.

C. The applicant shall appear in person before the Commission for an examination which shall be in the form and inquire into the subjects the Commission shall prescribe.

D. If it shall be determined that the applicant shall have passed the examination, received final approval of the application, and paid the appropriate license fee provided for in this Code along with the Oklahoma Real Estate Education and Recovery Fund fee, the Commission shall issue to the applicant a provisional sales associate license.

E. Following the issuance of a provisional sales associate license, the licensee shall then submit to the Commission, prior to the expiration of the provisional license, evidence of successful completion of forty-five (45) clock hours or its equivalent as determined by the Commission of postlicense education real estate instruction in a course(s) of study approved by the Commission. A provisional sales associate who fails to submit evidence of compliance with the postlicense education requirement pursuant to this section, prior to the first expiration date of the provisional sales associate license, shall not be entitled to renew such license for another license term. However, the Commission shall promulgate rules for those persons called into active military service for purposes of satisfying the postlicense education requirement.

Section 858-303. Broker License Requirements

A. Applicants for a broker license who hold a sales associate license or are not currently licensed shall meet the following requirements:

1. Have two (2) years' of active licensure within the previous five (5) years or its equivalent;

2. Submit to the Commission evidence of successful completion of ninety (90) clock hours or its equivalent as determined by the Commission of advanced real estate instruction in a course of study approved by the Commission and completion of the Broker in Charge course as defined in the Code. The education required in this subsection shall only be valid for a period of three (3) years from the date the school certified successful completion of the course; thereafter, the applicant shall be required to successfully complete an additional ninety (90) clock hours or its equivalent in advanced real estate instruction;

3. Provide documentation verifying ten real estate transactions within the past five (5) years or the equivalent as determined by the Commission. For the purposes of this subsection only, transaction shall be defined as the completed sale, exchange, purchase, or lease of real estate and shall be demonstrated on forms developed by the Commission; and

4. Apply to the Commission to take an examination for the purpose of securing a license as a broker.

B. Application shall be made upon forms prescribed by the Commission and shall be accompanied by fees as provided for in this Code and all information and documents the Commission may require.

C. If the applicant has passed the examination, received final approval of the application, and paid the appropriate fees provided for in this Code along with the Oklahoma Real Estate Education and Recovery Fund fee, the Commission shall issue to the applicant a broker license.

D. Applicants for a broker license who hold a broker associate license shall meet the following requirements:

1. Have two (2) years' active licensure within the previous five (5) years, or its equivalent;

2. Submit to the Commission evidence of successful completion of the Broker in Charge course as defined in the Code; and

3. Provide documentation verifying ten real estate transactions within the past five (5) years or the equivalent as determined by the Commission. For the purposes of this subsection only, transaction shall be defined as the completed sale, exchange, purchase, or lease of real estate and shall be demonstrated on forms developed by the Commission.

E. Application shall be made upon forms prescribed by the Commission and shall be accompanied by fees as provided for in this Code and all information and documents the Commission may require.

F. If the applicant has received final approval of the application, and paid the appropriate fee provided for in this Code along with the Oklahoma Real Estate Education and Recovery Fund fee, the Commission shall issue to the applicant a broker license.

Section 858-303A. Broker Associate License Requirements

A. Applicants for a broker associate license shall meet the following requirements:

1. Hold a renewable broker associate or sales associate license and have two (2) years' active licensure within the previous five (5) years as a sales associate or provisional sales associate, or its equivalent;

2. Submit to the Commission evidence of successful completion of ninety (90) clock hours, or its equivalent as determined by the Commission, of advanced real estate instruction in a course of study approved by the Commission. The education required in this subsection shall only be valid for a period of three (3) years from the date the school certified successful completion of the course; thereafter, the applicant shall be required to successfully complete an additional ninety (90) clock hours or its equivalent in advanced real estate instruction; and

3. Apply to the Commission to take an examination for the purpose of securing a license as a broker associate.

B. Application shall be made upon forms prescribed by the Commission and shall be accompanied by fees as provided for in this Code and all information and documents the Commission may require.

C. The applicant shall appear in person for an examination which shall be prescribed by the Commission.

D. If the applicant has passed the examination, received final approval of the application, and paid the appropriate fees provided for in this Code along with the Oklahoma Real Estate Education and Recovery Fund fee, the Commission shall issue to the applicant a broker associate license.

Section 858-303B. Detailed Accounting of Expenditures for Services

Any real estate broker who charges and collects any fees in advance of the services provided by the broker shall provide a detailed accounting of expenditures to the person such services are performed for within ten (10) days after the time specified to perform such services or upon written request from person for whom services are performed for, but no longer than one (1) year from date of contract for such services.

Section 858-304. Certificate of Successful Completion of Basic or Advanced Real Estate Instruction as Evidence to Meet Certain Requirements for License

A. A certified transcript from an institution of higher education, accredited by the Oklahoma State Regents for Higher Education or the corresponding accrediting agency of another state, certifying to the successful completion of a six-academic-hour basic course of real estate instruction, or its equivalent, for which college credit was given, shall be prima facie evidence of successful completion of the clock hours of basic real estate instruction for a provisional sales associate applicant as required in Section 858-302 of this Code. The education required in this subsection shall only be valid for a period of three (3) years from the date the school certified successful

completion of the course; thereafter, the applicant shall be required to successfully complete an additional six-academic-hour basic course of real estate instruction, or its equivalent.

B. A certified transcript from an institution of higher education, accredited by the Oklahoma State Regents for Higher Education or the corresponding accrediting agency of another state, certifying to the successful completion of a three-academic-hour course of real estate instruction, or its equivalent, consisting of the provisional sales associate postlicense education requirements for which college credit was given, shall be prima facie evidence of successful completion of the clock hours of real estate instruction for the postlicense education requirement as required in Section 858-302 of this title.

C. A certified transcript from an institution of higher education, accredited by the Oklahoma State Regents for Higher Education or the corresponding agency of another state, certifying to the successful completion of a six-academic-hour advanced course of real estate instruction, or its equivalent, for which college credit was given, shall be prima facie evidence of successful completion of the clock hours of advanced real estate instruction, or its equivalent, as required in Section 858-303 of this Code for a broker applicant.

D. Each school, whether public or private other than institutions of higher education, must present to the Commission its syllabus of instruction, prior to approval of such school.

Section 858-305. Licensing of Associations, Corporations and Partnerships

A. The Oklahoma Real Estate Commission may license as a broker any association or corporation in which the managing member or managing officer holds a license as a real estate broker, as defined in this Code, and in which every member, officer or employee who acts as a real estate broker or real estate sales associate holds a license for that purpose, as defined in this Code. The Commission may license as a real estate broker any partnership in which each partner holds a license as a real estate broker, as defined in this Code.

B. The Oklahoma Real Estate Commission shall require the registration of all teams affiliated under a brokerage for the purpose of allowing the Commission to better align and track the teams within each brokerage. For the purposes of this section, a team shall mean any two or more licensees who work under the supervision of the same broker, work together on real estate transactions to provide brokerage services, represent themselves to the public as being part of a team, and are designated by a team name. Such registration shall occur before a team performs any licensed activities, and the broker shall notify the Commission when any team name is no longer being used. The Commission may charge a registration fee for each team not to exceed the administrative costs of the registration process.

C. Application for licenses and registrations described in this section shall be made on forms prescribed by the Commission and shall be issued pursuant to rules promulgated by the Commission.

Section 858-306. Licensing of Nonresidents

A. Any person who desires to perform licensed activities in Oklahoma but maintains a place of business outside of Oklahoma may obtain an Oklahoma nonresident license by complying with all applicable provisions of this Code including the successful completion of the applicable Oklahoma state portion of the real estate examination.

B. The nonresident shall give written consent that actions and suits at law may be commenced against the nonresident licensee in any county in this state wherein any cause of action may arise or be claimed to have arisen out of any transaction occurring in the county because of any transactions commenced or conducted by the nonresident or the nonresident's associates or employees in such county. The nonresident shall further, in writing, appoint the secretary-treasurer of said Commission as service agent to receive service of summons for the nonresident in all of such actions and service upon the secretary-treasurer of such Commission shall be held to be sufficient to give the court jurisdiction over the nonresident in all such actions.

C. A broker who is duly licensed in another state and who has not obtained an Oklahoma nonresident license may enter a cooperative brokerage agreement with a licensed real estate broker in this state. If, however, the broker desires to perform licensed activities in this state, the broker must obtain an Oklahoma nonresident license.

Section 858-307.1. Issuance of License - Term - Fees

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. 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. Fees shall be promulgated by rule, payable in advance, and nonrefundable.

Section 858-307.2. Continuing Education Requirements - License Renewal

A. Beginning November 1, 2004, as a condition of renewal or reactivation of a real estate license, each licensee with the exception of those exempt as set out in this section shall submit to the Oklahoma Real Estate 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 such 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 or states and has satisfied the continuing education requirement for license renewal in that state or states. If the nonresident licensee is exempt from the continuing education requirements in all states where the nonresident holds a license, the nonresident licensee shall successfully complete this state's continuing education requirement for license renewal or reactivation; or

4. To a corporation, association, partnership or branch office.

F. The Commission shall require each licensee to receive a specified number of hours of continuing education courses on deed theft, as defined in Section 858-351 of this title. Each licensee shall be required to complete such continuing education on or before November 1, 2028.

Section 858-307.3. Time Limit for Applying for Reissuance of License after Revocation

A person shall not be permitted to file an application for reissuance of a license after revocation of the license within five (5) years of the effective date of revocation.

Section 858-307.4. National Criminal History Record Check

A. Prior to the issuance of a license pursuant to this Code, each applicant shall submit to a national criminal history record check, as defined by Section 150.9 of Title 74 of the Oklahoma Statutes.

B. Upon receipt by the Commission of criminal history, the Commission shall conduct an investigation in accordance with rules promulgated by the Commission.

C. The costs associated with the national criminal history record check shall be paid by the applicant.

Section 858-308. Current List of Licensees

In the interest of the public, the Commission shall keep a current list of the names and addresses of all licensees, and of all persons whose licenses have been suspended or revoked, together with such other information relative to the enforcement of the provisions of this Code as it may deem advisable and desirable. Such listings and information shall be a matter of public record.

Section 858-309. Inactive Status for Licenses

A. The Commission may place a license on inactive status when the request therefor is accompanied by sufficient reason; however, said status shall not relieve the licensee from paying the required fees. The request for inactive status shall be in writing on forms furnished by the Commission.

B. During active military service, any licensee shall not be required to pay the fees but shall request the inactive status prior to each term for which the license is to be issued.

Section 858-310. Location of Office - Licenses for Branch Offices

A. A real estate broker shall maintain a specific place of business. Such place of business shall comply with all local laws and shall be available to the public during reasonable business hours.

B. If a real estate broker maintains more than one place of business and the additional location is an extension of the main office, a branch office license must be obtained for each additional location. Each branch office shall be under the direction and supervision of a separate broker and shall be considered a managing broker of the branch office. Application shall be made upon forms as prescribed by the Commission.

Section 858-311. Action Not Maintainable Without Allegation and Proof of License

No person, partnership, association or corporation acting as a real estate licensee shall bring or maintain an action in any court in this state for the recovery of a money judgment as compensation for services rendered in listing, buying, selling, renting, leasing or exchanging of any real estate without alleging and proving that such person, partnership, association or corporation was licensed when the alleged cause of action arose.

Section 858-312. Investigation - Cause for Suspension or Revocation of License

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:

1. Making a materially false or fraudulent statement in an application for a license;

2. Making substantial misrepresentations or false promises in the conduct of business, or through real estate licensees, or advertising, which are intended to influence, persuade, or induce others;

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

4. Accepting a commission or other valuable consideration as a real estate associate for the performance of any acts as an associate, except from the real estate broker with whom the associate is associated;

5. Representing or attempting to represent a real estate broker other than the broker with whom the associate is associated without the express knowledge and consent of the broker with whom the associate is associated;

6. Failing, within a reasonable time, to account for or to remit any monies, documents, or other property coming into possession of the licensee which belong to others;

7. Paying a commission or valuable consideration to any person for acts or services performed in violation of the Oklahoma Real Estate License Code;

8. Any other conduct which constitutes untrustworthy, improper, fraudulent, or dishonest dealings;

9. Disregarding or violating any provision of the Oklahoma Real Estate License Code or rules promulgated by the Commission;

10. Guaranteeing or having authorized or permitted any real estate licensee to guarantee future profits which may result from the resale of real estate;

11. Advertising or offering for sale, rent or lease any real estate, or placing a sign on any real estate offering it for sale, rent or lease without the consent of the owner or the owner's authorized representative;

12. Using prizes, money, gifts or other valuable consideration as an inducement to secure customers or clients to purchase specific property; however, licensees may use prizes, money, gifts or other valuable consideration for marketing purposes provided they are not contingent or limited to individuals making an offer or purchasing a specific property;

13. Accepting employment or compensation for appraising real estate contingent upon the reporting of a predetermined value or issuing any appraisal report on real estate in which the licensee has an interest unless the licensee's interest is disclosed in the report. All appraisals shall be in compliance with the Oklahoma real estate appraisal law, and the person performing the appraisal or report shall disclose in writing to the employer whether the person performing the appraisal or report is licensed or certified by the Oklahoma Real Estate Appraiser Board;

14. Paying a commission or any other valuable consideration to any person for performing the services of a real estate licensee as defined in the Oklahoma Real Estate License Code who has not first secured a real estate license pursuant to the Oklahoma Real Estate License Code;

15. Unworthiness to act as a real estate licensee, whether of the same or of a different character as specified in this section, or because the real estate licensee has been convicted of, or pleaded guilty or nolo contendere to, a crime involving moral turpitude;

16. Commingling with the licensee's own money or property the money or property of others which is received and held by the licensee, unless the money or property of others is received by the licensee and held in an escrow account that contains only money or property of others;

17. Conviction in a court of competent jurisdiction of having violated any provision of the federal fair housing laws, 42 U.S.C. Section 3601 et seq.;

18. Failure by a real estate broker, after the receipt of a commission, to render an accounting to and pay to a real estate licensee the licensee's earned share of the commission received;

19. Conviction in a court of competent jurisdiction in this or any other state of the crime of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, fraud, or any similar offense or offenses, or pleading guilty or nolo contendere to any such offense or offenses;

20. Advertising to buy, sell, rent, or exchange any real estate without disclosing in writing that the licensee is a real estate licensee;

21. Paying any part of a fee, commission, or other valuable consideration received by a real estate licensee to any person not licensed;

22. Offering, loaning, paying, or making to appear to have been paid, a down payment or earnest money deposit for a purchaser or seller in connection with a real estate transaction;

23. Violation of the Residential Property Condition Disclosure Act;

24. Placing or causing to be placed upon the public records of any county any contract, assignment, affidavit, or other writing, which purports to affect title of or encumber any real property for the purpose of collection of a commission, or to coerce the payment of money to the individual or entity. Nothing in this paragraph shall be construed to prohibit a licensee from recording a judgment;

25. Being unworthy or incompetent to act as a real estate broker in a manner as to endanger the interest of the public;

26. Failure to provide an adequate written response to the Commission within fifteen (15) days after receiving written notice of a complaint or investigation;

27. Failure to notify the Commission in writing of the conviction or plea of guilty or nolo contendere to any felony offense within thirty (30) days after the plea is taken and also
within thirty (30) days of the entering of the judgment and sentencing as required by Section 858-301.2 of Title 59 in the Oklahoma Statutes; and

28. Soliciting, selling, or offering for sale real property by means of a deceptive practice.

Section 858-312.1. Operation with Revoked or Suspended License

A. No person whose license is revoked or suspended shall operate directly or indirectly or have a participating interest, or act as a member, partner or officer, in any real estate business, corporation, association or partnership that is required to be licensed pursuant to this Code.

B. No person whose license is cancelled, surrendered or lapsed pending investigation or disciplinary proceedings shall operate directly or indirectly or have a participating interest, or act as a member, partner or officer, in any real estate business, corporation, association or partnership that is required to be licensed pursuant to this Code until such time as the Commission makes a determination on the pending investigation or disciplinary proceedings and approves an application for license.

Section 858-313. Confidential Records

The following materials of the Commission are confidential and not public records:

1. Examinations conducted by the Commission and materials related to the examinations;
2. Educational materials submitted to the Commission by a person or entity seeking approval and/or acceptance of a course of study; and
3. Brokerage and school records resulting from an audit performed by the Commission.

Section 858-314. Wholesaler Disclosures - Contract Cancellation - Forms - Rules

A. A wholesaler shall:

1. Disclose in writing to the homeowner, before the execution of any contract or written agreement, his or her intent to assign or sell his or her equitable interest in the residential real estate for a higher price than what is offered to the homeowner;

2. Provide a prominent written disclosure to the homeowner in all written contracts between the parties stating that the homeowner should seek legal advice before signing any contract concerning his or her home; and

3. Disclose in writing to the homeowner that the homeowner has the right to cancel the contract without penalty within two (2) business days after the execution of the contract.

B. A wholesaler shall not, directly or indirectly:

1. Act as an advisor or consultant, or in any other manner representing that the wholesaler is acting on behalf of the homeowner; or

2. Represent himself or herself as holding a certification or license, or being a member of a licensed profession, without possession of the certification or license.

C. The homeowner shall have the right to cancel the contract without penalty within two (2) business days from the date of execution of the contract.

D. The wholesaler shall be prohibited from placing any lien or encumbrance on or otherwise clouding title of the property.

E. Any contract or agreement used by a wholesaler shall contain the following:

1. The name, address, and telephone number of the wholesaler;

2. The address of the residence involved in the transaction;

3. The total consideration to be given by the wholesaler to the homeowner;

4. A complete description of the terms of payment or other consideration including, but not limited to, any services of any nature which the wholesaler represents he or she will perform for the seller before or after the sale; and

5. The following notice shall appear on the contract in immediate proximity to the space reserved for the seller's signature and shall be in at least twelve-point bold type if the contract is typed or in capital letters if the contract is printed. The notice shall contain the name of the wholesaler, the date and time by which the contract shall be canceled, and the following language:

"NOTICE REQUIRED BY OKLAHOMA LAW: You may cancel this contract at any time before midnight of _____ (Date). _____ (Name of Wholesaler) or anyone working for _____ (Name of Wholesaler) CANNOT ask you to sign or have you sign any deed or any other document until your right to cancel this contract has ended. See the attached notice of cancellation form for an explanation of this right. You should always consult an attorney or community organization before signing any legal documents concerning your home. It is advisable that you find your own attorney. The law requires this contract to contain the entire agreement. You should not rely upon any other written or oral agreement or promise."

F. Failure to include any of the required disclosures under this section shall render the contract invalid and unenforceable by the wholesaler and shall entitle the homeowner to any earnest money deposit involved in the transaction. Any earnest money deposit or security deposit by a wholesaler shall be kept in an escrow account maintained in this state with a federally insured financial

institution. The homeowner may terminate the contract at any time if the wholesaler fails to comply with the provisions of this section.

G. The Oklahoma Real Estate Commission shall create, publish, and provide on its website a notice of cancellation form, which shall be included by the wholesaler with any contract. This form shall be provided to the homeowner at no cost.

H. The Commission shall promulgate any rules necessary to implement the provisions of this section.

III-A. Broker Relationships

Section 858-351. Definitions

Unless the context clearly indicates otherwise, as used in Sections 858-351 through 858-363 of The Oklahoma Real Estate License Code and Section 3 of this act:

1. "Broker" means a real estate broker, an associated broker associate, sales associate, or provisional sales associate authorized by a real estate broker to provide brokerage services;

2. "Brokerage services" means those services provided by a broker to a party in a transaction;

3. “Deed theft” means to:

   a. intentionally alter, falsify, forge, or misrepresent a document relating to real property with the intent to deceive, defraud, or unlawfully transfer or encumber the ownership rights of the owner of the real property,

   b. misrepresent oneself as the owner or authorized representative of the owner of real property in order to obtain ownership or possession of such real property, or

   c. with intent to defraud, take, obtain, steal, or transfer title or ownership of real property by fraud, forgery, larceny, or any other fraudulent or deceptive practice;

4. “Firm” means a sole proprietor, corporation, association, or partnership;

5. "Party" means a person who is a seller, buyer, landlord, or tenant or a person who is involved in an option or exchange; and

6. "Transaction" means an activity or process to buy, sell, lease, rent, option, or exchange real estate. Such activities or processes may include, without limitation, soliciting, advertising, showing or viewing real property, presenting offers or counteroffers, entering into agreements, and closing such agreements;

Section 858-353. Broker Duties and Responsibilities

A. A broker shall have the following duties and responsibilities to all parties in a transaction, which are mandatory and may not be abrogated or waived by a broker:

1. Treat all parties with honesty and exercise reasonable skill and care;

2. Unless specifically waived in writing by a party to the transaction:

   a. receive all written offers and counteroffers,

   b. reduce offers or counteroffers to a written form upon request of any party to a transaction, and

   c. present timely all written offers and counteroffers;

3. Timely account for all money and property received by the broker;

4. Keep confidential information received from a party or prospective party confidential. The confidential information shall not be disclosed by a firm without the consent of the party disclosing the information unless consent to the disclosure is granted in writing by the party or prospective party disclosing the information, the disclosure is required by law, or the information is made public or becomes public as the result of actions from a source other than the firm. The following information shall be considered confidential and shall be the only information considered confidential in a transaction:

a. that a party or prospective party is willing to pay more or accept less than what is being offered,

b. that a party or prospective party is willing to agree to financing terms that are different from those offered,

c. the motivating factors of the party or prospective party purchasing, selling, leasing, optioning or exchanging the property, and

d. information specifically designated as confidential by a party unless such information is public;

5. Disclose information pertaining to the property as required by the Residential Property Condition Disclosure Act; and

6. Comply with all requirements of The Oklahoma Real Estate License Code and all applicable statutes and rules.

7. Disclose:

a. information pertaining to compensation and fees assessed on each transaction to the represented party, which shall be communicated in writing before the effective date of the contract for sale or lease, and

b. the time frame for which the compensation agreement is valid, not to exceed one (1) year. If no time frame is specified, the compensation agreement shall default to sixty (60) days.

B. A broker shall have the following duties and responsibilities only to a party for whom the broker is providing brokerage services in a transaction which are mandatory and may not be abrogated or waived by a broker:

1. Inform the party in writing when an offer is made that the party will be expected to pay certain costs, brokerage service costs and approximate amount of the costs; and

2. Keep the party informed regarding the transaction.

C. When working with both parties to a transaction, the duties and responsibilities set forth in this section shall remain in place for both parties.

Section 858-355.1. Brokerage Agreements - Services Provided to Both Parties in a Transaction - Disclosures

A. All brokerage agreements shall incorporate as material terms the duties and responsibilities set forth in Section 858-353 of The Oklahoma Real Estate License Code.

B. A broker may provide brokerage services to one or both parties in a transaction.

C. A broker who is providing brokerage services to one or both parties shall describe and disclose in writing the broker's duties and responsibilities set forth in Section 858-353 of The Oklahoma Real Estate License Code prior to the party or parties signing a contract to sell, purchase, lease, option, or exchange real estate.

D. A firm that provides brokerage services to both parties in a transaction shall provide written notice to both parties that the firm is providing brokerage services to both parties to a transaction prior to the parties signing a contract to purchase, lease, option or exchange real estate.

E. If a broker intends to provide fewer brokerage services than those required to complete a transaction, the broker shall provide written disclosure to the party for whom the broker is providing brokerage services. Such disclosure shall include a description of those steps in the transaction for which the broker will not provide brokerage services, and also state that the broker assisting the other party in the transaction is not required to provide assistance with these steps in any manner.

Section 858-355.2. Brokerage Agreements Prior to Showing Real Estate

A. A broker shall not be required to enter into a brokerage agreement with a buyer prior to showing real estate for purchase, lease, option, or exchange.
B. A managing broker or proprietor broker may choose to require a branch broker, broker associate, or sales associate that is employed by, working with, or an independent contractor for the managing broker or proprietor broker to enter into a brokerage agreement with a buyer prior to showing real estate for purchase, lease, option, or exchange.

Section 858-356. Disclosures - Confirmation in Writing

The written disclosures as required by subsection C of Section 858-355.1 of this title shall be confirmed by each party in writing in a separate provision, incorporated in or attached to the contract to purchase, lease, option, or exchange real estate. In those cases where a broker is involved in a transaction but does not prepare the contract to purchase, lease, option, or exchange real estate, compliance with the disclosure requirements shall be documented by the broker.

Section 858-358. Duties of Broker Following Termination, Expiration or Completion of Performance

Except as may be provided in a written brokerage agreement between the broker and a party to a transaction, the broker owes no further duties or responsibilities to the party after termination, expiration, or completion of performance of the transaction, except:

1. To account for all monies and property relating to the transaction; and
2. To keep confidential all confidential information received by the broker during the broker's relationship with a party.

Section 858-359. Broker Compensation - Determination of Relationship - Breach of Duty

A. The payment or promise of payment or compensation by a party to a broker does not determine what relationship, if any, has been established between the broker and a party to a transaction.

B. In the event a broker receives a fee or compensation from any party to the transaction based on a selling price or lease cost of a transaction, such receipt does not constitute a breach of duty or obligation to any party to the transaction.

C. A broker or real estate owner of record may compensate or offer compensation to any real estate professional licensed by the Oklahoma Real Estate Commission for providing brokerage services in connection with the purchase, lease, sale, transfer, or exchange of real estate located in this state.

D. 1. Nothing in this section requires a broker to charge, or prohibits a broker from charging, a separate fee or other compensation for each duty or other brokerage services provided during a transaction.

2. Nothing in this section requires a broker or real estate owner of record to offer compensation to any real estate professional in this state.

Section 858-360. Abrogation of Common Law Principles of Agency - Remedies Cumulative

A. The duties and responsibilities of a broker specified in Sections 858-351 through 858-363 of The Oklahoma Real Estate License Code shall replace and abrogate the fiduciary or other duties of a broker to a party based on common law principles of agency. The remedies at law and equity supplement the provisions of Sections 858-351 through 858-363 of The Oklahoma Real Estate License Code.

B. A broker may cooperate with other brokers in a transaction. Pursuant to Sections 858-351 through 858-363 of The Oklahoma Real Estate License Code, a broker shall not be an agent, subagent, or dual agent and an offer of subagency shall not be made to other brokers.

C. Nothing in this act shall prohibit a broker from entering into an agreement for brokerage services not enumerated herein so long as the agreement is in compliance with this act, the Oklahoma Real Estate Code and the Oklahoma Real Estate Commission Administration Rules.

Section 858-361. Use of "Agent" in Trade Name

A real estate broker and the associates of a real estate broker are permitted under the provisions of Sections 858-351 through 858-363 of this title to use the word "agent" in a trade name and as a general reference for designating themselves as real estate licensees.

Section 858-362. Vicarious Liability for Acts or Omissions of Real Estate Licensee

A party to a real estate transaction shall not be vicariously liable for the acts or omissions of a real estate licensee who is providing brokerage services under Sections 858-351 through 858-363 of The Oklahoma Real Estate License Code.

Section 858-363. Associates of Real Estate Broker - Authority

Each broker associate, sales associate, and provisional sales associate shall be associated with a real estate broker. Associates shall not enter into a brokerage agreement with a party in the associate's name and shall only be allowed to enter into the agreement in the name of the broker. A real estate broker may authorize associates to provide brokerage services in the name of the real estate broker as permitted under The Oklahoma Real Estate License Code, which may include the execution of written agreements.

Section 858-364. Buyers Notice of the Signs and Risks of Deed Theft

As part of each closing of a transaction, notification of the signs and risks of deed theft, as defined in Section 858-351 of Title 59 of the Oklahoma Statutes, shall be required to be given to the buyer by a licensed real estate broker. The buyer shall confirm receipt of such notification by affixing his or

her signature to such notification. The Oklahoma Real Estate Commission shall promulgate rules to enact the provisions of this section.

IV. Penalties

Section 858-401. Penalties for Violations

A. In addition to any other penalties provided by law, any person unlicensed pursuant to The Oklahoma Real Estate License Code who shall willingly, knowingly, or negligently violate any provision of this Code, upon conviction, shall be guilty of a misdemeanor punishable by a fine of not more than Five Thousand Dollars ($5,000.00), or by imprisonment in the county jail for not more than six (6) months, or by both such fine and imprisonment.

B. In addition to any civil or criminal actions authorized by law, whenever, in the judgment of the Oklahoma Real Estate Commission, any unlicensed person has engaged in any acts or practices which constitute a violation of the Oklahoma Real Estate License Code, the Commission may:

1. After notice and hearing, and upon finding a violation of the Code, impose a fine of not more than Five Thousand Dollars ($5,000.00) or the amount of the commission or commissions earned, whichever is greater for each violation of the Code for unlicensed activity;

2. Make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the Commission that such person has engaged in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court, without bond; or

3. Impose administrative fines pursuant to this subsection which shall be enforceable in the district courts of this state. The order of the Commission shall become final and binding on all parties unless appealed to the district court as provided in the Administrative Procedures Act. If an appeal is not made, such order may be entered on the judgment docket of the district court in a county in which the debtor has property and thereafter enforced in the same manner as an order of the district court for collection actions.

C. Notices and hearings required by this section and any appeals from orders entered pursuant to this section shall be in accordance with the Administrative Procedures Act.

D. Such funds as collected pursuant to this section shall be deposited in the Oklahoma Real Estate Education and Recovery Fund.

Section 858-402. Administrative Fines Imposed on Licenses

A. The Oklahoma Real Estate Commission may impose administrative fines on any licensee licensed pursuant to The Oklahoma Real Estate License Code as follows:

1. Any administrative fine imposed as a result of a violation of this Code or the rules of the Commission shall not:

   a. be less than One Hundred Dollars ($100.00) and shall not exceed Two Thousand Dollars ($2,000.00) for each violation of this Code or the rules of the Commission, or

   b. exceed Five Thousand Dollars ($5,000.00) for all violations resulting from a single incident or transaction;

2. All administrative fines shall be paid within thirty (30) days of notification of the licensee by the Commission of the order of the Commission imposing the administrative fine;

3. The license may be suspended until any fine imposed upon the licensee by the Commission is paid;

4. If fines are not paid in full by the licensee within thirty (30) days of the notification by the Commission of the order, the fines shall double and the licensee shall have an additional thirty-day period. If the double fine is not paid within the additional thirty-day period, the license shall automatically be revoked; and

5. All monies received by the Commission as a result of the imposition of the administrative fine provided for in this section shall be deposited in the Oklahoma Real Estate Education and Recovery Fund, created pursuant to Section 858-601 of this title.

B. The administrative fines authorized by this section may be in addition to any other criminal penalties or civil actions provided for by law.

Section 858-513. Psychologically Impacted Real Estate - Disclosure

A. The fact or suspicion that real estate might be or is psychologically impacted, such impact being the result of facts or suspicions, including but not limited to:

1. that an occupant of the real estate is, or was at any time suspected to be infected, or has been infected, with Human Immuno-deficiency Virus or diagnosed with Acquired Immune Deficiency Syndrome, or other disease which has been determined by medical evidence to be highly unlikely to be transmitted through the occupancy of a dwelling place; or

2. that the real estate was, or was at any time suspected to have been the site of a suicide, homicide or other felony, is not a material fact that must be disclosed in a real estate transaction.

B. No cause of action shall arise against an owner of real estate or any licensee assisting the owner for the failure to disclose to the purchaser or lessee of such real estate or any licensee assisting the purchaser or lessee that such real estate was psychologically impacted as provided for in subsection A of this section.

C. Notwithstanding the fact that this information is not a material defect or fact, in the event that a purchaser or lessee, who is in the process of making a bona fide offer, advises the licensee assisting the owner, in writing, that knowledge of such factor is important to the person's decision to purchase or lease the property, the licensee shall make inquiry of the owner and report any findings to the purchaser or lessee with the consent of the owner and subject to and consistent with applicable laws of privacy; provided further, if the owner refuses to disclose, the licensee assisting the owner shall so advise the purchaser or lessee.

Section 858-514. No Duty to Provide Information Regarding an Offender

The provisions of the Sex Offenders Registration Act and the Mary Rippy Violent Crime Offenders Registration Act shall not be construed as imposing a duty upon a person licensed under the Oklahoma Real Estate License Code to disclose any information regarding an offender required to register under such provision.

Section 858-515.1. Size or Area - Requirements and Duties of Real Estate Licensee

A. In connection with any real estate transaction, the size or area, in square footage or otherwise, of the subject property shall not be required to be provided by any real estate licensee, and if provided, shall not be considered any warranty or guarantee of the size or area information, in square footage or otherwise, of the subject property.

B. 1. If a real estate licensee provides any party to a real estate transaction with third-party information concerning the size or area, in square footage or otherwise, of the subject property involved in the transaction, the licensee shall identify the source of the information.

2. For the purposes of this subsection, "third-party information" means:

a. an appraisal or any measurement information prepared by a licensed appraiser,

b. a survey or developer's plan prepared by a licensed surveyor,

c. a tax assessor's public record,

d. a builder's plan used to construct or market the property, or

e. a plan, drawing or stated square footage provided by the owner or agent of the owner, as it relates to commercial buildings or structures for sale or for lease only. Commercial land shall be verified by one of the methods provided for in subparagraphs a through d of this paragraph.

C. A real estate licensee has no duty to the seller or purchaser of real property to conduct an independent investigation of the size or area, in square footage or otherwise, of a subject property, or to independently verify the accuracy of any third-party information as such term is defined in paragraph 2 of subsection B of this section.

D. A real estate licensee who has complied with the requirements of this section, as applicable, shall have no further duties to the seller or purchaser of real property regarding disclosed or undisclosed property size or area information, and shall not be subject to liability to any party for any damages sustained with regard to any conflicting measurements or opinions of size or area, including exemplary or punitive damages.

Section 858-515.2. Third Party Information - Remedy for Violation - Transfer of Possessory Interest

A. If a real estate licensee has provided any third-party information, as defined in paragraph 2 of subsection B of Section 1 of this act, to any party to a real estate transaction concerning size or area of the subject real property, a party to the real estate transaction may recover damages from the licensee in a civil action only when a licensee knowingly violates the duty to disclose the source of the information, as required in paragraph 1 of subsection B of Section 1 of this act.

B. The sole and exclusive civil remedy at common law or otherwise for a violation of paragraph 1 of subsection B of Section 1 of this act by a real estate licensee shall be an action for actual damages suffered by the party as a result of such violation and shall not include exemplary or punitive damages.

C. For any real estate transaction commenced after the effective date of this act, any civil action brought pursuant to this section shall be commenced within two (2) years after the date of transfer of the subject real property.

D. In any civil action brought pursuant to this section, the prevailing party shall be allowed court costs and reasonable attorney fees to be set by the court and collected as costs of the action.

E. A transfer of a possessory interest in real property subject to the provisions of this act may not be invalidated solely because of the failure of any person to comply with the provisions of this act.

F. The provisions of this act shall apply to, regulate and determine the rights, duties, obligations and remedies, at common law or otherwise, of the seller marketing his or her real property for sale through a real estate licensee, and of the purchaser of real property offered for sale through a real estate licensee, with respect to disclosure of third-party information concerning the subject real property's size or area, in square footage or otherwise, and this act hereby supplants and abrogates all common law liability, rights, duties, obligations and remedies of all parties therefor.

VI. Oklahoma Real Estate Education and Recovery Fund

Section 858-601. Oklahoma Real Estate Education and Recovery Fund - Creation - Expenditures - Purposes

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Real Estate Commission to be designated "Oklahoma Real Estate Education and Recovery Fund". The fund shall consist of monies received by the Oklahoma Real Estate Commission as fees assessed for the Oklahoma Real Estate Education and Recovery Fund under the provisions of this act. The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the administrative direction of the Oklahoma Real Estate Commission. The Oklahoma Real Estate Commission may invest all or part of the monies of the fund in securities offered through the "Oklahoma State Treasurer's Cash Management Program". Any interest or dividends accruing from the securities and any monies generated at the time of redemption of the securities shall be deposited in the Oklahoma Real Estate Education and Recovery Fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Real Estate Commission for the purposes specified in Section 858-605 of this title. Expenditures from said fund shall be made pursuant to the laws of this state and the statutes relating to the said Commission, and without legislative appropriation. Warrants for expenditures from said fund shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employees of the said Commission and approved for payment by the Director of the Office of Management and Enterprise Services.

B. Monies in the fund shall be used to reimburse any claimant who has been awarded a judgment, subject to subsection C of this section, by a court of competent jurisdiction to have suffered monetary damages by an Oklahoma real estate licensee in any transaction for which a license is required under The Oklahoma Real Estate License Code because of an act constituting a violation of The Oklahoma Real Estate License Code.

C. In determining a claimant's eligibility to recover from the fund, the Commission may conduct an independent review of the merits, findings and damages involved in the underlying action and may conduct an evidentiary hearing to determine if a claim is eligible for recovery from the fund and the amount of damages awarded are due an act constituting a violation of The Oklahoma Real Estate License Code.

Section 858-602. Additional Fee - Disposition

A. An additional, nonrefundable fee 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.

B. At the close of each fiscal year, the Commission may transfer into the Oklahoma Real Estate Commission Revolving Fund any money in excess of that amount required to be retained in the Oklahoma Real Estate Education and Recovery Fund and that amount authorized to be expended as provided within this Code that is remaining in the Oklahoma Education and Recovery Fund and unexpended.

Section 858-603. Eligibility to Recover from Fund - Ineligibility

A. Any claimant shall be eligible to seek recovery from the Oklahoma Real Estate Education and Recovery Fund if the following conditions have been met:

1. An action has been filed in district court based upon a violation specified in the Oklahoma Real Estate License Code;

2. The cause of action accrued not more than two (2) years prior to the filing of the action;

3. At the commencement of an action, the party filing the action shall immediately notify the Commission to this effect in writing and provide the Commission with a file-stamped copy of the petition or affidavit. Said Commission shall have the right to enter an appearance, intervene in, defend, or take any action it may deem appropriate to protect the integrity of the Fund. The Commission may waive the notification requirement if it determines that the public interest is best served by the waiver, that is to best meet the ends of justice and that the claimant making application made a good faith effort to comply with the notification requirements;

4. Final judgment is received by the claimant upon such action;

5. The final judgment is enforced as provided by statute for enforcement of judgments in other civil actions and that the amount realized was insufficient to satisfy the judgment; and

6. Any compensation recovered by the claimant from the judgment debtor, or from any other source for any monetary loss arising out of the cause of action, has been applied to the judgment awarded by the court.

B. A claimant shall not be qualified to make a claim for recovery from the Oklahoma Real Estate Education and Recovery Fund, if:

1. The claimant is the spouse of the judgment debtor or a personal representative of such spouse;

2. The claimant is a licensee who acted in their own behalf in the transaction which is the subject of the claim; or

3. The claimants claim is based upon a real estate transaction in which the claimant is, through their own action, jointly responsible for any resulting monetary loss with respect to the property owned or controlled by the claimant.

Section 858-604. Application for Payment - Amount - Assignment of Rights, etc. - Insufficient Funds - Revocation of Broker's License

A. Any claimant who meets all of the conditions prescribed by this act may apply to the Commission for payment from the Oklahoma Real Estate Education and Recovery Fund, in an amount equal to the unsatisfied portion of the claimant's judgment, which is actual or compensatory damages, or Twenty-five Thousand Dollars ($25,000.00), whichever is less. The claimant is entitled to reimbursement for attorney fees reasonably incurred in the litigation not to exceed twenty-five percent (25%) of the claimant's amount approved by the Commission. Attorney fees charged and received shall be documented, verified, and submitted with the claim. Court costs and other expenses shall not be recoverable from the fund.

B. Upon receipt by the claimant of the payment from the Oklahoma Real Estate Education and Recovery Fund, the claimant assigns the claimant's right, title and interest in that portion of the judgment to the Commission which shall be subrogated up to the amount actually paid by the fund

to the claimant or to the claimant and the claimant's attorney. Upon suit to collect upon a judgment, the claimant shall have priority over the fund. Any amount subsequently recovered on the judgment by the Commission, to the extent of the Commission's right, title and interest therein, shall be used to reimburse the Oklahoma Real Estate Education and Recovery Fund.

C. Payments for claims arising out of the same transaction which constitutes a claimant's cause of action based upon a violation of the Oklahoma Real Estate License Code shall be limited in the aggregate of Fifty Thousand Dollars ($50,000.00) irrespective of the number of claimants or parcels of real estate involved in the transaction.

D. Payments for claims based upon judgments against any one licensee shall not exceed in the aggregate Fifty Thousand Dollars ($50,000.00).

E. If at any time the monies in the Oklahoma Real Estate Education and Recovery Fund are insufficient to satisfy any valid claim, or portion thereof, the Commission shall satisfy such unpaid claim or portion thereof as soon as a sufficient amount of money has been deposited in the fund by collecting a special levy from members of the fund of an amount not to exceed Five Dollars ($5.00) each fiscal year. If the additional levy is not sufficient to pay all outstanding claims against the fund, the claims shall be paid as the money becomes available. Where there is more than one claim outstanding, the claims shall be paid in the order that they were approved.

F. Any claim against a corporation, association or partnership would be imputed to the managing broker(s) at the time the cause of action arose.

G. The license of said licensee shall be automatically revoked upon the payment of any amount from the Oklahoma Real Estate Education and Recovery Fund on a judgment against a licensee. The license shall not be considered for reinstatement until the licensee has repaid in full, plus interest at the rate of seven percent (7%) a year, the amount paid from the Oklahoma Real Estate Education and Recovery Fund on the judgment against the licensee.

Section 858-605. Expenditure of Funds

At any time when the total amount of monies deposited in the Oklahoma Real Estate Education and Recovery Fund exceeds Two Hundred Fifty Thousand Dollars ($250,000.00), the Commission in its discretion may expend such excess funds each fiscal year for the following purposes:

1. To promote the advancement of education in the field of real estate for the benefit of the general public;

2. To promote the advancement of education in the field of real estate for the benefit of those licensed under the Oklahoma Real Estate License Code; provided, such promotion shall not be construed to allow advertising of this profession;

3. To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

4. To establish real estate courses at institutions of higher learning located in the state and accredited by the State Regents for Higher Education for the purpose of making such courses available to licensees and the general public;

5. To contract for a particular educational project in the field of real estate to further the purposes of the Oklahoma Real Estate License Code;

6. To implement and maintain a public registry for the benefit of real estate licensees and the general public;

7. To produce and distribute an agency newsletter available to the general public and real estate licensees; and

8. To provide education grants to institutions of higher learning located in this state and accredited by the Oklahoma State Regents for Higher Education for courses on financial management and homeownership.

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Chapter 1. Administrative Operations

Subchapter 1. General Provisions

605:1-1-1. Statement of purpose

The fundamental and primary purpose of the Real Estate Commission is to safeguard public interest and provide quality services by assisting and providing resources; encouraging and requiring high standards of knowledge and ethical practices of licensees; investigating and sanctioning licensed activities; and through the prosecution of any unlicensed person who violates the "Oklahoma Real Estate License Code and Rules."

605:1-1-2. Authority

The rules of this Title are hereby adopted in accordance with the provisions of Title 59, Section 858-101 et seq. and the provisions of Sections 301-327 of Title 75, Oklahoma Statutes, 1971.

605:1-1-3. Title and construction

The rules of this Title shall be known as the "Oklahoma Real Estate Commission Rules."

605:1-1-4. Operational procedures

(a) **Organization.** The organization of the Commission is declared to be that as enumerated in Sections 858-201 through 858-204 of the heretofore described Code.
(b) **Operational procedures.** The general course and method of operation shall be as hereinafter specified in overall provisions of the rules of this Title.
(c) **Open Records Act.** In conformance with Title 51, Section 24 A.1., et seq, Oklahoma Statutes, 1985, titled "Oklahoma Open Records Act" all open records of the Real Estate Commission may be inspected and copied in accordance with procedures, policies, and fee as required by the Commission. The Commission shall charge the following:

(1) A fee of $.25 for each xerographic copy or micrographic image.
(2) A fee of $1.00 for each copy to be certified.
(3) A fee of $10.00 per hour for a record or file search.
(4) A fee of Fifty Dollars ($50.00) per extract for License Data extract.
(5) A fee of Twenty-Five Dollars ($25.00) every three (3) months for an Examinee Data extract.
(6) A fee of no more than Seven Dollars and Fifty Cents ($7.50) for a convenience fee for any electronic/on-line transaction.

(d) **Petition for promulgation, amendment or repeal of any rule.** Any person may petition the Commission in writing requesting a promulgation, amendment or repeal of any rule.

(1) The petition must be in writing in business letter form or in the form of petitions used in civil cases in this State, and shall contain an explanation and the implications of the request and shall be:

(A) Signed by the person filing the petition and be filed with the Secretary-Treasurer of the Commission.

(B) Submitted to the Commission at least thirty (30) days prior to a regular meeting.

(C) Considered by the Commission at its first meeting following such thirty (30) days.

(D) Scheduled for a public hearing before the Commission within sixty (60) days after being considered by the Commission in a regular meeting.

(2) Within sixty (60) days after the public hearing, the Commission shall either grant or deny the petition. If the petition is granted, the Commission shall immediately begin the procedure for the promulgation, amendment or repeal of any rule pursuant to Title 75 O.S. 303.

(3) If the petition is denied the parties retain their rights under 75 O.S. Sec. 318, to proper Judicial Review.

(e) **Petition for declaratory ruling of any rule or order.**

(1) **Submission.** Any person may petition the Commission for a declaratory ruling pursuant to Section 307 of Title 75 of the Oklahoma Statutes as to the applicability of any rule or order of the Commission. Such petition shall:

(A) be in writing;

(B) be signed by the person seeking the ruling;

(C) state with specificity the rule or order involved;

(D) contain a brief statement of facts to which the ruling shall apply; and

(E) if known and available to petitioner, include citations of legal authority in support of such views.

(2) **Review and Disposition.** The Commission shall have at least thirty (30) days to review the petition. Following the review period, the Commission shall preliminarily consider the petition at its next regularly scheduled meeting and may:

(A) Issue a declaratory ruling on the merits;

(B) Refuse to issue a declaratory ruling in accordance with subsection (3); or

(C) Continue consideration of the petition to a subsequent meeting if additional information, analysis, or deliberation is required.

(3) **Grounds for Refusal.** The Commission may, in its discretion, refuse to issue a declaratory ruling if it determines that any of the following apply:

(A) the petition concerns a matter outside the Commission's jurisdiction.

(B) the issue raised is hypothetical, speculative, or not ripe for decision.

(C) the petition seeks resolution of disputed facts not appropriate for a declaratory ruling.

(D) facts are insufficient or unclear to make an effective ruling.

(E) the petition is duplicative of another proceeding or ruling; or

(F) issuance of a declaratory ruling would not serve the public interest.

(4) **Testimony and Evidence.** The Commission may compel the production of testimony and evidence necessary to make its declaratory ruling.

(5) **Judicial Review.** A declaratory ruling, or refusal to issue such ruling, shall constitute final agency action and shall be subject to judicial review pursuant to Section 317 – 323 of Title 75 of the Oklahoma Statutes.

(f) **Contract Forms Committee.**

(1) The Contract Forms Committee is required to draft and revise real estate purchase and/or lease contracts and any related addenda for standardization and use by real estate licensees (Title 59 O.S. 858-208 {14}).

(2) The committee shall consist of fifteen (15) members. Five (5) members shall be appointed by the Oklahoma Real Estate Commission; three (3) members shall be appointed by the Oklahoma Bar Association; five (5) members shall be appointed by the Oklahoma Association of Realtors; one (1) member shall be appointed by the Oklahoma Land and Title Association; and one (1) member shall be appointed by the Mortgage Bankers Association.

(3) Terms shall be for three (3) years and each member shall serve until their term expires and their successor has been appointed. Any vacancy which may occur in the membership of the committee shall be filled by the appropriate appointing entity.

(4) A member can be removed for just cause by the committee or by quorum vote of Commissioners.

(5) Each member of the committee shall be entitled to receive travel expenses essential to the performance of the duties of his appointment, as provided in the State Travel Reimbursement Act.

(6) Each member of the committee who satisfies the minimum participation requirements shall be entitled to receive continuing education credit for the following courses:

(A) Contracts

(B) Code and Rules

(g) **Oklahoma Education and Recovery Fund.** If a special levy is assessed on licensees as outlined in Title 59 O.S. 858-604 (E), the levy must be paid within sixty (60) days of assessment or the license will be placed on inactive status and shall not be placed on active status until the levy is paid.

Chapter 10. Requirements, Standards and Procedures

Subchapter 1. General Provisions

605:10-1-1. Purpose

The rules of this Chapter establish procedures and standards that apply to real estate licensees, real estate schools and instructors, and which must be complied with as authorized under the provisions of the Oklahoma Real Estate License Code, Title 59, O.S., Sections 858-101 through 858-605.

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 include social networking, to consumers for any purpose related to licensed real estate activity.

"Bona fide offer" means an offer in writing.

"Branch office" means an extension of a broker's main office location and normally is located at a different location than the main office. A branch office shall not be independently owned by any person other than the applicable broker or entity.

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

"Broker" means a sole proprietor, corporation, managing corporate broker of a corporation, association, managing broker member or manager 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.

"Code" when used in the rules of this Chapter, means Title 59, Section 858-101 et seq, Oklahoma Statutes as adopted 1974 and amended.

"Entity" means association, corporation, limited liability company, and partnership.

"Filed" means the date of the United States postal service postmark or the date personal delivery is made to the Commission office.

"Firm" means a sole proprietor, corporation, limited liability company, association or partnership.

"Inactive status" means a period in which a licensee is prohibited from performing activities which require an active license.

"Nonresident" means a person who is licensed to practice in this state, however, does not maintain a place of business in this state but maintains a place of business in another state and who periodically comes to this state to operate and perform real estate activities.

"Previously licensed applicant" means a person who has been licensed in another state and desires to obtain a resident license in this state.

"Provisional sales associate" shall be synonymous in meaning with sales associate except where it is specifically addressed in Subchapters 3, 5 and 7 of this Chapter.

"Rents" or **"leases real estate"** as referenced in Title 59, Section 858-102, subparagraph 2, means the licensed activities provided by a broker through a property management agreement with a party for a fee, commission or other valuable consideration, or with the intention or expectation of receiving or collecting a fee, commission or other valuable consideration. Licensed property management activities may include, but shall not be limited to, showing real property for rent or lease; soliciting tenants and landlords; negotiating on behalf of the tenant or landlord; and complying with and maintaining the property in accordance with Title 41, Oklahoma Statutes, Non-Residential/Residential Landlord and Tenant Acts.

"Resident" means a person who is licensed in this state and operates from a place of business in this state.

"Sole proprietor" means a broker who is the sole owner of a real estate business.

"Team name" means a name used by a team as defined in Section 858-305 of the Code. All team names must be approved by the broker and must be registered with the Commission.

"Trade name" means the name a firm is to be known as and which is used in advertising by the firm to promote and generate publicity for the firm. A firm may or may not do business in the name under which their license is issued but must register with the Commission all trade names used by the firm.

605:10-1-3. Appeal of administrative decisions; procedures

(a) Unless specifically provided for elsewhere in this Chapter, any adverse administrative action or decision rendered by the Commission, its staff on behalf of the Commissionor a third party contract vendor, may be appealed by the adversely affected party filing within thirty (30) days of notice of such action or decision, a written request for a hearing.

(b) Upon receipt of a request for any non-disciplinary hearing provided for in this Section, or any other rule of this Chapter, the Secretary-Treasurer shall schedule an administrative decision hearing before a Hearing Examiner, a selected panel of the Commission, or the Commission as a whole giving at least fifteen (15) days notice of such hearing. Such hearing shall be public except that upon motion, witnesses, other than the adversely affected appealing party, may be excluded from the hearing room when such witnesses are not testifying. A court reporter shall be present to record the proceedings in behalf of the Commission. Any person desiring a copy of the transcript of the proceedings may purchase such from the reporter.

(c) In the case of a proceeding conducted by the Commission as a whole or a panel of the Commission, the Chairman or his designee shall preside. Designated counsel shall advise the chair as to rulings upon the questions of admissibility of evidence, competence of witnesses and any other question of law where such ruling is required or requested.

(d) The appealing party may present his or her own evidence or may present such through his or her counsel. In order that the hearing will not be encumbered by evidence having no bearing on the issues, testimony by all witnesses will be limited to matters relevant to the issues involved.

(e) The order of procedure shall be as follows:

(1) Recitation of the administrative action or decision.

(2) Presentation of the adversely affected party's appeal.
(3) Questioning of the appealing party by the hearing panel or Hearing Examiner.
(4) Response by the Commission or Commission representatives detailing grounds for and basis for the administrative decision or action.
(5) Examination of witnesses by appealing party with cross-examination of such witnesses.
(6) Closing statements by the appealing party.

(f) If the case is heard by the Commission as a whole, the Commission shall deliberate and render its decision with confirmation of such decision in writing in the form of an Order distributed to all parties by mail.

(g) In the case of a hearing conducted by a Hearing Examiner or a panel of the Commission, following the hearing, the Hearing Examiner or attorney sitting as counsel to the panel of the Commission shall prepare a recommended Order to be considered by the Real Estate Commission as a whole at a future meeting. All parties will be furnished copies of the recommended Order and notified as to the date the recommendations will be considered by the Commission for adoption. At the same time, notice will be given also to the parties that written exceptions or requests to present oral exceptions or arguments, if any, should be submitted on or before a designated date pursuant to Section 311, Title 75, Oklahoma Statutes. Upon adoption of the recommended Order by the Commission as a whole, such Order shall be distributed to all parties.

Subchapter 3. Education and Examination Requirements

605:10-3-1. Prelicense education requirements

(a) **Subject Content.** Each applicant for licensure shall present with their 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 ninety (90) 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 pre-license 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:

(A) Real Estate Economics and Marketing
(B) Nature of Real Estate
(C) Rights and Interest in Real Estate
(D) Legal Descriptions
(E) Title Search, Encumbrances, and Land Use Control
(F) Transfer of Rights
(G) Service Contracts
(H) Estimating Transaction Expenses
(I) Value and Appraisal
(J) Marketing Activities
(K) Fair Housing

(L) Contract Law Overview
(M) Contract Law and Performance
(N) Offers and Purchase Contracts
(O) Financing Real Estate
(P) Closing a Transaction
(Q) Regulations Affecting Real Estate
(R) Disclosures and Environmental Issues
(S) Property Management and Leasing
(T) Risk Management
(U) Professional Standards of Conduct
(V) Law of Agency

(2) To qualify an applicant for examination and licensure as a broker or a broker associate, the course shall consist of at least ninety (90) 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 Real Estate Practice
(B) Broker Supervision
(C) Establishing a Real Estate Office
(D) Professional Development
(E) Business, Financial, and Brokerage Management
(F) Oklahoma Broker Relationships
(G) Anti-Trust and Deceptive Trade
(H) Risk Management and Insurance
(I) Mandated Disclosures, Hazards, and Zoning
(J) Real Estate Financing
(K) Specialized Property Operations and Specialty Areas
(L) Trust Accounts and Trust Funds
(M) Closing a Real Estate Transaction
(N) Closing Statements
(O) Professional Standards of Conduct
(P) Property Ownership
(Q) Land Use Controls and Regulations
(R) Valuation and Market Analysis
(S) Law of Agency
(T) Contracts
(U) Transfer of Property
(V) Practice of Real Estate
(W) Real Estate Calculations

(b) **Entities allowed to seek approval.** The education courses required of this Section shall be satisfied by courses approved by the Commission and offered by an education provider approved by the Commission.

(c) **Attendance and successful completion required for credit.** To complete any in-class offering, a person must physically be present during all of the in-class offering time and successfully complete all course requirements to include an examination.

(d) **Successful completion of materials and examination required for distance education credit.** To complete a distance education course offering, a person must successfully complete all course requirements to include all modules and an examination.

605:10-3-2. Application for license

(a) **Requirements for completing application.**

(1) Any applicant seeking a real estate license shall submit an application on forms provided by the Commission. Applicants must complete all questions and provide any information or documentation the Commission requires. The Commission may amend or update application forms and required documentation at any time.

(2) An applicant indicating criminal and/or civil charges or convictions on the application, must submit with the application official documents to the Commission which pertain to the disposition of the matter. If official documents are unable to be obtained, a detailed letter explaining the matter(s) must be attached to the application.

(b) **Applicant shall appear for examination.** Each applicant shall appear for an examination as soon as possible subsequent to the filing of an approved application or the signing of a form as required in 605:10-3-3. Each applicant shall allow a photograph to be taken of them at the time they take their real estate examination.

(c) **Application Fee.** A one-time application processing fee of Thirty Five Dollars ($35.00) shall accompany all applications for original licensure.

605:10-3-3. Proceedings upon application for a license

(a) **Qualified application.**

(1) **Approved application.** If the Commission is of the opinion that an applicant for license is qualified, the application may be approved. An approved application shall be valid for one (1) year.

(2) **Denial of application.** If, from the application filed, or from answers to inquiries, or from complaints or information received, or from investigation, it shall appear to the Commission the applicant is not qualified at any time before the initial license is issued, the Commission shall refuse to approve the application and shall give notice of that fact to the applicant within fifteen (15) days after its ruling, order or decision.

(b) **Appeal of denial of application.** Upon written request from the applicant, filed within thirty (30) days after receipt of such notice of denial, the Commission shall set the matter for hearing to be conducted within sixty (60) days after receipt of the applicant's request.

(c) **Applicant hearing.** The hearing shall be at the time and place as prescribed by the Commission. At least ten (10) days prior to the date set for hearing the Commission shall notify the applicant and other persons protesting, and shall set forth in a notice the reason or reasons why the Commission refused to accept or approve the application. The written notice of the hearing may be served by personal delivery to the applicant and protesters, or by mailing the same by registered or certified mail to the last known address of the applicant and/or protesters.

(d) **Hearing procedures.** The hearing procedure shall be that as outlined in 605:10-1-3 titled "Appeal of administrative decisions; procedures."

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, 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. All examination fees shall be established by the Commission in conjunction with any examination vendor selected by the Commission. Examination fees shall be published on the Commission website.

(b) **Special Accommodations.** In cases where special accommodations are necessary under the requirements of the Americans with Disabilities Act, applicants must notify the examination supplier in advance by submitting a written request, describing the disability and necessary accommodations.

(c) **Failure to pass examination.** If an applicant fails to pass the examination prescribed by the Commission, the Commission may permit subsequent examinations upon receipt of a new examination fee for each examination to be attempted.

(d) **Applicant request to view failed examination.** An applicant who fails the examination has the option of reviewing their missed questions at the end of their examination. An applicant may challenge the validity of any question(s) they identify as incorrectly graded. A challenge to a question that pertains to the Oklahoma law portion of the examination will be sent to the Commission by the examination supplier. A challenge to a question that pertains to the national portion will fall under the review policy of the examination supplier. In either case, both the examination supplier and/or the Commission shall have five (5) business days in which to review and issue a response to the applicant. Applicants will be allowed up to one (1) hour to review their exam and the applicant will not be allowed to test on the same day they review a failed examination. No notes, pencils, or electronic devices will be allowed during a review nor will they be allowed to leave the examination area with the examination questions.

(e) **Application valid for one year.** The original examination application shall be valid for one (1) year from date of filing. After such date, an applicant must complete a new original application form.

(f) **Passing percentile of examination.** A score of seventy-five percent (75%) or more shall be considered a passing grade on the broker examination. A score of seventy percent (70%) or more shall be considered a passing grade on the provisional sales associate/sales associate examination.

(g) **Validity period of examination results.** The results of an examination wherein an applicant scored a passing grade shall be valid for one (1) year from the date of such examination.

(h) **Examination voided.** A licensee or instructor applicant caught cheating during the course of a real estate examination shall:

(1) immediately forfeit the examination and receive a failing score,

(2) be disqualified from retaking the examination for one year, and

(3) must re-apply as an original applicant for any future application submitted after the one year ban

(4) applicants impacted by this section are allowed to file an appeal with the Commission under Rule 605:10-1-3.

605:10-3-6. Continuing education requirement

(a) **Definition.** Continuing education shall be defined as any real estate oriented education course or equivalent, hereinafter called offering(s) intended:

(1) To improve the knowledge of licensees.

(2) To keep licensees abreast of changing real estate practices and laws.

(3) To help licensees meet the statutory requirements for license renewal.

(b) **Purpose.** The purpose of continuing education is to provide an educational program through which real estate licensees can continually become more competent and remain qualified to engage in real estate activities for which they are licensed. Such activities involve facts and concepts about which licensees must be knowledgeable in order to safely and confidently conduct real estate negotiations and transactions in the public's best interest.

(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 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.

(d) **Objectives.** The objectives of continued education are as follows:

(1) For licensees to expand and enhance their knowledge and expertise so as to be continually effective, competent, and ethical as they practice real estate.

(2) For licensees to review and update their knowledge of federal, state and local laws and regulations which affect real estate practices.

(e) **Entities allowed to seek approval.** The Commission may approve and/or accept any offering provided by an entity which meets the purposes, goals, and objectives of the continuing education requirement. The Commission may accept the following offerings as proof of meeting the continuing education requirement:

(1) Any offering which is approved and presented by those entities enumerated in paragraph B, of 858- 307.2 of the "Code".

(2) Any offering in real estate, or directly related area, approved and/or accepted by the real estate regulatory agency in another state; provided such offering is not excluded elsewhere in this Chapter.

(3) Any offering in real estate, or directly related area, not accepted in paragraphs (1) or (2) of this subsection, which the Commission determines to be in compliance with the rules of this Chapter.

(4) Completion of an approved ninety (90) hour prelicense broker course or an approved forty-five (45) hour provisional sales associate postlicense course, or its respective equivalent as determined by the Commission shall suffice for thirty (30) hours of continuing education credit for a licensee. An individual segment of an approved prelicense broker course or an approved provisional sales associate postlicense course shall suffice for continuing education credit provided such individual segment has also been separately approved for continuing education credit.

(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.

(g) **Licensee responsible for notification to Commission.** Each licensee shall ultimately be responsible for furnishing evidence of successfully completing the continuing education requirements for license renewal, activation, or reinstatement, to the Commission as set forth elsewhere in this Chapter. Each licensee shall present to the Commission evidence of completion of a minimum of thirty (30) clock hours of continuing education offerings acceptable by the Commission. As evidence of completing the requirement each licensee shall present:

(1) A certificate, and/or documents, statements and forms, as may reasonably be required by the Commission, or

(2) A certified transcript; provided, however, if such offering is taken as an accredited C.E.U. (Continuing Education Unit) a certificate may be accepted in lieu of the transcript.

(h) **Attendance and successful completion required for credit.** To complete any offering, a person must physically be present in-class during all of the in-class offering time and successfully complete all course requirements.

(i) **Successful completion of materials and examination required for distance education credit.** To complete a distance education course offering, a person must successfully complete all course requirements to include all modules and an examination.

(j) **Course limitations.**

(1) A particular course offering may not be taken for continuing education credit more than once from the same entity and/or instructor during a renewal period.

(2) Educational courses taken for disciplinary reasons shall not count towards the normal continuing education requirements for licensees.

(k) **Required number of continuing education hours.** The required number of continuing education hours for a licensee shall be as follows:

(1) As a condition of a license activation or active reinstatement, each licensee, with the exception of those exempt as set out in Title 59, 858-307.2, shall provide evidence of completion of thirty (30) clock hours of Commission approved subject matter, or its equivalent, as determined by the Commission. Such hours shall be taken in the same license

term for which the license is to be issued, with the exception of a licensee whose hours were not used in the preceding license term. In that case, the hours taken in the preceding license term shall count towards an applicable license activation or active reinstatement.

(2) Each licensee shall complete a minimum of thirteen (13) hours of required subject matter consisting of no less than six (6) hours of Contracts and Forms, three (3) hours in Professional Conduct, and one (1) hour in Broker Relationships Act, Fair Housing, Code and Rules, and Deed Theft. The remaining seventeen (17) hours of required education may consist of elective subject matter as approved by the Commission.

(3) Sales Associates and Broker Associates may complete the Broker in Charge course as approved by the Commission consisting of fifteen (15) clock hours to satisfy elective subject matter hours only and shall not apply the course toward any required subject matter hours.

(4) All Brokers shall be required to successfully complete the Broker in Charge course consisting of fifteen (15) clock hours, or its equivalent, as approved by the Commission. In addition, to satisfy the continuing education requirement of thirty (30) clock hours all Brokers shall complete at least six (6) hours of Contracts and Forms education and one (1) hour of Deed Theft education. The remaining eight (8) clock hours of required education may consist of elective subject matter as approved by the Commission.

(5) Any broker that lapsed or renewed inactive in their previous license term or current license term who applies for reinstatement or activation must complete the following prior to their license being reinstated or reactivating:

(A) the Broker in Charge course;

(B) six (6) hours of Contracts and Forms education;

(C) nine (9) hours of elective courses

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

(a) **Purpose.** The purpose of the provisional sales associate post-license education requirement is to provide an educational program through which real estate provisional sales associate licensees can become more competent, knowledgeable and perfect their ability to engage in real estate activities for which they are licensed. Such activities involve facts and concepts which licensees must be knowledgeable in order to safely and confidently conduct real estate negotiations and transactions in the public's best interest.

(b) **Goals.** The goals of the provisional sales associate post-license education requirements are:

(1) To provide newly licensed individuals with the opportunity to obtain current information and knowledge to enable them to conduct real estate negotiations and transactions in a legal and professional manner in order to better protect public interest.

(2) To assure that licensees are provided with relevant information pertaining to practices which directly relate to real estate business.

(3) To assure that the provisional sales associate is provided with information regarding new and/or changing laws and regulations which affect the real estate business.

(4) To assure that the consumers' interest is protected from unknowledgeable licensees.

(c) **Objectives.** The objectives of post-license education are to:

(1) Assist newly licensed individuals by having available a practical educational program wherein the information attained can be put into practice.

(2) To help licensees expand and enhance their knowledge and expertise so as to continually be effective, competent, and ethical as they practice real estate.

(3) To encourage licensees to gain additional education for specialization in particular areas of real estate.

(d) **Requirements.** A provisional sales associate shall be required to successfully complete prior to the first license expiration date, forty-five (45) clock hours of post-license education or its equivalent as determined by the Commission. Such course of study shall be referred to as the Provisional Post-license Course of Real Estate, Part II of II and shall encompass the following areas of study:

(1) Real Estate Marketplace
(2) Marketing Real Estate
(3) Personal Marketing
(4) The Qualifying Process
(5) Prospecting and Negotiating
(6) Financing Real Estate, Investments and Exchanges
(7) Financial Documents
(8) Duty to Account
(9) Title Search
(10) Risk Management
(11) At least three (3) clock hours of Broker Relationships with Parties to a Transaction
(12) Property Management
(13) At least three (3) clock hours of Laws and Regulations Affecting Real Estate Practice, including Code and Rules
(14) Disciplinary Action
(15) At least three (3) clock hours of Contracts and Forms
(16) At least three (3) clock hours of Professional Conduct and Ethics
(17) At least three (3) clock hours of Fair Housing.

(e) **Equivalent course content.** The Commission may approve and/or accept any offering or combination of offerings which consists of forty-five (45) clock hours or more or its equivalent as determined by the Commission provided by an entity which meets the purposes, goals and objectives of the provisional sales associate post-license education requirement.

(f) **Offerings.**

(1) The Commission may accept the following offerings as proof of meeting the post-license education requirement:

(A) Any offering which is approved and presented by those entities enumerated in Title 59, O.S.,subsection B, of 858-307.2 of the "Code."

(B) Any offering in real estate, or directly related area, not accepted in paragraph (A) of this subsection, which can be determined by the Commission to be in compliance with the rules of this Chapter.

(2) The Commission has the authority to disapprove any offering which fails to meet the purposes, goals and objectives of this Section.

(g) **Licensee responsible for notification to Commission.** Each provisional sales associate shall be responsible to furnish evidence to the Commission of successfully completing a Commission approved forty-five (45) clock hour post-license education course or its equivalent as determined by the Commission. Upon successful completion of the post-license education requirement, evidence must be submitted on or before license expiration.

(h) **Failure to complete post-license education requirement prior to license expiration.** A provisional sales associate who fails to complete the post-license education requirement prior to the first expiration date of the provisional sales associate license, shall not be entitled to renew such license.

(i) **Evidence of completion.** As evidence of having completed the education requirement, each provisional sales associate shall present one or more of the following as required by the Commission:

(1) A certificate, and/or documents, statements and forms, as may reasonably be required by the Commission, or

(2) A certified transcript; however, if such offering is taken as an accredited C.E.U. (Continuing Education Unit) a certificate may be accepted in lieu of the transcript.

(j) **Attendance and successful completion required for credit.** To complete any offering, a person must physically be present in-class during all of the in-class offering time, if any, and otherwise successfully complete all course requirements and an examination.

(k) **Successful completion of materials and examination required for distance education credit.** To complete a distance education offering, a person must successfully complete all course requirements to include all modules and an examination.

(l) **Course limitations.** The following course limitations shall apply:

(1) A provisional sales associate shall only be given credit for courses specifically approved by the Commission.

(2) Educational courses taken for disciplinary reasons do not count towards the normal post-license education requirement.

(m) **Extension of time for completion of post-license course for provisional sales associate that has received orders for active military service.** A provisional sales associate that has received orders for active military service may request an extension of time to complete the post-license education requirement if the request is received in writing prior to the expiration of the license. The request must be accompanied by a copy of the military orders for active military service. The extension of time shall be one (1) year from the date of return from active military service. In conformance with §858-309, a licensee on active military service shall request an inactive status prior to each term for which the license is to be issued. If an extension is approved, a provisional sales associate shall be allowed to renew their license by requesting an inactive status in writing prior to each term for which the license is to be issued.

Subchapter 5. Instructor and Entity Requirements and Standards

605:10-5-1. Pre-license and post-license requirements

(a) **Application and approval.** Any person or entity seeking to offer a pre-license or post-license course shall apply on Commission forms and submit all information the Commission requires, including the name, author, publisher of the primary textbook, and a syllabus consistent with OAC 605:10-3-1 (pre-license) or OAC 605:10-3-7 (post-license). The application fee is Five Hundred Dollars ($500) for pre-license courses and Two Hundred Fifty Dollars ($250) for post-license courses.

(b) **Denials; fees; appeals.** Application fees are nonrefundable. A denial may be appealed by written request for hearing under OAC 605:10-1-3.

(c) **Course offering and provider updates.** Approval lapses if the approved course is not conducted within thirty-six (36) months; the provider must reapply as an original applicant. If the course is offered in the name of a business entity, the application shall include the names and addresses of all directors and officers. Approved entities shall promptly report any changes to previously submitted information.

(d) **Advertising.** A course shall not be advertised as approved before Commission approval is granted. A provider shall not advertise that a course or provider is endorsed or recommended by the Commission, but may state that a course has been approved by the Commission.

(e) **Instructor approvals.**

(1) **Application.** Instructor applicants shall submit the required application, a Two Hundred Dollar ($200) fee, and documentation necessary to verify citizenship or qualified status under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(2) **Pre-license instructor qualifications.** An applicant shall demonstrate one of the following:

(A) a bachelor's degree with a major in real estate from an accredited college or university;

(B) a bachelor's degree from an accredited college or university and at least two (2) years of applicable active experience within the previous ten (10) years as a real estate broker or sales associate;

(C) an Oklahoma real estate broker or sales associate license with at least five (5) years of applicable active experience within the previous ten (10) years and proof of high-school education or GED equivalent; or

(D) an equivalent combination of education and applicable broker/sales associate experience, as determined by the Commission.

(3) **Pre-license instructor examination.** Final approval may be granted after the applicant pays the examination fee and achieves a score of at least eighty percent (80%) on the applicable examination. A passing score of at least eighty percent (80%) on the applicable license examination taken within thirty (30) days before filing the instructor application may satisfy this requirement.

(4) **Post-license instructor qualifications.** An applicant shall demonstrate one of the following:

(A) a bachelor's degree in a related field;

(B) a valid teaching credential or certificate authorizing instruction in an applicable field;

(C) five (5) years of full-time experience within the previous ten (10) years in a profession, trade, or technical occupation in the applicable field of instruction;

(D) an equivalent combination of education and/or experience in a related field, as determined by the Commission.

(f) **Instructor renewal.** Instructor approval expires thirty-six (36) months after issuance. To renew, an instructor shall submit a One Hundred Dollar ($100) fee and, at the instructor's election, either: (1) successfully complete an annual Instructor Development Workshop, (2) successfully complete a Code and Rule Update Class, or (3) pass the applicable sales or broker examination with a score of at least eighty percent (80%). The Commission shall publish workshop and class dates on its website.

(g) **Guest instructors.** Guest instructors may be used if an approved instructor is present during the presentation. Guest instruction shall not exceed thirty percent (30%) of total course time.

(h) **Delivery, records, certificates, audits, reporting, and clock hours.**

(1) An approved instructor shall be present in the same room during all in-person instruction for students to receive credit.

(2) Providers shall maintain enrollment records and roll sheets, including hours completed by each student, for five (5) years.

(3) Each student who successfully completes an approved course shall receive a certificate of completion. The Commission will accept a certified transcript or a Commission-prescribed course completion certificate.

(4) A duly authorized designee of the Commission may audit any offering and inspect records at any time during the presentation or during reasonable office hours, or the provider may be required to furnish records to the Commission.

(5) No more than one clock hour may be credited within any sixty (60) minute period, and no more than ten (10) minutes per hour may be used for breaks.

(i) **Facilities.** Classroom facilities shall provide adequate lighting, seating, and technology to meet student needs and must be free of distractions and noise.

(j) **Disciplinary action.** After notice and hearing before the Commission or a Hearing Examiner, the Commission may withdraw or discipline a course, provider, director, and/or instructor for: suspension or revocation of a director's real estate license (in which case the course approval is automatically revoked); suspension or revocation of an instructor's real estate license; failure to comply with the License Code or this Chapter; falsification of records or applications; false or misleading advertising; or other improper conduct the Commission determines unacceptable.

(k) **Course renewal.** Course approval expires thirty-six (36) months after issuance. To renew, a provider shall submit all proposed course materials and the renewal fee of One Hundred Dollars ($100) for pre-license courses or Fifty Dollars ($50) for post-license courses.

(l) **Pre-license notices.** Each pre-license provider shall post or provide a notice that is easily observed by prospective enrollees and that includes at least the following language:

(1) "Applicants convicted of crimes referenced in 59 O.S. Section 858-301.1 or 858-4000.1 may be ineligible to obtain an Oklahoma Real Estate License for a predetermined number of years. For clarification, please contact the Commission and/or review the cited section of law as referenced herein. The Commission will allow the applicant to seek preapproval prior to enrolling in a pre-license course."

(2) "Applicants who are not permanent U.S. citizens should review their eligibility to obtain a real estate license on the Commission's website prior to enrolling in pre-license education."

605:10-5-2. Approval of a continuing education course

(a) **Approval and expiration of application.** An entity seeking to conduct an approved continuing education course shall make application for the approval or renewal of each course. Such approval or renewal shall expire at the end of the thirty-sixth (36) month including the month of issuance.

(b) **Application form.** Entities seeking approval of a course shall submit an application on a form prescribed by the Commission along with a non-refundable fee of Twenty Five Dollars ($25.00) per course. Each application shall include, but is 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 course.

(2) The title(s) of the course or courses.

(3) The number of hours in each course.

(4) A copy of each course's curriculum, including comprehensive course objectives, a detailed outline of the course subject matter and instructor(s) for each course.

(5) The method the entity will use to evaluate the course offering.

(6) The procedure the entity will use to monitor attendance.

(7) A personal resume indicating name(s) and qualifications of the instructor(s).

(8) Any other relevant information useful in determining that the entity is presenting a course which will meet the definition, purposes, goals and objectives adopted by the Commission.

(9) A statement attesting to the fact that in accepting approval as a continuing education 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 course has been approved, denied, or whether additional information is needed to determine the acceptability of the course.

(d) **Course renewal requirements.** Upon expiration of the time period, as stated in sub-paragraph (a) of this rule, an application for renewal of any course by an entity shall also be accompanied by a nonrefundable application fee of Twenty Five Dollars ($25.00) per course for a thirty-six (36) month period. Renewal applications shall be subject to the same requirements as original applications; however, the renewal application shall be submitted prior to expiration of the course(s).

(e) **Change of information notice requirement.** Whenever there is any change in a course, 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 a course as being approved for continuing education credit shall state in such advertisement, "Approved by the Commission for (correct number) hours of continuing education credit." No entity sponsoring or conducting a course of study shall advertise the course as approved prior to the course receiving approval from the Commission. Further, no entity sponsoring or conducting a course of study shall advertise that it is endorsed, recommended or accredited by the Commission.

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

(1) A course will not be approved by the Commission if its duration is less than one (1) clock hour or its equivalent as determined by the Commission.

(2) 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.

(3) An entity conducting an approved continuing education course shall, within seven (7) days of the completion thereof, successfully submit to the Commission the list of name(s), license number(s) and other personal identifiers of those licensees who have successfully completed the course. The information shall be submitted to the Commission by way of electronic format as required by the Commission, along with other information which may reasonably be required.

(4) Each licensee successfully completing a course shall be furnished a completion certificate, prescribed or approved by the Commission.

(5) Each course shall be presented in a method that safely and properly presents the course.

(6) An approved instructor must be present in the same room during all in-class course instruction for students to receive credit toward course completion. If an instructor is presenting a Commission approved in-class course offering which is delivered to the licensees by way of electronic means to receiving sites other than where the instructor is presenting, the Commission may require that each receiving entity site have an in-class person monitoring the class in lieu of a Commission approved instructor.

(h) **Recruitment disallowed.**

(1) A coordinator/director or instructor shall not allow the classroom to be used by anyone to advertise and/or recruit new affiliates for any firm. The coordinator/director shall cause the following statement to be posted in the classroom 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. 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 firm, a group of companies or franchises while in the class or on the premises.

(i) **Instructor application and approval requirements:** An individual may, upon receipt of an application and evidence of education and/or experience, be considered for approval as an instructor for a three (3) year period including the month of approval. Each application and subsequent renewal must be accompanied by a nonrefundable One Hundred Dollar ($100) 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 jurisdiction authorizing the holder to instruct 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 field related to that in which the person is to instruct, which constitute an equivalent to one or more of the qualifications in (1), (2) or (3) of this subsection.

(j) **Denied application; appeal.** If the Commission is of the opinion that a proposed continuing education offering does not qualify under the Code and/or Rules of the Commission, the Commission shall refuse to approve the offering and shall give notice of that fact to the party applying for approval within fifteen (15) days after its decision. Upon written request from the denied party, filed within thirty (30) days after receipt of the notice of denial, the Commission shall set the matter for hearing to be conducted within sixty (60) days after receipt of the request. The hearing procedure shall be that as outlined in 605:10-1-3, titled "Appeal of administrative decisions; procedures."

(k) **Disciplinary action.** The Commission may withdraw or discipline as outlined in Title 59, O.S., Section 858-208, paragraph 6 the approval of a coordinator/director, instructor, offering or entity either on a complaint filed by an interested person or on the Commission's own motion, for any of 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 an instructor and/or coordinator/director is revoked or suspended.

(2) Failure to submit all documents, statements and forms as may be reasonably required by the Commission.

(3) Falsification of records and/or applications filed with the Commission.

(4) False and/or misleading advertising.

(5) Failure to revise an offering so as to reflect and present current real estate practices, knowledge, and laws.

(6) Failure to maintain proper classroom order and decorum.

(7) Any conduct which gives the coordinator/director, instructor or entity presenting the offering an unfair advantage over other brokers and/or real estate companies.

(8) Failure to comply with any portion of the Code or rules of this Chapter.

(9) Any other improper conduct or activity of the director, instructor, or entity the Commission determines to be unacceptable.

(l) **Retention of records.** An instructor/entity shall maintain enrollment records and roll sheets which include number of hours completed by each student for five (5) years.

(m) **Commission authorized to audit.** A duly authorized designee of the Commission may audit any offering and/or inspect the records of the entity at any time during its presentation or during reasonable office hours or the entity may be required to provide the records to the Commission.

(n) **Licensee/Instructor course credit.**

(1) A licensee who is the instructor of an approved offering for continuing education shall be credited with one (1) hour for each hour of actual instruction performed.

(2) An instructor may not receive continuing education credit for instructing an offering more than one time during a license term.

(3) Records of such instruction shall be reported and maintained in the same manner as prescribed for participants elsewhere in the rules of this Chapter.

(o) **Guest instructors.** Guest instructors may be utilized provided an approved instructor is also present during presentations. Total guest instruction and lectures shall not consume more than thirty percent (30%) of the total course time.

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

(a) **Approved instructor.** Each course offering shall be conducted by a Commission approved instructor. The instructor shall be available during normal business hours as posted by the instructor to answer questions about the course material, address inquiries related to course content, and provide academic support and assistance. Instructors must respond to questions and other communications from enrolled students within a reasonable period of time.

(b) **Student must attend in-class instruction or complete all modules required for distance education instruction.** In order for an entity to certify a student as passing an approved course the student must either:

(1) attend the required number of hours of in-class instruction; or

(2) complete all instructional modules required for distance education instruction; or

(3) attend the required number of hours of in-class instruction and complete all instructional modules required for courses utilizing both in-class instruction and distance education instruction.

(c) **Student must successfully complete a prelicense, postlicense or distance education course offering examination.** In order for an entity to certify a student as passing an approved prelicense, postlicense or distance education course, the student must successfully complete an examination covering the contents of the course material.

(d) **Student transfers.** Except with the prior approval of the Commission, a student transferring from one course to another may not count any portion of the student's attendance or work in the former course toward passing the course. A student who enrolls in an entity which offers a Commission approved course may not transfer credit for a course or courses completed in that series to another entity unless the receiving entity offers the identical series of courses and the receiving entity agrees to accept and examine said student throughout successful completion.

(e) **Course examinations.** Each approved prelicense provisional sales associate course and postlicense course offering shall conclude with an end-of-course examination consisting of no less than one hundred and fifty (150) questions administered by the approved entity. Each approved prelicense broker course shall conclude with an end-of-course examination consisting of no less than two hundred (200) questions administered by the approved entity. Each approved distance continuing education course offering shall conclude with an end-of-course examination consisting of no less than seven (7) questions for each clock hour. End-of-course examination questions may not be the same as any previously used questions covering the respective course content.

(f) **Successful completion.** In order for a student to successfully complete a prelicense, postlicense or distance education course, the entity must require that the student complete all class material and/or modules and achieve a passing score of at least seventy five percent (75%) on the entity's final examination. An entity shall require the student to complete sufficient material or modules to ensure mastery of the course offering, and shall require the student to complete the end-of-course examination. An entity may allow any student who fails to achieve a passing score the opportunity to take another examination without repeating instruction.

(g) **Grading standards.** In order for an entity to certify a student as passing an approved course, the student must meet the minimum grading standards established by this Section and the entity. On graded examinations for which this Section sets specific requirements, the entity's policy shall at least equal those requirements as listed in this Section. Other grading standards shall be in accordance with generally accepted educational standards. An entity shall publish grading standards and give them to a student in a written form at the beginning of the course.

(h) **Commission may impose sanction.** The Commission may impose any sanction permitted by law or Rules of the Commission on the approval of any entity, director and/or instructor which fails to provide proper security for their course evaluation or examination and for failing to comply with standards as set out in this Chapter.

(i) **Additional distance education course requirements.**

(1) Each course shall contain suitable learning objectives.

(2) Overview statements must be included for each course providing a quick preview of what is contained in the offering.

(3) A complete set of questions and an answer key must be provided to the Commission with each course application. An answer key may not be included in any course materials provided to the student.

(4) From the date of enrollment, the course shall have a validity period of six (6) months in which to allow successful completion to be attained.

(5) Entities must include information with the course material that clearly informs the student of the completion time frame, passing and examination requirements, and any other relevant information necessary to complete the course.

(6) Each course must include a statement that the information presented in the course should not be used as a substitute for competent legal advice.

(7) Course offerings must be sufficient in scope and content to justify the hours requested for approval.

(j) 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.

(k) All materials that are distributed to students in any class must be current and up-to-date with the License Code and Rules and state or federal laws.

605:10-5-4. Education Provider Applications and Renewals

(a) **Approval of Education Provider.** Any person or entity seeking to provide real estate education approved by the Commission shall file an application for approval in the form and manner required by the Commission, and submit documents, statements and forms as may reasonably be required by the Commission. The completed education provider application shall include the following:

(1) Application fee of Five Hundred Dollars ($500.00)

(2) Designate a "director" or "individual in charge" who shall be responsible for the course provider's operation and its real estate courses, and with whom the commission may communicate.

(b) **Education Provider Renewal.** Commission approval of education providers shall expire thirty-six (36) months following issuance of approval. In order to maintain approved status, an education provider shall file an electronic application for renewal of approval immediately preceding expiration of approval and must submit a renewal fee of Two Hundred and Fifty Dollars ($250.00).

Subchapter 7. Licensing Procedures and Options

605:10-7-1. License issuance

No real estate licensee shall begin operations in the real estate business without first having been issued his or her numbered active license certificate. This includes all original licenses, activations, reinstatements and all license types being changed from an associate to a broker or branch broker, as defined in the rules.

605:10-7-1.1. Documentation required for compliance necessary to verify citizenship, qualified alien status, and eligibility under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

License renewals and reinstatements. Individuals who submit an application shall be required to provide documentation necessary to verify compliance of citizenship, qualified alien status, and eligibility under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Failure to provide this documentation shall result in disapproval of the application. If an individual fails to provide proof of citizenship within sixty (60) days from the date of reissuance of their license or approval, the individual will be placed inactive until the Commission receives current proof of citizenship or qualified alien status.

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

(a) **License term and fees.** Each original license issued under the Code 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 shall be issued to expire at the end of the twelfth (12th) month including the month of issuance. Fees are non-refundable and are as follows:

(1) For an original broker license and each subsequent license renewal, to include corporations, associations, limited liability companies or partnerships, the fee shall be Two Hundred and Eighty Dollars ($280.00). For an original sole proprietor broker license and each subsequent license renewal, the fee shall be Four Hundred Dollars ($400.00).

(2) For an inactive original broker license and each subsequent inactive license renewal, with the exception of corporations, associations or partnerships, the fee shall be One Hundred and Sixty Dollars ($160.00). In order to activate a license that was renewed inactive in the same license term, the licensee shall pay One Hundred and Sixty Five Dollars ($165.00). Thereafter, any future request to activate in the same license term shall be in accordance with Rule 605:10-7-4.

(3) For an original broker associate license and each subsequent license renewal, the fee shall be Two Hundred and Forty Five Dollars ($245.00).

(4) For an inactive original broker associate license and each subsequent inactive license renewal, the fee shall be One Hundred and Fifty Dollars ($150.00). In order to activate a license that was renewed inactive in the same license term, the licensee shall pay One Hundred and Fifty Five Dollars ($155.00). Thereafter, any future request to activate in the same license term shall be in accordance with Rule 605:10-7-4.

(5) For an active original sales associate license and each subsequent active license renewal the fee shall be Two Hundred Dollars ($200.00).

(6) For an inactive original sales associate license and each subsequent inactive license renewal the fee shall be One Hundred and Twenty Five Dollars ($125.00). In order to activate a sales associate license that was renewed inactive in the same license term, the licensee shall pay One Hundred and Thirty Five Dollars ($135.00). Thereafter, any future request to activate in the same license term shall be in accordance with Rule 605:10-7-4.

(7) For an original provisional sales associate license that is non-renewable the fee shall be Ninety Five Dollars ($95.00).

(8) For an original branch office license and each subsequent license renewal the fee shall be One Hundred and Seventy Dollars ($170.00).

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

(10) The Twenty Dollar ($20.00) Education and Recovery Fund fee, shall be added and payable with the license fee for an original license and for each subsequent license renewal. Exceptions to this rule are: 1) a provisional sales associate fee shall be Fifteen Dollars ($15.00) for their twelve (12) month license term.

(b) **Terms cannot be altered.** 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.

(c) **Expiration date.** The actual expiration date of a license shall be midnight of the last day of the month of the designated license term. A person who allows their license to expire may be subject to a national criminal history record check, as defined by Section 150.9 of Title 74 of the Oklahoma Statutes.

(d) **Actual filing of license renewal.** A license shall lapse and terminate if a renewal application and required fees have not been filed with the Commission by midnight of the date on which the license is due to expire.

(e) **Reinstatement of license.** Any licensee whose license term has expired shall be considered for reinstatement of such license upon payment of an Eighty Dollar ($80.00) reinstatement fee in addition to the license fee(s) for each delinquent license period(s). The following documents and fees must be submitted:

(1) **Lapsed less than one year.** In the case of a license lapsed less than one year:

(A) License fee.
(B) Reinstatement fee.
(C) Documents as required by the Commission.

(2) **Lapsed more than one year but less than three years.** In the case of a license lapsed more than one year but less than three years:

(A) License fee.
(B) Reinstatement fee.
(C) National criminal history check.
(D) A completed reinstatement application.
(E) Successful completion of the appropriate licensing examination.
(F) A statement that the applicant has read a current License Code and Rules.
(G) Documents as may be required by the Commission.

(3) **Lapsed more than three years.** If an application is submitted more than three (3) years subsequent to the most recent year of licensure, the applicant shall be regarded as an original applicant.

(f) **Reinstatement of a provisional sales associate license wherein post-license education was completed prior to license expiration date.** An applicant who successfully completed the post-license education requirement before their first license expiration date and failed to renew their license on or before such date shall be eligible to reinstate the license as a sales associate according to 605:10-7-2 (e), (1) through (3).

(g) **Reinstatement of a provisional sales associate license wherein post-license education was not completed prior to license expiration date.** An applicant who has not successfully completed the post-license education requirement prior to the first license expiration date shall not be eligible to reinstate such license and shall apply and qualify as an original applicant.

(h) **Reinstatement of revoked license.** An applicant may not apply for re-license or reinstatement of license for a minimum of five (5) years from the effective date of license revocation, except for an applicant whose license was automatically revoked pursuant to Sections 858-402 or 858-604 of Title 59, Oklahoma Statutes. Upon the passage of the five (5) year period, the applicant shall be required to comply with the requirements of an original applicant.

(i) **Reinstatement of an automatically revoked license.** An applicant who has had their license automatically revoked, pursuant to Section 858-402 or 858-604 of Title 59 of the Oklahoma Statutes, shall be required to comply with the requirements of (e) of this section. In addition, reinstatement will not be granted until all outstanding amounts due to the Commission have been paid in full.

(j) **Reinstatement of a surrendered or cancelled license.** A surrendered or cancelled license applicant may be reinstated provided the applicant has received approval for re-issuance from the Commission. The following forms and fees must be submitted:

(1) **Reinstatement with term of license still current.** A surrendered or cancelled license applicant whose license term is still current:

(A) Reinstatement fee.

(B) Re-issuance fee equal to the transfer of license fee.

(C) Documents as may be required by the Commission.

(D) Criminal history background check.

(2) **Reinstatement with term of license expired.** A surrendered or cancelled license applicant whose license term has expired shall be required to comply with the requirements of (e) of this section.

(3) **Reinstatement of provisional sales associate with term of license expired.** A surrendered or cancelled provisional sales associate whose license term has expired shall be required to comply with the following:

(A) If a provisional sales associate completed the post-license requirement on or before the first license expiration date, the applicant shall be eligible to reinstate the license according to 605:10-7-2 (e), (1) through (2).

(B) If a provisional sales associate did not complete the post-license requirement on or before the first license expiration date, the applicant shall be required to apply and qualify as an original applicant.

(k) **Continuing education requirement.** Each licensee with the exception of those as listed in Title 59, O.S., Section 858-307.2 (D) seeking renewal of a license must submit evidence that they have completed the continuing education requirements enumerated in Section 858-307.2 of Title 59. An applicant seeking active reinstatement of a lapsed license must submit evidence that all continuing education requirements have been completed for each term in which an active license is requested.

(l) **Issuance of license from provisional sales associate to sales associate.** A provisional sales associate is required to furnish to the Commission evidence of successful completion of the Provisional Post-license 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 Post-license 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 provisional sales associate has submitted evidence of successful completion of the forty-five (45) clock hour post-license course requirement and submitted all form(s) and fee(s) as required by the Commission.

(m) **Licensee on active duty as a member of the Armed Forces of the United States.**

(1) In accordance with Title 59, O.S., Section 4100.6 of the Post-Military Service Occupation, Education and Credentialing Act while a license holder is on active duty the license may be renewed without payment of the license and education and recovery fund fee and meeting the continuing education requirement. Such waiver shall be requested in writing to the Commission prior to license expiration along with evidence of the order for active duty. The license issued pursuant to this rule may be continued as long as the licensee is a member of the Armed Forces of the United States on active duty and for a period of at least one (1) year

after discharge from active duty. Upon discharge from active duty and a request for license activation, the licensee shall submit to the Commission evidence of successful completion of the continuing education requirement for the current license renewal term.

(2) If a licensee on active duty does not request such a waiver in writing and the license expires, the applicant may, by written request provide the Commission documentation as required in subparagraph (1) of this subsection; however, no later than one (1) year after discharge from active duty.

(3) In the event a license expires during the events as noted herein, the Commission shall waive the criminal history background check and license examination.

(4) **Member of the National Guard or reserve component of the armed forces.** In accordance with Title 72, Chapter 1, Section 48.2 Extension and Renewal of Professional Licenses, any licensee whose license expires while on active duty as a member of the National Guard or reserve component of the armed forces shall be extended until no later than one (1) year after the member is discharged from active duty status. Upon the Commission receiving a copy of the official orders calling the member or reservist to active duty and official orders discharging the member or reservist from active duty all licensee fee and continuing education shall be waived for this time period as well as the criminal history background check and license examination.

(n) **Reinstatement for corporation, association or partnership.**

(1) A corporation, association or partnership that has lapsed for less than three (3) years that wishes to reinstate must submit:

(A) License fee(s).

(B) Reinstatement fee, forms and documents as required by the Commission.

(C) If the corporation or association has been lapsed for more than sixty (60) days, a current "Certification of Good Standing."

(2) Any corporation, association or partnership that has lapsed for more than three (3) years must submit an original application to be considered for licensure.

(o) **Reinstatement for branch offices.**

(1) A branch office that is lapsed for less than three (3) years that wishes to reinstate must submit:

(A) License fee(s).

(B) Reinstatement fee, forms and documents as required by the Commission

(2) Any branch office that has lapsed for more than three (3) years must submit an original application as a new branch office.

(p) **Specific license fees waived for low-income individuals.** In accordance with Title 59, Section 4003, any applicant who can present satisfactory evidence of being a low-income individual shall receive a one-time one-year waiver of the licensure fees as outlined in 605:10-7-2 (a). Such waiver shall be prorated for a multi-year license so that the applicant shall only receive a waiver for one year of the applicable license fees. For the purposes of this section, "low-income individual" means an individual who is enrolled in a state or federal public assistance program, or whose household adjusted gross income is below 140% of the federal poverty line or a higher threshold to be set by the executive branch department that oversees business regulation. Satisfactory evidence that the applicant is a low-income individual must be made upon forms provided by the Commission and must be presented upon application for original licensure.

605:10-7-3. Placement of license on inactive status

In conformance with Section 858-309 of the Code a licensee who at any time fails to comply with all Code and Rule requirements for active license status shall be placed on inactive status. If a licensee fails to comply with a request for documentation from the Commission, based on another appropriate statutory or rule requirement which affects the license, the Commission shall place the license inactive. At any time the licensee complies with all requested requirements, the license shall be issued on active status.

605:10-7-4. Request for activation or re-issuance of license

(a) **Requirements.** All requests for activation or re-issuance of a license must be accompanied by the appropriate document(s) and fee of Forty Dollars ($40.00) as required by the Commission. Upon activation of an inactive license wherein the licensee paid the reduced inactive license fee rate, the licensee shall be required to pay the remaining active license fee as outlined in 605:10-7-2.
(b) **Multiple change requests on same license.** In the event a licensee's request involves more than one change to the license at the same time, and each individual change requires a separate fee elsewhere in the rules of this Chapter, the Commission shall only require that one fee be charged to reissue the license if the request is done in a timely manner.
(c) **Continuing education and/or experience required for activation.** A licensee requesting activation of a license must have complied with the continuing education requirement as set forth in Section 858- 307.2 of Title 59 of the Oklahoma Statutes and rule 605:10-3-6 and, if applicable, the experience requirement as set forth in Section 858-303 of Title 59 of the Oklahoma Statutes and rule 605:10-3-4 and 605:10-3-4.1. Further, upon a licensee's request for activation being completed and processed, the licensee shall then be required to complete the continuing education requirement for the next license term for which the license is to be renewed active or activated.
(d) **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, subsequent license renewal, or activation 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, issue an active license.

605:10-7-5. Name changes

Name change request. Any change of name of a licensee or licensed firm must be filed in the Commission office within ten (10) days of such change. Filed shall mean the date of the United States postal service postmark or the date personal or electronic delivery is made to the Commission. Upon any request for a change of name there shall be paid a fee to the Commission of Twenty-five Dollars ($25.00) for each license to be changed. The Commission may require additional documents as may reasonably be required by the Secretary-Treasurer.

605:10-7-6. Certification of license history and letters of good standing

Each request for a certification of license history or letter of good standing shall be submitted electronically or in the form of a letter to the Commission accompanied by a fee of Twenty Five Dollars ($25.00).

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 location, the broker must license each additional office location as a branch office by submitting forms and fees as required by the Commission. The license shall be maintained in the branch office and available upon request.
(b) **Associate's license issuance.** An associate's license shall be issued electronically and maintained in each Associate's License Portal under the supervision of the Branch Broker and Managing Broker.
(c) **Broker to designate a branch broker to act.** A broker shall designate a branch broker, other than himself or herself, to act as broker for each location, to supervise the activities of the branch office. The branch office shall be licensed in conformance with Section 858-310 of the Code. The branch broker may be designated to perform all duties and sign documents on behalf of the broker with respect to the branch office at the discretion of the broker. The branch broker assumes responsibility in conjunction with the broker, for all associates assigned to the branch office.
(d) **Broker may act as branch broker; restriction.** A broker may act as the branch broker if the branch office is located at the same location as the main office upon the appropriate documents and fees being filed with the Commission.
(e) **Reappointment of branch broker.** In the event of the death or disability of the designated branch broker, or in the event of the retirement or cessation of employment for any reason by the designated branch broker, and the branch office is to continue business, the main office broker shall appoint a new branch broker and file the appropriate documents with the Commission within thirty (30) days of the occurrence of the event.
(f) **Branch office must utilize the same name or trade name of main office.** A branch office may utilize a trade name which is different than the main office so long as the broker registers the name(s) with the Commission.

605:10-7-8. Business Entity licensing procedures and requirements of good standing

(a) **Broker license requirement.** Each corporation, association or other business entity who performs activities which require a real estate license pursuant to Title 59, O.S., Section 858-102 of the License "Code" shall apply as a real estate business entity. Upon approval by the Commission, the corporation, association or other business entity shall be granted a real estate license. In order to obtain a license, the corporation, association or business entity shall furnish to the satisfaction of the Commission, but not limited to, the following items:

(1) Completed application form(s) and required fee(s).

(2) Verification that the business entity is authorized to transact business as a business entity in the State of Oklahoma and that the business entity is in good standing in the State of Oklahoma.

(3) Business entity must be in compliance with Title 59, O.S., Section 858-312.1 of the License "Code."

(4) Business entity must have a managing corporate broker who holds a separate license as a real estate broker.

(5) The designation of a managing broker shall be established by sworn statement signed by the President of the corporation or authorized member or manager of the association stating the date and place such action was effected.

(6) In the event of the death or disability of the managing broker, or the event of the retirement or cessation of employment for any reason by the managing broker, or the event of the retirement or cessation of employment for any reason by the managing broker, the corporation or association shall be required to appoint a new managing broker and such notice of change must be filed with the Commission no later than thirty (30) days after the occurrence of the event. The notice of change in a managing broker must be accompanied by the appropriate documents as required by the Commission and a Forty Dollar ($40.00) change of status fee.

(b) **Business entity and managing broker responsible for acts.** The managing broker in conjunction with the corporation, association or business entity is responsible for all acts of the business entity, including the acts of all associates associated with the entity.

(c) **Business entity closing requirements or partial ceasing of real estate activities.** When a corporation, association or business entity discontinues a portion of real estate activities or ceases all real estate activities, the business entity is required to comply with the following:

(1) Immediately notify the Commission.

(2) Comply with Section 605:10-13-1(n).

(d) **Group change information.** Under certain circumstances as determined by the Commission, the Commission may place a cap of Seven Hundred Fifty Dollars ($750.00) on group transactions requesting Licenses to be issued. To qualify, such request must be received complete and require no further correspondence and/or documents except for the issuance of the licenses.

(e) **Business entity names.** The Commission may deny approval of a business entity or partnership name if it determines the proposed name is too similar to the name of a licensed real estate brokerage entity, trade name, or team name.

605:10-7-8.1. Partnership licensing procedures and requirements of good standing

(a) **Broker license requirement.** Each partnership who performs activities which require a real estate license pursuant to Title 59, O.S., Section 858-102 of the License "Code" shall apply as a real estate broker. Upon approval by the Commission, the partnership shall be granted a real estate broker license. In order to obtain a license, the partnership shall furnish to the satisfaction of the Commission, but not limited to, the following items:

(1) Completed application form(s) and required fee(s).

(2) A written statement signed by all partners attesting to the formation of a partnership and that it is in good standing in the State of Oklahoma.

(3) Partnership must be in compliance with Title 59, O.S., Section 858-312.1 of the License "Code."

(4) Partnership must have a minimum of two managing partners who each hold a separate license as a real estate broker.

(5) The designation of the managing partners shall be established by sworn statement signed by the managing partners of the partnership stating the date and place such action was effected.

(6) In the event of the death or disability of the managing partner(s), or in the event of the retirement or cessation of employment for any reason of the managing partner(s), the partnership is dissolved unless the partnership agreement provides otherwise. If the partnership agreement provides for the continuation of the partnership after the loss of a partner, the partnership shall be required to appoint a new managing partner and such notice of change must be filed in the Commission office no later than thirty (30) working days of the occurrence of the event. The notice of change in managing partners must be accompanied by the appropriate documents as required by the Commission and a Forty Dollar ($40.00) change of status fee.

(b) **Partnership and managing partners responsible for acts.** The managing partners in conjunction with the partnership are responsible for all acts of the partnership, including the acts of all associates associated with the partnership. If a corporation or association is a partner of the partnership a letter must be submitted by the firm acknowledging that the managing member of the association or managing broker of the corporation is responsible for all acts of the partnership, including the acts of all associates associated with the partnership.

(c) **Partnership closing requirements or partial ceasing of real estate activities.** When a partnership discontinues a portion of real estate activities or ceases all real estate activities, the partnership is required to comply with the following:

(1) Immediately notify the Commission.

(2) Comply with Section 605:10-13-1 (n).

605:10-7-8.3. Sole Proprietor licensing procedures

(a) **Sole Proprietor.** A sole proprietor is a broker that is the sole owner of a real estate business/firm. To qualify for a sole proprietorship, the firm shall not conduct business in the name of an entity, i.e., corporation, association (Limited Liability Company) or partnership and the business/firm shall not be owned by any other person or entity. To apply as sole proprietor one must meet all requirements for a broker license and submit to the Commission the following: completed sole proprietor broker application form(s) and fee(s) as required by the Commission.

(b) **Death, disability or retirement.** In the event of the death, disability or retirement of the sole proprietor, the sole proprietor firm shall cease business activities.

(c) **Broker responsible.** A sole proprietor broker is responsible for all acts of associates licensed with the firm.

(d) **Ceasing business activities.** When the sole proprietor discontinues a portion of the real estate activities or ceases all real estate activities, the sole proprietor is required to comply with the following:

(1) Immediately notify the Commission in writing.

(2) Comply with Section 605:10-13-1 (n).

605:10-7-8.4. Corporations or Limited Liability Companies formed for the purpose of receiving compensation

Within the meaning of subsection 14 of Section 858-312 of the "Code" payment of a commission by a broker to a broker or an associate's corporation or limited liability company does not constitute a payment of a fee (commission) to an unlicensed person provided the corporation or limited liability company and the broker and/or associate abide by the following requirements:

(1) The corporation or limited liability company shall not perform any act requiring a real estate license and shall not:

(A) hold itself out as engaged in any act requiring a real estate license

(B) use the corporation or limited liability company name in any advertising

(C) receive referral fees or commissions except from the licensee's broker

(D) use the same name as a trade name, team name, or licensed brokerage

(2) The licensee requesting registration with the Commission must have an active individual real estate license.

(3) The managing broker must provide approval to the Commission of the licensee's corporation or limited liability company.

(4) The licensee requesting registration with the Commission must be the majority stockholder and president of the corporation or majority member of the limited liability company.

(5) Ownership of the corporation or limited liability company is limited to spouses and blood relatives.

(6) The licensee requesting registration with the Commission must pay a fifty dollar ($50.00) registration fee and make the following declarations to the Commission:

(A) A statement that the licensee requesting registration with the Commission is the majority stockholder and president of the corporation or majority member of the limited liability company.

(B) Names and relations of all officers/members and/or stockholders.

(C) Verification that the corporation or limited liability company is in good standing with the Oklahoma Secretary of State.

(7) A licensee may only register one corporation or limited liability company for the purpose of receiving compensation.

(8) The Commission may deny any request to register a corporation or limited liability company formed for the purpose of receiving compensation if the Commission determines the business entity name resembles the name, trade name, or team name of another licensed brokerage so closely that it is likely to confuse the public.

605:10-7-9. Nonresident licensing

(a) **Nonresident licensed in another jurisdiction.** A nonresident applicant may apply to the Commission for a license to operate as a nonresident by submitting all appropriate documents as required by the Commission and furnish evidence that the applicant possesses a current active license in the applicant's resident jurisdiction or another jurisdiction in which the applicant has qualified for a license. No license shall be issued to any nonresident applicant at a higher level than

the highest license of any current active license in the applicant's resident jurisdiction or another jurisdiction in which the applicant has qualified for a license. All nonresidents shall be required to complete the appropriate examination as required by the Commission. All nonresidents shall be required to maintain a registered agent in Oklahoma to accept service of process. No inactive license experience may be credited to qualify under this section. The Commission may issue a nonresident license if such nonresident has qualified and maintains a license in another jurisdiction and meets the following qualifications:

(1) A nonresident applicant who has been actively licensed as a sales associate or broker respectively for a minimum of two (2) years out of the previous three (3) years.

(A) A nonresident applicant that applies under this paragraph must complete and submit the following:

(i) Appropriate application(s).

(ii) License certification(s) from the jurisdiction in which the applicant has held and/or currently holds a license.

(iii) Criminal history background application, fingerprint card and fee.

(iv) Examination fee and successful completion of the state portion of the examination.

(v) Consent for service of jurisdiction.

(vi) Proof of completion of at least one (1) continuing education clock hour in each of the following Oklahoma-specific subjects: Broker Relationships Act, Code and Rule Updates, and six (6) hours of Contracts and Forms.

(B) Upon the Commission granting approval to the nonresident applicant for licensure in this jurisdiction, the applicant must complete and submit the following:

(i) appropriate license application form(s) along with license and education and recovery fund fees.

(2) A nonresident applicant who has been actively licensed less than two (2) years as a sales associate or broker respectively out of the previous three (3) years must successfully complete the appropriate examination.

(A) A nonresident applicant applying under this paragraph must complete and submit the following:

(i) Appropriate application(s).

(ii) License certification(s) from jurisdiction(s) in which the applicant has held and/or currently holds a license.

(iii) Criminal history background application, fingerprint card and fee.

(iv) Examination fee and successful completion of the entire appropriate examination.

(v) Consent for service of jurisdiction.

(vi) Proof of completion of at least one (1) continuing education clock hour in each of the following Oklahoma-specific subjects: Broker Relationships Act, Code and Rule Updates, and six (6) hours of Contracts and Forms.

(B) Upon the Commission granting approval to the nonresident applicant for licensure in this jurisdiction, the applicant must complete and submit the following:

(i) Appropriate license application form(s) along with license and education and recovery fund fees.

(b) **Nonresident agreement.** The Commission may enter into a nonresident agreement with another jurisdiction and thereby qualify actively licensed nonresident applicants for licensing in this jurisdiction provided the Commission determines that the educational and experience requirements of the other jurisdiction are equivalent or equal to this jurisdiction; however, the applicant shall be required to comply with paragraph (a)(1)(A) and (B) of this section.

(c) **Nonresident applicant that is inactive in another jurisdiction.** A nonresident applicant who holds an inactive license in another jurisdiction and is unable to meet the requirement under paragraph (a) of this section may apply to the Commission for a license to operate as a nonresident provisional sales associate by submitting all appropriate documents and successfully completing all requirements as required by the Commission.

(1) The nonresident applicant must complete and submit the following:

(A) Appropriate application(s).

(B) Criminal history background application, fingerprint card and fee.

(C) Qualify as an original applicant by submitting proof of appropriate required education.

(D) Examination fee and successful completion of the entire appropriate examination.

(E) License certification(s) from the jurisdiction(s) in which the applicant holds or has held a license.

(F) Consent for service of jurisdiction form.

(G) Proof of completion of at least one (1) continuing education clock hour in each of the following Oklahoma-specific subjects: Broker Relationships Act, Code and Rule Updates, and six (6) hours of Contracts and Forms.

(2) Upon the Commission granting approval to the nonresident applicant for licensure in this jurisdiction, the applicant must complete and submit appropriate license application form(s) along with license and education and recovery fund fees.

(d) **Consent for service of jurisdiction.** Prior to the issuance of a license to a nonresident, such nonresident shall file with the Commission a designation in writing that appoints the Secretary-Treasurer of the Commission to act as the licensed agent, upon whom all judicial and other process or legal notices directed to such nonresident licensee may be served. Service upon the agent so designated shall be equivalent to personal service upon the licensee. Copies of such appointment, certified by the Secretary-Treasurer of the Commission, shall be deemed sufficient evidence thereof and shall be admitted into evidence with the same force and effect as the original thereof. In such written designation, the licensee shall agree and stipulate that any notice or instrument which is served upon such agent shall be of the same legal force and validity as if served upon the licensee, and that the authority shall continue in force so long as any liability remains outstanding in this state. Upon receipt of any such process or notice the Secretary-Treasurer shall forthwith mail a copy of the same, by certified mail, to the last known business address of the licensee.

(e) **License history and application requirements.** Prior to the approval of the application, the nonresident must file with the Commission a certification of licensure from the real estate licensing jurisdiction of the licensee's resident jurisdiction and/or other jurisdictions in which the applicant has held or currently holds a license. The applicant shall pay the Commission the same examination fee and license fee as provided in the "Rules" for the obtaining of a resident sales associate or broker license in this jurisdiction. The certification of licensure shall be valid for sixty (60) days from date of issuance.

(f) **Approved application valid for one (1) year.** An approved application shall be valid for one (1) year.

(g) **Stipulations.** Nonresident licenses granted under the provisions of this section shall remain in force, only as long as such nonresident remains licensed in good standing in this jurisdiction or any other jurisdiction in which the nonresident is or has been licensed.

(h) **Co-brokerage arrangements.** A broker of this jurisdiction may participate in a cooperative brokerage arrangement with a broker of another jurisdiction provided that each broker conducts real estate activities only in the jurisdiction in which they are licensed.

(i) **Request for license transfer.** In the event a nonresident Oklahoma licensee desires to transfer the license and obtain a resident Oklahoma license or desires to transfer the license to another jurisdiction, the nonresident licensee shall be required to meet all applicable requirements and submit all appropriate documents as required by the Commission. In the event a resident Oklahoma licensee desires to transfer the license and obtain a nonresident Oklahoma license, the licensee shall be required to pay the appropriate change of address fee and complete and submit all appropriate documents as required by the Commission.

(j) **Continuing education.** If a nonresident licensee completes the continuing education requirement of another jurisdiction for license renewal, the Commission will require proof of completion of at least one (1) continuing education clock hour in Broker Relationships Act, Code and Rule Updates, and six (6) hours of Contracts and Forms. If a nonresident licensee is exempt from meeting a continuing education requirement in another jurisdiction then the licensee must meet the Oklahoma continuing education requirement as follow:

(1) Each nonresident licensee shall complete thirteen (13) clock hours of required subject matter as directed by the Commission.

(2) The required subject matter, or its equivalent, as determined by the Commission, shall consist at least one (1) hour of all following subjects each license term: Broker Relationships Act, Fair Housing, Code and Rules Updates, Current Issues, six (6) hours of Contracts and Forms, and three (3) hours of Professional Conduct. The remaining seventeen (17) clock hours may consist of elective subject matter as approved by the Commission.

(3) Any licensee may complete the Broker in Charge course as approved by the Commission consisting of fifteen (15) clock hours in lieu of the required subject matter.

(4) Any Broker who holds or has held a license type of Broker Manager (BM), Proprietor Broker (BP), or Branch Broker (BB) during any portion of their current license term shall be required to successfully complete the Broker in Charge course consisting of fifteen (15) clock hours, or its equivalent, as approved by the Commission. In addition, to satisfy the continuing education requirement of thirty (30) clock hours, such broker shall complete six (6) hours of Contracts and Forms education. The remaining hours may consist of electives.

(5) Any broker that lapsed or renewed inactive in their previous license term or current license term who applies for reinstatement or activation and held in their previous or current license term the license type of Broker Manager (BM), Proprietor Broker (BP), or Branch Broker (BB) must complete the Broker in Charge course, six (6) hours of Contracts and Forms, and nine (9) hours of electives prior to their license being reinstated active or reactivating.

(k) Any broker applying for reinstatement or activation as a Broker Manager, Proprietor Broker, or Branch Broker must: provide documentation verifying completion of ten (10) real estate transactions within the past five (5) years or the equivalent as determined by the Commission. For purposes of

this section, transaction shall be defined as the completed sale, exchange, purchase or lease of real estate and shall be demonstrated on forms developed by the Commission.

605:10-7-10. Resident applicants currently or previously licensed in other jurisdictions

(a) **Requirements.** In order to qualify under previously licensed procedures, an applicant must complete and submit all appropriate documents as required by the Commission and furnish evidence that the applicant possesses or has possessed a license in good standing in another jurisdiction. Applications approved for resident applicants currently or previously licensed in other jurisdictions shall be valid for ninety (90) days. The Commission may issue the applicant a license if such previously licensed applicant meets all of the requirements of either paragraphs (1), (2), (3) or (4) of this subsection:

(1) If a nonresident agreement exists between Oklahoma and the jurisdiction in which the applicant qualified for a license, the Commission shall qualify the licensed applicant through the nonresident agreement.

(A) An applicant applying under this paragraph must complete and submit the following:

(i) Appropriate application(s).

(ii) License certification(s) from the jurisdiction(s) in which the applicant has held or currently holds a license.

(iii) Criminal history background application, fingerprint card and fee.

(iv) Examination fee and successful completion of the state portion of the examination.

(v) Proof of completion of at least one (1) continuing education clock hour in each of the following Oklahoma-specific subjects: Broker Relationships Act, Code and Rule Updates, and six (6) hours of Contracts and Forms.

(B) Upon the Commission granting approval to the applicant for licensure in this jurisdiction, the applicant must complete and submit the appropriate license application form(s) along with license and education and recovery fund fees.

(C) An applicant qualifying under this paragraph will be issued either a sales associate, broker associate or broker license.

(2) If a nonresident agreement does not exist, the applicant shall be required to furnish evidence of two (2) years of active experience respectively as a sales associate or broker out of the previous five (5) years.

(A) An applicant applying under this paragraph must complete and submit the following:

(i) Appropriate application(s).

(ii) License certification(s) from the jurisdiction(s) in which the applicant has held or currently holds a license.

(iii) Criminal history background application, fingerprint card and fee.

(iv) Examination fee and successful completion of the state portion of the examination.

(v) Proof of completion of at least one (1) continuing education clock hour in each of the following Oklahoma-specific subjects: Broker Relationships Act,

Code and Rule Updates, and six (6) hours of Contracts and Forms.

(B) Upon the Commission granting approval to the applicant for licensure in this jurisdiction, the applicant must complete and submit the appropriate license application form(s) along with license and education and recovery fund fees.

(C) An applicant qualifying under this paragraph will be issued either a sales associate, broker associate or broker license.

(3) An applicant who does not possess the required two (2) years active experience out of the previous five (5) years respectively as a sales associate or broker, or an applicant who does not meet all of the requirements of either paragraphs (1) or (2) of this subsection, shall be required to apply as an original applicant for a provisional sales associate license.

(4) In accordance with Title 59, O.S., Section 4100.4 of the Post-Military Service Occupation, Education and Credentialing Act, the Commission shall, upon satisfactory evidence of equivalent education, training and experience by an applicant for licensure, accept the education, training and experience completed by the applicant as a member of the Armed Forces or Reserves of the United States, National Guard of any jurisdiction, the Military Reserves of any jurisdiction, or the Naval Militias of any jurisdiction, and apply it in the manner most favorable toward satisfying the applicant's qualifications for examination and license issuance.

(A) An applicant applying under this paragraph must complete and submit the following:

(i) Appropriate application(s).

(ii) Satisfactory evidence of education, training and experience obtained by the applicant as a member of the military Armed Forces or Reserves of the United States.

(iii) License certification(s) from the jurisdiction(s) in which the applicant has held or currently holds a license.

(iv) Criminal history background application, fingerprint card and fee.

(v) Examination fee and successful completion of the entire appropriate examination.

(B) Upon the Commission granting approval to the applicant for licensure in this jurisdiction, the applicant must complete and submit the appropriate license application form(s) along with license and education and recovery fund fees.

(C) An applicant qualifying under this paragraph will be issued either a provisional sales associate, broker associate or broker license.

(b) Active duty military and military spouse applicants may utilize licensure methods provided for in 59 O.S. § 4100 *et seq.* as appropriate.

605:10-7-11. Applicant criminal history

(a) This section establishes the criteria utilized by the Commission in determining the effect of criminal history on applicant eligibility for real estate licensure and certification. This section applies to:

(1) All individuals seeking to obtain a real estate license;

(2) All individuals seeking an initial determination of their eligibility to obtain a real estate license.

(b) The Commission shall maintain a list of crimes that disqualify an applicant from obtaining a real estate license in compliance with 59 O.S. § 858-301.1. The crimes included on the list substantially relate to the practice of real estate and pose a reasonable threat to public safety for the reasons stated below:

(1) Real Estate Licensees have unique access to residential homes and commercial buildings.

(2) Real Estate Licensees have daily contact with the public and individuals in the occupation.

(3) Real Estate Licensees play a vital role in assisting the public with substantial long-term financial obligations.

(c) The Commission's list of disqualifying crimes is available on the Commission's website or upon request by contacting the Commission office.

(d) The Commission reserves the right to modify such list at any time.

(e) Individuals may request an initial determination from the Commission regarding whether the individual's criminal history disqualifies that individual from obtaining a real estate license. Such request must be in writing and directed to the Oklahoma Real Estate Commission. The individual must submit a copy of their criminal history and any related documents and court records that specify the criminal history of the individual. A fifty dollar ($50.00) fee shall accompany any request for initial determination. The fee shall be collected by the Commission prior to the determination.

(f) Individuals may appeal the Commission's initial determination of disqualification by submitting a request in writing of the circumstances the individual would like the Commission to consider. The Commission may discuss the individual appeals at any scheduled meeting of the Commission.

Subchapter 9. Broker's Operational Procedures

605:10-9-1. Place of business and broker requirements

(a) **Place of business.** Each broker shall maintain a specific place of business, and supervise a brokerage practice which is available to the public during reasonable business hours. Each broker shall be available to manage and supervise such brokerage practice and comply with the following:

(1) The place of business shall consist of at least one enclosed room or building of stationary construction wherein negotiations and closing of real estate transactions of others may be conducted and carried on with privacy and wherein the broker's books, records and files pertaining to real estate transactions of others are maintained.

(2) Each broker shall register for each place of business a physical business address and office telephone number(s).

(b) **Branch offices.** If a broker maintains one or more places of business, the additional places of business shall be referred to as a branch office.

(c) **Office located at residence.** The office may be in the residence of the broker.

(d) **Associates not permitted to have an office.** Associates are not permitted to have a place of business, but must be registered with a place of business maintained and registered in the name of the broker.

(e) **Licenses issued to place of business.** All licenses will be issued electronically to each licensee in the individual License Portal.

(f) **Broker may be broker for more than one firm.** A broker may be the broker for more than one firm so long as the firms are at the same location.
(g) **Broker is responsible for acts of unlicensed assistants.** A broker is responsible for all real estate related activities of any unlicensed assistant working within the firm, including virtual or remote assistants, and any software-based tools (including chatbots, Artificial Intelligence Models, or Generative AI) used to perform functions related to real estate services.

605:10-9-2. Office identification

(a) **Office identification sign.** Each licensed real estate broker holding an active license certificate, except those registered as being associated with a broker who is in compliance with this Section, shall erect and maintain a sign on or about the entrance of his or her office and all branch offices, which sign shall be easily observed and read by persons about to enter any of said offices.
(b) **Specifications of sign.** Each sign shall contain the name of the broker or trade name registered with the Commission, and if a partnership, association or corporation, shall contain the name or trade name of such firm. The sign must indicate that the party is a real estate broker and not a private party, to include, but not limited to, "company", "realty", or "real estate", as the case may be, all in letters not less than one (1) inch in height. Legal abbreviations following the trade name or name under which the broker is licensed shall be acceptable as long as they are easily identifiable by the public as such.

605:10-9-3. Trade names

Each licensed broker or entity must register in writing to the Commission all trade names used in connection with real estate activities prior to the trade name being advertised or displayed in any way. Further, each broker is to notify the Commission in writing of all deleted or unused trade names. The registration of each trade name must be accompanied by a twenty five dollar ($25.00) registration fee. The Commission reserves the right to deny a trade name submission if the submission is too similar to an existing trade name or licensed real estate brokerage that approval will likely confuse the public.

605:10-9-3.2. Team registration and fees

(a) The broker shall register each team within the brokerage with the Commission on a form prescribed by the Commission. The fee for each team name registration shall be $100.00.
(b) Each team name must be approved by the broker and must be unique and not registered to another real estate team within the State of Oklahoma, and must not be identical to any association, corporation or partnership licensed as a real estate entity by the Commission.
(c) The broker shall not allow any team name identical to an associate's corporation or limited liability company formed for the purpose of receiving compensation.
(d) Each team name must be registered to the Commission prior to the performance of any licensable activities by the team.
(e) It shall be prohibited for a broker to register any team name that is not being used by a team within their brokerage.

(f) The broker shall maintain and keep current a list of teams and their respective members, in writing, within the brokerage. Copies of this list shall be made available immediately to the Commission upon request.
(g) The broker shall notify the Commission, in writing, of all deleted or unused team names.
(h) Team members must maintain an active Oklahoma real estate license.
(i) All registered team names shall contain the word "team" or "group".
(j) The Commission reserves the right to deny a team name submission if the submissions is too similar to an existing team name, trade name or licensed real estate brokerage such that approval will likely confuse the public.

605:10-9-4. Advertising

(a) **Requirements and prohibitions.**

(1) A broker, when advertising, must use their registered business trade name or the name under which the broker is licensed; however, yard signs must also include the broker's office telephone number. A firm shall not register or use a trade name of another licensed firm. In addition, the advertisement must indicate that the party is a real estate broker and not a private party, to include, but not limited to, "agency", "company", "realty", or "real estate", as the case may be. Legal abbreviations following the trade name or name under which the broker is licensed shall be acceptable as long as they are easily identifiable by the public as such.

(2) No real estate advertisement shall show only a post office box number, telephone number or street address.

(3) A broker, when operating under a franchise name, shall clearly reveal in all office identification and in all advertising other than institutional type advertising designed to promote a common name, the franchise name along with the name of the broker or business trade name as registered with the Commission. A franchise name shall not be the complete business trade name. All institutional type franchise advertising shall indicate that each office is independently owned and operated.

(4) A licensee shall not advertise, either personally or through any media, to sell, buy, exchange, rent, or lease property when such advertisement is directed at or referred to persons of a particular race, color, creed, religion, national origin, familial status or handicap. The contents of any advertisement must be confined to information relative to the property itself, and any advertisement which is directed at or referred to persons of any particular race, color, creed, religion, national origin, familial status, age or handicap is prohibited.

(5) Any advertising in any media which is misleading or inaccurate in any material fact or in any way misrepresents any property, terms, values, services, or policies is prohibited.

(6) A licensee shall not advertise any property for sale, rent, lease, or exchange in any media unless the broker has first secured the permission of the owner or the owner's authorized representative and said permission has a definite date of expiration.

(7) Social networking. A licensee who is engaged in licensed activities through social networking mediums must indicate their license status and include their broker's reference as required elsewhere in this rule.

(8) A licensee shall not use a yard sign at the licensee's personal residence as a marketing tool, to make it appear the real property is for sale, lease or rent when such is not the case.

(9) A broker may, or authorize an associate to, promote a seller incentive with the consent of the seller. The publicity must clearly indicate the incentive is being offered by the seller and not by the licensee and that the promotion only applies to a seller's particular property or properties.

(b) **Associates advertising.**

(1) An associate is prohibited from advertising under only the associate's name.

(2) All advertising by an associate must be under the direct supervision of the associate's broker.

(3) In all advertising, the associate must include the name of the associate's broker or the name under which the broker operates, in such a way that the broker's reference is prominent, conspicuous and easily identifiable. For the purposes of this section, "prominent, conspicuous and easily identifiable" means that the broker's reference shall be at least fifty percent (50%) or larger than any associate reference included in the advertisement. If approved by a broker, an associate may include in the advertisement:

(A) The associate's personal insignia of which such approval is to be maintained by the broker and which cannot be construed as that of a firm's name.

(B) The associate's personal nickname or alias which must be registered at the Commission prior to its use and which cannot be construed as that of a firm's name.

(C) An associate's contact information.

(D) A slogan which cannot be construed as that of a firm's name.

(E) A domain/website name that is registered with the broker. Within this domain/website, the broker's reference shall appear on every individual page and/or frame.

(4) An associate's contact information may be added to a yard sign if the yard sign contains the registered name or trade name and office telephone number of the broker so long as it is approved by the broker.

(5) Open house or directional signs used in conjunction with broker's signs do not have to contain the name or trade name of the associate's broker and broker's telephone number.

(c) **Team advertising.**

(1) A team is prohibited from advertising only under the team name.

(2) All advertising by a team must be under the direct supervision of the team's broker.

(3) Team members are prohibited from holding themselves out as owner of a firm that provides brokerage services.

(4) All team advertising must include the name of the team's broker or the name under which the broker operates, in such a way that the broker's reference is prominent, conspicuous and easily identifiable. For the purposes of this section, "prominent, conspicuous and easily identifiable" means that the broker's reference shall be at least fifty percent (50%) or larger than any team reference included in the advertisement. If approved by the broker, a team may include in the advertisement:

(A) The team's personal insignia of which such approval is to be maintained by the broker.

(B) The team's contact information.

(C) A team slogan approved by the broker.

(D) A domain/website name that is registered with the broker. Within this domain/website, the broker's reference shall appear on every individual page and/or

frame.

(d) **Licensee acting as owner, purchaser or direct employee of owner.**

(1) When a licensee, either active or inactive, is purchasing real estate or is the owner of property that is being sold, exchanged, rented or leased and such is being handled either by the licensee or marketed through a real estate firm, the licensee is required to disclose in writing on all documents that pertain to the transaction and in all advertisements that he or she is licensed. The licensee shall include their license number on any purchase or lease contracts, contracts for deed, option contracts, or lease to own agreements.

(2) A licensee who acts only as a direct employee of a property owner, and who does not hold an ownership interest in the employing entity, serve as an officer of the employing entity, or receive compensation based on the outcome of those services, is not required to disclose licensure status in advertising related to that employment.

(3) A licensee acting under power of attorney must disclose on all documents that pertain to a transaction and in all advertising that he or she is licensed.

605:10-9-5. Broker change of address or office telephone number

(a) **Change of business address or office telephone number.** Any change of business address or office telephone number of a broker must be filed in the Commission office within ten (10) days of such change. Filed shall mean the date of the United States Postal Service postmark or the date personal delivery is made to the Commission office.

(b) **Change of home address.** A broker is required to notify the Commission of his or her current home address. Such change shall be filed in the Commission office within ten (10) days of such change.

605:10-9-6. Death or disability of broker

Upon the death or inability of a broker to act as a broker the following procedures shall apply:

(1) In the case of a corporation, association or partnership, the provisions of 605:10-7-8 and 605:10-7-8.1 shall apply.

(2) In the case of a sole proprietor all brokerage activity must cease and a family attorney or representative should perform the following:

(A) Notify the Commission in writing of the date of death or disability.

(B) Advise the Commission as to the location where records will be stored. Such records may be assigned to another broker.

(C) Destroy the broker's license certificate and pocket identification card and all license certificates of those associated with the broker.

(D) Notify each listing and management client in writing that the broker is no longer in business and that the client may enter a new listing or management agreement with the firm of his or her choice.

(E) Notify each party and co-broker to any existing contracts.

(F) Retain trust account monies under the control of the administrator, executor or co-signer on the account until such time as all parties to each transaction agree in writing to disposition or until a court of competent jurisdiction issues an order relative to disposition.

(G) Notify the Commission of the date the trust account will be closed.

(H) All advertising in the name of the firm must be terminated and offering signs removed within thirty (30) days of death or disability of the broker.

(3) In the case of a corporation, association or partnership which ceases all brokerage activity, the provisions of paragraph (2) of this Section apply.

605:10-9-7. Requirements for cessation of real estate activities

(a) **Requirement.** Unless specifically approved otherwise by the Commission a real estate firm shall, when ceasing a portion of real estate activities or ceasing all real estate activities, comply with Section 605:10-13-1 (m).

(b) **Ceasing a portion of real estate activities.** To cease a portion of real estate activities refers to closing a department within a firm wherein, to include but not limited to, separate accounting, trust/escrow accounts and trade names were established and utilized.

(c) **Firm not active in performing real estate activities.** If a firm is not active in performing real estate activities, such firm shall comply with Section 605:10-13-1 (m), (1), (A) through (C.)

605:10-9-8. Branch office closing instructions

The Commission must receive in writing, the requirements listed in this Section at the time notice is given to the Commission that the branch office has closed; however, a written request may be submitted to the Commission for approval to extend the period for submitting such documents and information. Unless specifically approved otherwise by the Commission, a real estate branch office shall be closed by the main office broker in the following manner:

(1) Notify the Commission in writing of the date the branch office will close and advise as to the location where records will be stored and retained for a minimum of five (5) years in conformance with 605:10-13-1 (1).

(2) Destroy the branch office license certificate and pocket identification card along with all license certificates of those associated with the branch office to the Commission and advise the Commission as to the circumstances involving any not returned.

(3) Release forms must be filed for all licensees affiliated with the branch office.

(4) The branch broker must either transfer his or her license to a firm of his or her choice or place his or her license on inactive status.

(5) If the main office is not going to service the branch office's existing listing and management clients, as well as parties and co-brokers to existing contracts, notice is to be sent in writing advising all parties of the date the branch office will close and advise each client that he or she may enter a new listing or management agreement with a firm of his or her choice.

(6) All advertising in the name of the branch office must be terminated and offering signs removed within thirty (30) days of office closing.

(7) Trust account funds and pending contracts must be maintained by the responsible broker until final proper disbursal or until new agreements are secured from all parties for transfer of the funds and/or contracts. The Commission is to be notified in writing of any accounts that are closed.

Subchapter 11. Associate's Licensing Procedures

605:10-11-1. Acts of associates

(a) **Requirement.** All acts performed by an associate under the provisions of the "Real Estate License Code" shall be done only in the name of the associate's broker.

(b) **Limitation.** An associate shall not be allowed to work for more than one broker at the same time.

(1) An exception to this subsection would be if the associate's broker agreed to loan the associate to another broker for a specific duty to be performed, such as:

(A) Sitting at an open house.

(B) Calling an auction or performing other auction related duties.

(C) Any other specific duty as requested in writing and approved by the Commission.

(2) The broker is responsible for all acts performed by the associate while the associate is performing a specific duty for another broker.

(c) **An associate is responsible for acts of unlicensed assistants.** An associate who employs an unlicensed assistant is responsible in conjunction with the broker for all real estate related activities of the unlicensed assistant.

605:10-11-2. Associate licenses

(a) **License issuance and change request.** Each associate license shall be issued electronically to each associate through the individual License Portal. Upon an associate leaving the association of the broker, the associate's license shall be updated electronically after receiving a release or transfer executed by the broker. Any change of association from one firm to another, or relocation from one office to another within a firm by an associate must be filed in the Commission office within ten (10) days. The associate's new broker shall be required to provide consent to sponsor the associate with the Commission. An associate requesting an association or office change shall be required to pay a fee of Forty Dollars ($40.00).

(b) **Broker refusal to release associate.** In the event a broker refuses for any reason to release an associate, the associate shall notify the broker and Commission in writing of the disassociation. Upon receipt by the Commission of such notice, the Commission will provide one (1) additional email notice to the broker and shall release the licensee within three (3) business days.

(c) **Associates transfer.** When an affiliated associate leaves a broker for whom the associate is acting, the broker shall make every attempt to notify the associate of the disassociation.

(d) **Active associate may continually act.** An active associate transferring from one broker to a new broker may continually act if the change is done in a timely manner and in compliance with the ten (10) day notification requirement and other applicable rules of this Chapter.

(e) **Compensation due a disassociated associate.** A previous broker may pay compensation due a disassociated associate directly to the associate and not be required to make the payment through the associate's new broker. However, any agreements between the associate and prior broker requiring further activities to be performed in connection with the compensation to be received, can only be performed with consent and acknowledgement of the new broker.

(f) **Change of home address.** An associate is required to notify the Commission office of his or her current home address. The change shall be filed in the Commission office within ten (10) days of change.

Subchapter 13. Trust Account Procedures

605:10-13-1. Duty to account; broker

(a) **Deposit and account of trust/escrow funds.**

(1) The obligation of a broker to remit monies, valuable documents and other property coming into his or her possession within the meaning of subparagraph six (6), Section 858-312 of the "Code" shall be construed to include, but shall not be limited to, the following:

(A) Shall deposit all checks and monies of whatever kind and nature belonging to others in a separate account in a financial institution wherein the deposits are insured by an agency of the federal government. Any damage or security deposit required by a landlord of a tenant must be kept in an escrow account maintained in Oklahoma with a federally insured financial institution in compliance with 41 O.S. Section 115.

(B) The broker is required to be a signor on any brokerage account where such funds are held.

(C) Any brokerage account where such funds are held must be in the name of the broker or brokerage as it appears on the license or trade name as registered with the Commission and styled as a trust or escrow account and shall be maintained by the broker as a depository for deposits belonging to others.

(D) All escrow funds shall be deposited before the end of the third banking day following acceptance of an offer by an offeree or receipt of escrow funds unless otherwise agreed to in writing by all interested parties.

(E) The broker shall ensure such funds are maintained in said account until the transaction involved is consummated or terminated and proper accounting made.

(F) The broker shall at all times, maintain an accurate and detailed record thereof.

(2) Funds referred to in this subsection shall include, but are not limited to earnest money deposits, money received upon final settlements, rents, security deposits and other deposits as required by landlord or broker, money advanced by buyer or seller for the payment of expenses in connection with closing of real estate transactions, and money advanced by his or her principal or others for expenditures on behalf of subject principal.

(b) **Commingling prohibited.** A broker may not keep any personal funds in the trust account except amounts sufficient to insure the integrity of the account and cover any charges made by the financial institution for servicing the trust or escrow account.

(c) **Interest bearing account.** A broker shall not be prohibited from placing escrow monies in an interest bearing account; however, he or she must disclose in writing to all parties that the account bears interest and identify the party receiving the interest. The Commission does not prohibit the broker from receiving the earned interest. In the event the interest is credited to the broker, the broker should, upon final consummation of the transaction, immediately disburse the interest from the account or insure that the amount does not exceed a reasonable amount to cover normal financial institution charges. The broker is required to maintain complete and accurate records of

the interest earned. The interest bearing account must be a demand type account; this prohibits the use of certificate of deposit or other types of time deposits as trust/escrow accounts.

(d) **Trust account not mandatory unless funds or items are held.** A broker shall not be required to maintain a trust or escrow account unless monies or other depositable items belonging to others are accepted by the broker and require the broker to place the monies or items in the broker's trust account.

(e) **Trust accounts must be registered with commission.** A broker shall be required to notify the Commission in writing of all trust or escrow accounts, security deposit accounts, rental management operating accounts, and interest bearing accounts in which trust funds are held. Further, if a broker is a signor on a principal's account, the broker shall register that account as a trust account. A broker shall inform the Commission in writing of any accounts which are closed and no longer in use. All records relating to the broker's trust accounts, including bookkeeping system data, shall be made available for inspection by the Commission or its authorized representatives.

(f) **Settlement statement to be furnished.** A broker shall insure that a signed settlement statement is furnished in each real estate transaction wherein he or she acts as broker, at the time such transaction is consummated.

(g) **Payment of funds.** A broker shall pay over all sums of money held by him or her promptly after the closing of any transaction, provided, that upon any hearing to suspend or revoke his or her license under this Section, the failure to pay over any sums of money held by him or her within three (3) days after a closing shall be prima facie evidence of a violation by such person under the provisions of this Section.

(h) **Return of earnest money or items.** In the event a transaction does not consummate, a broker shall promptly disburse the earnest money or items to the proper party in accordance with the terms of the contract. In the event a dispute arises prior to the disbursement, the broker shall follow rule 605:10-13-3 or may file an interpleader action with the appropriate court.

(i) **Documents, items, or monies furnished to all parties.** A broker shall insure the timely delivery or return of all documents, items or monies to a party to a transaction wherein the broker or the broker's associate have provided services.

(j) **Inform all parties pertaining to escrow being held.** A broker shall insure that all parties of each transaction are informed of the details relating to the escrow including, but not limited to, a statement as to the nature of a non-depositable item, the value of the item, and in whose custody the item is being placed.

(k) **Bookkeeping system required.** A broker shall maintain a bookkeeping system i.e., canceled checks, check book, deposit receipts, general accounts ledger, etc. which will accurately and clearly disclose full compliance with the Law relating to the maintaining of trust accounts.

(l) **Record retention.** A broker shall maintain all records and files for a minimum of five (5) years after consummation or termination of a transaction. In the case of trust account records the five years shall commence with the date of disbursal of funds. Records as referenced in this paragraph shall be destroyed in a secure manner.

(m) **Requirements for storage of records on alternative media.** The Real Estate Commission establishes the following requirements for storage of trust account and transaction records stored on alternative media. Alternative media is defined as media that uses an electronic device to store or retrieve the information that pertains to the trust account and transaction documentation. This requirement applies to any computer technology utilized by the broker to create, store or retrieve the

aforementioned documentation, whether the computerized device is internal or external to the broker's computer equipment. If a broker utilizes his own equipment or a third party vendor to create, store or retrieve this information, the broker shall ensure that the documentation is maintained and able to be retrieved for the five (5) year time period as required by the Commission.

(1) Trust account records shall be maintained by the broker in their original format for a minimum of two (2) years. Trust account records may then be transferred to an alternative media for the remaining required record retention time.

(2) Records, with the exception of trust account records, may be transferred at any time to an alternative media for the remaining required retention time.

(3) After documents are converted to alternative media, a quality assurance check shall be done to ensure that every document was imaged and can be reproduced in a legible and readable condition on a display device. If requested documentation is irretrievable, the Commission may take disciplinary action for failure to properly retain records.

(4) After the quality assurance check is completed, the original documents may be destroyed.

(5) A broker shall maintain the alternative media and a means of viewing and retrieving records, and shall provide a true, correct and legible paper copy to the Commission upon request.

(6) A broker shall store copies of the alternative media and the equipment used to read the media in an environment and at a level of quality conducive to maintain the ability to reproduce the media throughout the retention period. Reproduce means a process in which a document can be converted from the alternative media to a paper copy that is legible and able to be read.

(n) **Cessation of real estate activities.** Upon a firm ceasing a portion of real estate activities or ceasing all real estate activities the broker shall:

(1) Notify the Commission in writing of the effective date of such action and advise as to the location where records will be stored and comply with the following:

(A) Return or destroy the broker's license certificate and pocket identification card and all license certificates of those associated with the broker to the Commission and advise the Commission as to the circumstances involving any not returned.

(B) Release forms must be filed for all licensees affiliated with the firm.

(C) The broker must either transfer to a new firm or place his or her license on inactive status.

(2) Notify in writing all listing and management clients, as well as parties and co-brokers to existing contracts advising them of the date of cessation of real estate activities.

(3) All advertising in the name of the firm must be terminated and offering signs removed within thirty (30) days of cessation of real estate activities.

(4) Funds in trust accounts and pending contracts must be maintained by the responsible broker until consummation of transaction and final proper disbursal of funds. Upon final disbursements of funds the broker is required to close the account and notify the Commission in writing that the account is closed.

(5) In the event the responsible broker is unable to continue to maintain the funds and/or pending contracts, funds and/or pending contracts may be transferred to another authorized broker, entity or legal representative until consummation and proper disbursal of funds. In this event, the broker must submit a request in writing to the Commission for approval to

transfer the contracts and/or funds. Upon written approval by the Commission, the broker must secure approval and obtain new agreements from all parties for transfer of the contracts and/or funds.

(6) If funds, items and/or contracts are transferred to another authorized broker, entity or legal representative and approved by the Commission, the broker transferring such shall be required to compile a record of the following, retain a copy for his or her file and give a copy to the receiving authorized broker, entity or legal representative:

(A) A copy of the written approval from the Commission authorizing the transfer of the contracts and/or funds.

(B) The name and address of the authorized broker, entity or legal representative.

(C) A trust account reconciliation sheet indicating ledger balance and financial institution balance at time of transfer to include the name of each depositor, amount of deposit, date, and purpose of the deposit.

(D) A statement indicating that written agreements were obtained from all parties to each transaction agreeing to the transfer of the funds and/or contracts to another responsible broker, authorized entity or legal representative and that each depositor was notified of the effective date of transfer, and the name of the responsible person or entity.

(7) Any firm merger shall have a thirty (30) day time period in which to provide the Commission the documentation as referenced in subparagraph (n) of this rule. Firm merger means that a licensed firm has been acquired by another licensed firm and the firm that was acquired is ceasing a portion or all of its licensed activities.

(o) **Security breach of personal information.**

(1) Security breach of personal information as defined in Title 24, Oklahoma Statutes, Sections 161-166 means the unauthorized access and acquisition of unencrypted and unredacted computerized data that compromises the security or confidentiality of personal information maintained by a licensee as part of a database of personal information regarding multiple persons. Personal information means the first name or first initial and last name in combination with and linked to any one or more of the following data elements:

(A) social security number,

(B) driver license number or state identification card number issued in lieu of a driver license, or

(C) financial account number, or credit card or debit card number, in combination with any required security code, access code, or password that would permit access to the financial accounts.

(2) The breach of information would not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

(3) In the event personal information is breached, the licensee is required to send notice to the Commission and to all concerned persons whose information was breached by an unauthorized person or source as required in Title 24, O.S., Section 162 . The licensee is required to comply with all requirements within the Security Breach Notification Act or be subject to disciplinary action by the Commission.

605:10-13-2. Duty to account; associate

The obligation of an associate to remit monies, valuable documents and other property coming into his or her possession within the meaning of subsection six (6), Section 858-312 of the Code shall be construed include but shall not be limited to the following:

(1) Shall turn over all documents, files and monies deposited, payments made, or things of value received by the associate to his or her broker promptly; and

(2) Shall deliver a copy of all instruments to any party or parties executing the same when such has been prepared by the associate or pertains to the consummation of a transaction in which he or she participated.

(3) Shall not be authorized to open or maintain a trust or escrow account, or be a signer on a trust or escrow account wherein the associate is providing licensed activities as defined in the License Code and Rules; however, an associate may open or maintain a trust or escrow account, or be a signer on a trust or escrow account, when the associate is performing activities as outlined in Section 858-301 of the Code.

605:10-13-3. Special escrow disbursement

(a) In the event a dispute arises prior to the disbursement of any monies or other valuables held by a broker in escrow in connection with a real estate purchase contract, the broker shall continue to retain said money or valuables in escrow until he or she has a written release from all parties consenting to its disposition or until a civil action is filed to determine its disposition at which time he or she may pay or turn it into the court.

(b) In the absence of a pending civil action and upon the passage of thirty (30) days from the date of final termination of the contract, it shall not be considered grounds for disciplinary action by the Commission against a broker for a broker to disburse escrow monies or valuables to either purchaser or seller when the disbursement has been based on a good faith decision by the broker that the opposite party has failed to perform as agreed, such disbursement to be made, however, only after fifteen (15) days written notice to all parties concerned setting forth the broker's proposed action.

Subchapter 15. Disclosures, Brokerage Services and Statute of Frauds

605:10-15-1. Disclosure of beneficial interest or referrals

(a) No licensee shall, without disclosing such fact in writing to all parties on both sides of the transaction, either:

(1) Accept or receive any fee, commission, salary, rebate, kickback or other compensation or consideration allowed by law in connection with the recommendation, referral or procurement of any product or service, including financial services.

(2) Own any beneficial interest in any entity which provides any product or service to the consumer(s) or services the transaction, including financial services to home owners, home

buyers or tenants, in connection with the sale, lease, rental or listing of any real estate. Activities or interests of associates shall ordinarily be disclosed to his or her broker who shall have the primary responsibility to make written disclosures covered by this Section to the parties.

(b) If any associate owns any beneficial interest in any entity which provides any product or service to the consumer or to the transaction, including financial services, to home owners, home buyers, or tenants, the associate shall disclose the nature and extent of such interest to his or her broker. The obligation to make such disclosure shall be a continuing one.

(c) Notwithstanding the provisions of this Section, disclosure of a beneficial interest shall not be required if either:

(1) The beneficial interest consists solely of a stock or other equity ownership in a publicly traded company where such ownership is less than one percent (1%) of the total equity value of such entity.

(2) Such beneficial interest consists solely of a stock or other equity interest in a privately held company in which the aggregate ownership of all licensees employed by the firm otherwise required to make the disclosure does not exceed ten percent (10%) of the equity value of the company and where the licensee is not an officer, director, managing partner or otherwise directly or indirectly is in control of the entity which provides any product or service covered by this Section.

(d) All disclosures required by this Section shall be made in writing:

(1) Either prior to or at the time that any recommendation, referral or procurement of any product or service is made in instances in which the licensee may receive any compensation or consideration in connection therewith.

(2) At or before the time that it becomes apparent to the licensee that any entity in which the licensee owns any beneficial interest may provide any product or service in instances in which the disclosure of any such ownership is required under this Section. All disclosures required by this Section shall be judged by the standard of whether the disclosure was adequate to inform all parties on both sides of the transaction of the existence of a beneficial interest covered by this Section or, if a party claims not to have been adequately informed, whether the form and manner in which the disclosure was made was adequate under the circumstances to inform a person of ordinary intelligence and understanding, not possessing expertise in real estate or financial matters, of the existence of any fee, compensation, salary, rebate, kickback or other compensation or consideration or the ownership of a beneficial interest in an entity providing products or services covered by this Section.

(e) The failure by a licensee to observe any provision of this Section shall be deemed to be a violation of subsections 2, 3, 8 and 15 of Section 858-312 of the Code and in the case of an associate, a violation of subsection 4 of Section 858-312 of the Code as well.

605:10-15-2. Broker Relationships

(a) **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.

(b) **Providing services to more than one party to the transaction.** When a firm provides brokerage services to more than one party to the transaction, the broker shall provide written notice to those parties that the broker is providing brokerage services to more than one party. When a firm provides brokerage services to both sides of the transaction, the firm shall ensure compliance with the duties and responsibilities in Title 59, O.S., Section 858-353 along with all other requirements of the License Code and Rules.
(c) **Services provided to a tenant.** When a broker provides brokerage services to a landlord under a property management agreement, the services provided to the tenant by the broker shall not be construed as creating a broker relationship between the broker and the tenant unless otherwise agreed to in writing; however, the broker owes to the tenant the duties of honesty and exercising reasonable skill and care.

605:10-15-3. Requirements for furnishing psychological factors

Psychologically impacted property is any property where the existence of certain circumstances, suspicions or facts may create emotional or psychological disturbance or concerns to a prospective purchaser/lessee, with the potential of influencing a buying/leasing decision. Therefore, the obligation of a real estate licensee to obtain information as stated in Title 59, O.S., Section 858-513A (1) and (2) shall be performed in the following manner:

(1) Purchaser/lessee must be in the process of making a bona fide offer.
(2) Licensee must receive request in writing from purchaser/lessee.
(3) Purchaser's/Lessee's written request must state that such factor is important to the decision of the purchaser/lessee.
(4) Licensee shall make inquiry of the owner by submitting the written request to the owner.
(5) Licensee shall report any findings to the purchaser/lessee with the consent of the owner.
(6) If the owner refuses to furnish information requested, the licensee shall so advise the purchaser/lessee.
(7) Further, if a purchaser/lessee is requesting information as to whether or not an occupant of the real estate is, or was at any time suspected to be infected, or has been infected with Acquired Immune Deficiency Syndrome, or any other disease which falls under the privacy laws, the information can only be obtained in accordance with the Public Health and Safety Statute, Title 63, O.S., 1988, Section 1-502.2A.

605:10-15-4. Residential Property Condition Disclosure Act forms

(a) **Development and amendment of forms.** In accordance with Oklahoma Statutes, Title 60, Section 833 the Commission shall develop and amend by rule the forms for the Residential Property Condition Disclosure Statement and Residential Property Condition Disclaimer Statement.
(b) **Availability of forms.** The forms shall be available to the public upon request.
(c) **Copy of form format.** The Residential Property Condition Disclosure Statement as referenced in this section is set out in Appendix A at the end of this Chapter. The Residential Property Condition Disclaimer Statement as referenced in this section is set out in Appendix B at the end of this Chapter.

Subchapter 17. Causes for Investigation; Hearing Process; Prohibited Acts; Discipline

605:10-17-1. Commissions and disputes

(a) The Commission shall not establish the rate of commissions to be charged for real estate services and shall have no interest therein.
(b) At its discretion, the Commission may dismiss or postpone any investigation or hearing which essentially involves a dispute not affecting the public interest until or unless such dispute is resolved.
(c) The Commission shall entertain a complaint against a broker charging a violation of subsection 18 of Section 858-312 of this "Code" only if the complaining licensee submits with his or her complaint evidence that a court of competent jurisdiction has ruled in his or her favor relative to the subject and awarded judgment against the broker.

605:10-17-1.1. Definitions

The following words and terms, as used in this subchapter shall have the following meaning, unless the context indicates otherwise:

"**Complaint**" means a formal allegation of alleged violation(s) of the Code on the part of a licensee or any unlicensed person.

"**Formal Hearing**" means the trial mechanism employed by the Commission to provide due process to a respondent when the Commission lodges formal charges against a respondent.

"**Hearing Examiner**" means any person appointed by the Commission to oversee formal hearings.

"**Respondent**" means a licensee or any unlicensed person or company who is the subject of a complaint.

605:10-17-2. Complaint procedures

(a) **Complaint may be filed by public or Commission's own motion.** A complaint brought pursuant to the Code alleging misconduct on the part of a licensee or any unlicensed person who violates provisions of the Code may be filed by any person in writing on a form supplied by the Commission, or may be ordered by the Commission on its own motion. The Commission will accept a complaint alleging misconduct on a form not supplied by the Commission.
(b) **Complaint notification; licensee response.** When a complaint has been opened by the Investigations Department pursuant to the Code, the licensee or unlicensed person shall be immediately notified within a reasonable time and shall be required to file an adequate written response within fifteen (15) days of the notice. Written responses are filed with the Commission if mailed and/or emailed to the Commission at investigations@orec.ok.gov. If the response is emailed, you must include the case number, the name of the party your response is submitted on behalf of, and "Response to Complaint" in the subject line. If an adequate written response is not filed within fifteen (15) days, the respondent shall be considered in default and appropriate sanctions may be

imposed, if the evidence is deemed sufficient by the Commission. The Secretary-Treasurer may, upon request, extend the time within which a response must be filed.
(c) **Service of complaint and other notices.** Service of a complaint or any other notice or report outlined in this subchapter may be achieved by any service method authorized by state law, including mailing a copy by certified mail to a respondent's last known address. If a respondent is an associate associated with a broker, the Commission shall notify the associated broker in a like manner.
(d) **Investigation and/or investigative session**. Subsequent to the fifteen (15) day response period, the Commission may continue to investigate the complaint to ascertain whether or not charges should be lodged and a formal hearing ordered. Such investigation shall be under the supervision of the Secretary-Treasurer of the Commission. He or she may designate an attorney who will act as a prosecutor for the Commission to examine all results of the investigation. The prosecutor so designated may, in the name of the Commission, subpoena witnesses, take testimony by deposition and compel the production of records and documents bearing upon the complaint.
(e) **Findings reported to Commission.** At the completion of the investigation, a written report accompanied by findings, if any, may be submitted to the Commission. Following receipt of the report, the Commission shall determine whether or not the apparent evidence warrants lodging formal charges against the respondent and ordering a formal hearing. If a formal hearing is ordered all parties shall then be furnished with copies of a written report accompanied by findings, if any.

605:10-17-3. Complaint hearings; notice and procedures

(a) **Summary suspension.** If the Commission finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action within thirty (30) days. The summary suspension shall remain in effect until further order by the Commission.
(b) **Formal hearing ordered; notification.** Except as provided in (a) of this section, the Commission may issue a disciplinary order only after entering into a consent order with respondent(s) or after a formal hearing of which the respondent(s) shall be given at least fifteen (15) days written notice. Such written notice to a respondent shall specify the offenses with which the respondent is charged and shall be served in accordance with the procedure outlined in this subchapter, including service on respondent's associated broker, if applicable.
(c) **Formal hearing location.** Formal hearings shall be set at such time and place as the Commission, through its Secretary-Treasurer, may prescribe and the notice to respondents outlined in (b) of this section shall specify this time and place for the formal hearing. At the sole discretion of the Commission or the Hearing Examiner, formal hearings may be held virtually. The Secretary-Treasurer may for sufficient cause schedule a formal hearing to be held virtually upon proper motion or request having been filed with the Commission office at least seven (7) days prior to the formal hearing. Any request for a hearing to be held virtually must be filed with the Commission office by mailing and/or emailing such request to the Secretary-Treasurer. If the request is submitted by email, you must include the case number, the name of the party your request is submitted on behalf of, and "Request for Formal Hearing to be Virtually" in the subject line.
(d) **Formal hearing before Commission; hearing examiner or selected panel.** The Secretary-Treasurer shall schedule each formal disciplinary hearing before a Hearing Examiner, a selected

panel of the Commission, or the Commission as a whole. In the case of a formal hearing conducted by the Commission as a whole or a panel of the Commission, the Chairman or his/her designee shall preside. Designated counsel shall advise the Chair as to rulings upon the questions of admissibility of evidence, competence of witnesses, and any other question of law where such ruling is required or requested.

(e) **Request for postponement.** Once a formal hearing has been scheduled, the Secretary-Treasurer may for sufficient cause postpone or reschedule a formal hearing upon proper motion or request having been filed with the Commission office seven (7) days prior to the formal hearing.

(1) Each postponement request must be in writing and must state the specific reason(s) for the request.

(2) Each postponement request must be filed with the Commission office by mailing and/or emailing such request to the Secretary-Treasurer. If the request is submitted by email, you must include the case number, the name of the party your request is submitted on behalf of, and "Request for Postponement" in the subject line.

(3) The Commission may require official documentation supporting such postponement request.

(4) An emergency postponement request shall be considered at the time of the emergency, but it is within the Commission's discretion to accept or deny an emergency postponement request.

(5) The granting of a continuance whether general or emergency, shall not be interpreted to deny the Commission the power to impose summary suspension if the Commission finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its Order, summary suspension of a license may be ordered pending proceedings for revocation or other action within thirty (30) days.

(f) **Prehearing procedures.** Prior to the formal hearing, the parties can agree to, or the person designated by the Commission to preside over the formal hearing, can order submission of stipulated facts and identification of witnesses and exhibits as necessary. The person designated by the Commission to preside over the formal hearing may schedule or the parties may request a prehearing conference. Attendance at the conference by the prosecuting attorney and respondent or respondent's attorney is mandatory. The subjects and objectives of prehearing conferences shall be similar to those for pretrial proceedings in the district courts.

(g) **Hearings public; witnesses may be excluded.** All formal hearings shall be open to the public except that upon motion of either party, witnesses may be excluded from the hearing room when such witness is not testifying.

(h) **Court reporter.** A court reporter shall be present to record the formal hearing on behalf of the Commission. Any person desiring a copy of the transcript of the proceedings, may purchase such from the reporter.

(i) **Formal hearing procedures.** The designated attorney for the State shall present the State's case. The respondent may present his or her own evidence or may present such through his or her own counsel. If the charges against the respondent resulted from a complaint filed by a party present at the hearing, the complaining party may be a witness for the State. In order that the hearing will not be encumbered by evidence having no bearing on the issues, testimony by all witnesses will be limited to matters relevant to the issues involved. The order of procedure shall be as follows:

(1) Recitation of the statement of charges by the person presiding.

(2) Recitation of stipulated facts between the parties, if any, by the person presiding.

(3) Opening statement by the State.
(4) Opening statement by the respondent.
(5) Presentation of the State's case followed by cross-examination.
(6) Respondent's presentation followed by cross-examination.
(7) Closing arguments by the State.
(8) Closing arguments by the respondent.
(9) The person presiding may ask the parties questions consistent with general trial practices under the Administrative Procedures Act.

(j) **Duty of disclosure.** It is the duty and obligation of every licensee to make full disclosure at any formal hearing of any knowledge of a violation of any law or of the rules and regulations of the Commission. No person may refuse to testify at any formal hearing on any relevant matter, except in the proper exercise of a legal privilege, nor shall any person testify falsely.

(k) **Failure to appear.** Any respondent who fails to appear as directed, after first having received proper notice, shall be deemed by the Commission to have waived his or her right to present a defense to the charges alleged in the complaint, and the Commission may deem the allegations of the complaint to be true and correct as alleged. Thereupon, the Commission may vote to take disciplinary action upon the allegations of the complaint if it appears, after having reviewed the evidence, that disciplinary action is warranted.

(l) **Supervising Broker Attendance.** The supervising broker shall be required to attend all formal hearings wherein their real estate associate or company is the subject of a complaint unless the Secretary-Treasurer provides written notice that attendance is not required. Failure to attend may result in disciplinary action against the supervising broker.

(m) **Order; hearing before Commission.** If the case is heard by the Commission as a whole, the Commission shall deliberate and render a decision with confirmation of such decision in writing in the form of an Order distributed to all parties by mail.

(n) **Proposed order consideration; hearing before hearing examiner or panel.** In the case of a hearing conducted by a panel of the Commission or by a Hearing Examiner, following the hearing, the Hearing Examiner or attorney sitting as counsel to the panel shall prepare a proposed Order to be considered by members of the Commission at a future meeting.

(o) **Proposed order notification; written exceptions.** All respondents will be furnished copies of the proposed Order and notified as to the date the proposal will be considered by the Commission for adoption. At the same time, notice will also be given to the parties that written exceptions or requests to present oral exceptions or arguments, if any, should be submitted on or before a designated date pursuant to Section 311, of Title 75, Oklahoma Statutes. Upon adoption of the Order by the Commission as a whole, the adopted Order shall be distributed to all parties.

(p) **Actual notification pertaining to this section.** For purposes of paragraph (n) of this section, notice shall be deemed to have been given at the time that notice is deposited in the United States mail with proper postage thereon and mailed to the last known address of the notified person, or date when such notice is served in person by a person duly authorized as a representative of the Commission.

(q) **Violation found.** If the Commission shall determine that any respondent is guilty of violation of the Code, such person may be disciplined in the manner as prescribed in such Code.

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 brokerage service contract without a date of termination.

(2) Purchasing of property by a licensee for himself or herself or another entity in which the licensee has an interest as defined in 605:10-15-1 (c), if such property is listed with the broker or the broker's firm, without first making full written disclosure thereof and obtaining the approval of the owner, or the failure by the licensee to exert the licensee's best effort in order to later purchase or acquire the property for themself or another entity in which they have an interest as defined in 605:10-15-1 (c).

(3) Purchasing of property by a licensee for himself or herself or another entity in which the licensee has an interest as defined in 605:10-15-1 (c) without first making a full written disclosure to all parties involved in the transaction.

(4) Repeated misrepresentations, even though not fraudulent, which occur as a result of the failure by the licensee to inform himself or herself of pertinent facts concerning property, as to which he or she is performing services.

(5) Procuring the signature(s) and dates of such signature(s) to a purchase offer or contract or to any lease or lease proposal which has no definite maximum purchase price or lease rental, or no method of payment, termination date, possession date or property description.

(6) The payment of any fees or amounts due the Commission with a check that is dishonored upon presentation to the bank on which the check is drawn.

(7) Lending a broker's license to an associate; permitting an associate to operate as a broker; or failure of a broker to properly supervise the activities of an associate. A broker permitting the use of the broker's license to enable an associate licensed with the broker to, in fact, establish and conduct a brokerage business wherein the broker's only interest is the receipt of a fee for the use of the broker's sponsorship.

(8) Failure to make known in writing to any purchaser any interest the licensee has in the property they are selling.

(9) Failure of the licensee to inform the buyer and seller in writing at the time the offer is presented that the buyer and seller will be expected to pay certain closing costs, brokerage service costs, and approximate amount of said costs.

(10) Failure, upon demand in writing, to respond to a complaint in writing, or to disclose any information within licensee's knowledge, or to produce any document, book or record in licensee's possession or under licensee's control that is real estate related and under the jurisdiction of the Real Estate Commission, for inspection to a member of the Commission staff or any other lawful representative of the Commission.

(11) Failure to reduce an offer to writing, when a proposed purchaser requests such offer to be submitted.

(12) Failure to submit all bona fide offers to an owner when such offers are received prior to the seller accepting an offer in writing.

(13) Any conduct in a real estate transaction which demonstrates bad faith or incompetency.

(14) Failure to act, in marketing the licensee's own property, with the same good faith as when acting in the capacity of a real estate licensee.

(15) An associate who does not possess the license of a broker or branch broker as defined in the rules, but is intentionally acting in the capacity of a broker or branch broker.
(16) Discouraging a party from obtaining an inspection on a property.
(17) Allowing access to, or control of, real property without the owner's authorization.
(18) Knowingly providing false or misleading information to the Commission during the course of an investigation.
(19) Interfering with an investigation by means of persuading, intimidating or threatening any party or witness, or tampering with or withholding evidence relating to the investigation.
(20) Knowingly cooperating with an unlicensed person or entity to perform licensed real estate activities as required by Title 59 O.S. Section 858-301.
(21) Failing to disclose in writing any known immediate family relationship to a party to the transaction for which the broker is providing brokerage services. For the purposes of this section, "immediate family relationship" means a licensee's: Spouse, Children, Grandchildren, Parents, Grandparents, Brothers, and Sisters, including step, half or in-law relationships named herein.
(22) Failure by a broker to ensure all persons performing real estate licensed activities under the broker are properly licensed.
(23) An associate shall not perform licensed activities outside their broker's supervision.
(24) Failing to maintain documents relating to a trust account or real estate transaction for the time period as required by Rule 605:10-13-1.

605:10-17-5. Substantial misrepresentation

Substantial misrepresentation within the meaning of paragraph 2 of Section 858-312 of the "Code" includes, but is not limited to:

(1) The recommendation or use by a licensee of a fictitious or false instrument for the purpose of inducing any lender or Government Agency to loan or insure any sum of money.
(2) Failure to disclose to a buyer or other cooperative licensee or firm a known material defect regarding the condition of a parcel of real estate of which a broker or associate has knowledge.
(3) The use by a real estate broker of the name or trade name of a licensee whose license has been revoked or currently on suspension.
(4) Representing to any lender, guaranteeing agency or any other interested party, either verbally or through the preparation of false documents, an amount in excess of the true and actual sales price of the real property or terms differing from those actually agreed upon by the parties to the transaction.

605:10-17-6. Requirements for suspended/revoked licensee

(a) A suspended/revoked licensee must destroy or return their license certificate and pocket identification card to the Commission office on or before the date the suspension/revocation becomes effective.
(b) When the suspension/revocation period becomes effective, the licensee shall comply with the following requirements:

(1) A suspended/revoked licensee shall not engage in any activity which requires a real estate license, as defined in Section 858-102.
(2) When a broker's license is suspended/revoked, associates under the suspended/revoked broker's supervision will automatically be placed "inactive" for the duration of the suspension/revocation period unless the licensee requests to be transferred to another broker.
(3) If the suspended/revoked broker has a branch office, the license for the branch office will be placed inactive unless otherwise ordered by the Commission; and all licensees associated with the branch office will automatically be placed "inactive" for the duration of the suspension/revocation period unless the licensee requests to be transferred to another broker.
(4) If a managing corporate broker of a corporation is suspended/revoked for an act which was on behalf of the corporation, the broker license of the corporation willbe placed inactive unless otherwise ordered by the Commission; and all licensees associated with the corporation will automatically be placed "inactive" for the duration of the suspension/revocation period unless the licensee requests to be transferred to another broker.
(5) If the managing partner(s) of a partnership is suspended/revoked for an act which was in behalf of the partnership, the broker license of the partnership willbe placed inactive unless otherwise ordered by the Commission; and all licensees associated with the partnership will automatically be placed on "inactive" for the duration of the suspension/revocation period and the other broker will be placed "inactive" unless he or she requests his or her license to be transferred out of the partnership.
(6) If a managing broker member of an association is suspended/revoked for an act which was in behalf of the association, the broker license of the association willbe placed inactive unless otherwise ordered by the Commission; and all licensees associated with the association will automatically be placed "inactive" for the duration of the suspension/revocation period unless the licensee requests to be transferred to another broker.
(7) A suspended/revoked licensee shall only receive compensation during the suspension/revocation period for acts which were performed during the period in which the licensee was actively licensed.
(8) Listings must be cancelled by a suspended/revoked broker between the time the Order of suspension/revocation is received and the effective date of suspension/revocation, as listings will be void on the date the suspension/revocation becomes effective.
(9) A suspended/revoked broker shall not assign listings to another broker without the written consent of the owner of the listed property.
(10) A suspended/revoked broker shall not advertise real estate in any manner, and must remove and discontinue all advertising.
(11) The telephone in a suspended/revoked broker's office shall not be answered in any manner to indicate the suspended/revoked broker is currently active in real estate.
(12) All pending contracts, items or monies placed with the suspended/revoked broker must be transferred to another responsible broker as approved by the Commission and in compliance with Section 605:10-13-1 (n).

(13) A suspended/revoked licensee shall be required to comply with Section 605:10-13-1 (n) and provide the required information to the Commission prior to the effective date of suspension/revocation.

(14) A representative of the Commission shall visit the office of any suspended/revoked broker prior to the effective date of the suspension/revocation to insure compliance with the requirements of (1) through (13) of this subsection.

605:10-17-7. Cessation of licensed activities upon loss of license

(a) A revoked, suspended, cancelled, surrendered or lapsed licensee is prohibited from performing licensed activities upon the effective date of loss of license.

(b) A revoked or suspended licensee shall comply with Section 605:10-17-6.

(c) A broker whose license was cancelled, surrendered or lapsed shall comply with Section 605:10-13-1 (m).

PROPERTY IDENTIFIER _____

OKLAHOMA REAL ESTATE COMMISSION

APPENDIX A. RESIDENTIAL PROPERTY CONDITION DISCLOSURE STATEMENT

Notice to Seller: Oklahoma Law (the "Residential Property Condition Disclosure Act,"Title 60, O.S., § 831 *et.seq.*) requires Sellers of 1 and/or 2 residential dwelling units to complete this form. A Seller must complete, sign and date this disclosure form and deliver it or cause it to be delivered to a purchaser as soon as practicable, but in any event no later than before an offer is accepted by the Seller. If the Seller becomes aware of a defect after delivery of this statement, but before the Seller accepts an offer to purchase, the Seller must deliver or cause to be delivered an amended disclosure statement disclosing the newly discovered defect to the Purchaser. If the disclosure form or amendment is delivered to a Purchaser after an offer to purchase has been made by the Purchaser, the offer to purchase shall be accepted by the Seller only after a Purchaser has acknowledged receipt of this statement and confirmed the offer to purchase in writing.

Notice to Purchaser: **The declarations and information contained in this disclosure statement are not warranties, express or implied of any kind, and are not a substitute for any inspections or warranties the Purchaser may wish to obtain. The information contained in this disclosure statement is not intended to be a part of any contract between the Purchaser and Seller. The information and statements contained in this disclosure statement are declarations and representations of the Seller and are not the representations of the real estate licensee.**

"Defect" means a condition, malfunction, or problem that would have a materially adverse effect on the monetary value of the property, or that would impair the health or safety of future occupants of the property. 59 O.S. Section 832(9).

LOCATION OF SUBJECT PROPERTY _____

_____

SELLER IS ☐ IS NOT ☐ OCCUPYING THE SUBJECT PROPERTY.

Instructions to the Seller: (1) Answer ALL questions. (2) Report known conditions affecting the property. (3) Complete this form yourself. (4) If an item is not on the property, or will not be included in the sale, mark "None/Not Included." If you do not know the facts, mark "Do Not Know if Working." (5) The date of completion by you may not be more than 180 days prior to the date this form is received by a purchaser.

ARE THE ITEMS LISTED BELOW IN NORMAL WORKING ORDER?

Appliances/Systems/Services	Working	Not Working	Do Not Know if Working	None/ Not Included
Sprinkler System				
Swimming Pool				
Hot Tub/Spa				
Water Heater ☐ Electric ☐ Gas ☐ Solar				
Water Purifier				
Water Softener ☐ Leased ☐ Owned				
Sump Pump				
Plumbing				
Whirlpool Tub				
Sewer System ☐ Public ☐ Private If private, select type: ☐ Septic/Aerobic ☐ Septic/Lateral Lines ☐ Septic/Lagoon				
Air Conditioning System ☐ Electric ☐ Gas ☐ Heat Pump				
Window Air Conditioner(s)				
Attic Fan				
Fireplaces				
Heating System ☐ Electric ☐ Gas ☐ Heat Pump				
Humidifier				
Ceiling Fans				
Gas Supply ☐ Public ☐ Propane ☐ Butane				
Propane Tank ☐ Leased ☐ Owned				

Buyer's Initials _____ _____ **Seller's Initials** _____ _____ Initials are for acknowledgment purposes only

PROPERTY IDENTIFIER _____

Appliances/Systems/Services (Continued from page 1)	Working	Not Working	Do Not Know if Working	None/ Not Included
Electric Air Purifier				
Garage Door Opener				
Intercom				
Central Vacuum				
Security System ☐ Leased ☐ Owned ☐ Monitored ☐ Financed				
Smoke Detectors				
Fire Suppression System Date of Last Inspection _____				
Dishwasher				
Electrical Wiring				
Garbage Disposal				
Gas Grill				
Vent Hood				
Microwave Oven				
Built-in Oven/Range				
Kitchen Stove				
Trash Compactor				
Built-In Icemaker				
Solar Panels ☐ Leased ☐ Owned ☐ Financed				
Generators ☐ Leased ☐ Owned ☐ Financed				
Source of Household Water ☐ Public ☐ Well ☐ Private/Rural District				

IF YOU ANSWERED Not Working to any items on pages 1 and 2, please explain. Attach additional pages with your signature.

Zoning and Historical
1. Property is zoned: (Check One) ☐ residential ☐ commercial ☐ historical ☐ office ☐ agricultural ☐ industrial ☐ urban conservation ☐ other ☐ unknown ☐ no zoning classification
2. Is the property designated as historical or located in a registered historical district or historic preservation overlay district? ☐ Yes ☐ No ☐ Unknown

Flood and Water	Yes	No
3. Are you aware if the dwelling or improvements are located in a FEMA defined flood zone? ☐ Yes ☐ No ☐ Unknown If yes, what type of flood zone? (check all that apply) ☐ 100-year flood zone ☐ 500-year flood zone ☐ floodway ☐ outside hazard area Are you aware if the dwelling or improvements are located in a municipal or other government defined flood zone? ☐ Yes ☐ No ☐ Unknown If yes, what type of flood zone? _____		
4. Are you aware if the dwelling or improvements are located in or adjacent to a regulated flood control reservoir (dam)? ☐ Yes ☐ No ☐ Unknown		
5. Are you aware of any flood insurance requirements concerning the property?		
6. Are you aware of any flood insurance on the property?		

Buyer's Initials _____ _____ **Seller's Initials** _____ _____ Initials are for acknowledgment purposes only

PROPERTY IDENTIFIER _____

Flood and Water	Yes	No
7. Are you aware of the property being damaged or affected by flood, storm run-off, sewer backup, draining or grading defects?		
8. Are you aware of any surface or ground water drainage systems which assist in draining the property, e.g. "French Drains?"		
9. Are you aware of any occurrence of water in the heating and air conditioning duct system?		
10. Are you aware of water seepage, leakage or other draining defects in any of the improvements on the property?		

Additions/Alterations/Repairs	Yes	No
11. Are you aware of any additions being made without required permits?		
12. Are you aware of any previous foundation repairs?		
13. Are you aware of any alterations or repairs having been made to correct defects?		
14. Are you aware of any defect or condition affecting the interior or exterior walls, ceilings, roof structure, slab/foundation, basement/storm cellar, floors, windows, doors, fences or garage?		
15. Are you aware of the roof covering ever being repaired or replaced during your ownership of the property?		
16. Approximate age of roof covering, if known _____ number of layers, if known _____		
17. Do you know of any current defects with the roof covering?		
18. Are you aware of treatment for termite or wood-destroying organism infestation?		
19. Are you aware of a termite bait system installed on the property? If yes, annual cost $_____		
20. Are you aware of any damage caused by termites or wood-destroying organisms?		
21. Are you aware of major fire, tornado, hail, earthquake or wind damage?		
22. Have you ever received payment on an insurance claim for damages to residential property and/or any improvements which were not repaired?		
23. Are you aware of defects pertaining to sewer, septic, lateral lines or aerobic system?		

Environmental	Yes	No
24. Are you aware of the presence of asbestos?		
25. Are you aware of the presence of radon gas?		
26. Have you tested for radon gas?		
27. Are you aware of the presence of lead-based paint?		
28. Have you tested for lead-based paint?		
29. Are you aware of any underground storage tanks on the property?		
30. Are you aware of the presence of a landfill on the property?		
31. Are you aware of the existence of hazardous or regulated materials and other conditions having an environmental impact?		
32. Are you aware of the existence of prior manufacturing of methamphetamine?		
33. Have you had the property inspected for mold?		
34. Are you aware of any remedial treatment for mold on the property?		
35. Are you aware of any condition on the property that would impair the health or safety of the occupants?		
36. Are you aware of any wells located on the property?		
37. Are you aware of any dams located on the property? If yes, are you responsible for the maintenance of that dam? ☐ Yes ☐ No		

Property Shared in Common, Easements, Homeowner's Associations and Legal	Yes	No
38. Are you aware of features of the property shared in common with the adjoining landowners, such as fences, driveways, and roads whose use or responsibility has an effect on the property?		

Buyer's Initials _____ _____ **Seller's Initials** _____ _____ Initials are for acknowledgment purposes only

PROPERTY IDENTIFIER _____

Property Shared in Common, Easements, Homeowner's Associations and Legal (Continued from page 3)	Yes	No
39. Other than utility easements serving the property, are you aware of any easements or right-of-ways affecting the property?		
40. Are you aware of encroachments affecting the property?		
41. Are you aware of a mandatory homeowner's association? Amount of dues $_____ Special Assessment $_____ Payable: (check one) ☐ monthly ☐ quarterly ☐ annually Are there unpaid dues or assessments for the property? ☐ YES ☐ NO If yes, what is the amount? $_____ Manager's Name _____ Phone Number _____		
42. Are you aware of any zoning, building code or setback requirement violations?		
43. Are you aware of any notices from any government or government-sponsored agencies or any other entities affecting the property?		
44. Are you aware of any surface leases, including but not limited to agricultural, commercial or oil and gas?		
45. Are you aware of any filed litigation or lawsuits directly or indirectly affecting the property, including a foreclosure?		
46. Is the property located in a fire district which requires payment? If yes, amount of fee $_____ Paid to Whom _____ Payable: (check one) ☐ monthly ☐ quarterly ☐ annually		
47. Is the property located in a private utility district? Check applicable ☐ Water ☐ Garbage ☐ Sewer ☐ Other If other, explain _____ Initial membership fee $_____ Annual membership fee $_____ (if more than one utility attach additional pages)		

Miscellaneous	Yes	No
48. Are you aware of other defect(s) affecting the property not disclosed above?		
49. Are you aware of any other fees, leases, liens, dues or financed fixtures or improvements required on the property that you have not disclosed?		
50. Are you aware of any warranties covering the property, its fixtures, or improvements (foundation, roof shingles, etc.)?		

If you answered YES to any of the items on pages 2-4, list the item number(s) and explain. If needed, attach additional pages with your signature(s), date(s) and location of the subject property.

Buyer's Initials _____ _____ **Seller's Initials** _____ _____ Initials are for acknowledgment purposes only

PROPERTY IDENTIFIER _____

On the date this form is signed, the seller states that based on seller's **CURRENT ACTUAL KNOWLEDGE** of the property, the information contained above is true and accurate.

Are there any additional pages attached to this disclosure? ☐ YES ☐ NO If yes, how many? _____

_____	_____	_____	_____
Seller's Signature	Date	Seller's Signature	Date

A real estate licensee has no duty to the Seller or the Purchaser to conduct an independent inspection of the property and has no duty to independently verify the accuracy or completeness of any statement made by the Seller in the disclosure statement.

The Purchaser understands that the disclosures given by the Seller on this statement are not a warranty of condition. The Purchaser is urged to carefully inspect the property, and, if desired, to have the property inspected by a licensed expert. For specific uses, restrictions and flood zone status, contact the local planning, zoning and/or engineering department. The Purchaser acknowledges that the Purchaser has read and received a signed copy of this statement. This completed acknowledgement should accompany an offer to purchase on the property identified. This is to advise that this disclosure statement is not valid after 180 days from the date completed by the Seller.

_____	_____	_____	_____
Purchaser's Signature	Date	Purchaser's Signature	Date

The disclosure and disclaimer statement forms and the Oklahoma Residential Property Condition Disclosure Act information pamphlet are made available at the Oklahoma Real Estate Commission www.orec.ok.gov.

Buyer's Initials _____ _____ **Seller's Initials** _____ _____ Initials are for acknowledgment purposes only

PROPERTY IDENTIFIER _____

OKLAHOMA REAL ESTATE COMMISSION

APPENDIX B. RESIDENTIAL PROPERTY CONDITION DISCLAIMER STATEMENT FORM

Seller instructions: Oklahoma Law (the "Residential Property Condition Disclosure Act," 60, O.S. Section 831 et. seq., effective July 1, 1995) **requires a seller** of 1 and 2 residential dwelling units **to deliver, or cause to be delivered, a disclaimer statement to a purchaser as soon as practicable, but in any event before acceptance of an offer to purchase if you, the seller: 1) have never occupied the property and make no disclosures** concerning the condition of the property; and **2) have no actual knowledge of any defect** concerning the property.

If, however, you occupied the property or know of a defect in regard to the property, you must complete and deliver, or cause to be delivered, a "Residential Property Condition Disclosure Statement" to the purchaser.

Also, if you become aware of a defect after delivery of this disclaimer statement to a purchaser, but before you accept an offer to purchase, you must complete and deliver, or cause to be delivered, a "Residential Property Condition Disclosure Statement" to a purchaser.

Completion of this form by you may not be more than 180 days prior to the date this form is received by a purchaser.

Note: If this disclaimer statement **is delivered to a purchaser after an offer to purchase has been made by the purchaser,** the offer to purchase **shall be accepted by you only after** a purchaser has acknowledged receipt of this statement and confirmed the offer to purchase.

Defect means a condition, malfunction, or problem that would have a materially adverse effect on the monetary value of the property, or that would impair the health or safety of future occupants of the property.

SELLER'S DISCLAIMER STATEMENT

The undersigned seller states that seller has never occupied the property located at _____ _____, Oklahoma;

(initial all below)

Seller has never occupied the property _____ _____

Seller has no actual knowledge of any defects _____ _____

Seller makes no disclosures concerning the condition of the property _____ _____

PURCHASER'S ACKNOWLEDGMENT

The purchaser shall sign and date this acknowledgment. The purchaser is urged to carefully inspect the subject property and, if desired, to have the property inspected by an expert. The purchaser acknowledges that purchaser has read and received a signed copy of this statement. This completed acknowledgement should accompany an offer to purchase you make on the property identified above.

_____	_____	_____	_____
Purchaser's Signature	Date	Purchaser's Signature	Date

Note to seller and purchaser: A real estate licensee has no duty to the seller or purchaser to conduct an independent inspection of the property and has no duty to independently verify the accuracy or completeness of any statement made by the seller in this disclaimer statement.

The disclosure and disclaimer statement forms and the Residential Property Condition Disclosure Information Pamphlet are made available by the Oklahoma Real Estate Commission, 1915 N. Stiles Ave., Suite 200 (Denver N. Davison Building), Oklahoma City, Oklahoma 73105-4919. Visit the Commission's web site: www.orec.ok.gov

PROPERTY IDENTIFIER _____

OKLAHOMA REAL ESTATE COMMISSION

RESIDENTIAL PROPERTY CONDITION DISCLOSURE EXEMPTION FORM
IDENTIFICATION OF EXEMPT TRANSFER

Check the box applicable to the property which is located at (street address):

_____

_____

☐ 1. Transfer pursuant to Court Order, including but not limited to, a transfer pursuant to a writ of execution, a transfer by eminent domain, and a transfer pursuant to an Order for partition;

☐ 2. Transfer to a mortgagee by a mortgagor or successor in interest who is in default, transfer by any foreclosure sale after default in an obligation secured by a mortgage, transfer by a mortgagee's sale under a power of sale after default in an obligation secured by any instrument containing a power of sale, or transfer by a mortgagee who has acquired the real property at a sale conducted pursuant to a power of sale or a sale pursuant to a decree of foreclosure or has acquired the real property by deed in lieu of foreclosure;

☐ 3. Transfer by a fiduciary who is not an owner occupant of the subject property in the course of the administration of a decedent's estate, guardianship, conservatorship or trust;

☐ 4. Transfer from one co-owner to one or more other co-owners;

☐ 5. Transfer made to a spouse, or to the person or persons in the lineal line of consanguinity of one or more of the owners;

☐ 6. Transfer between spouses resulting from a decree of dissolution of marriage or a decree of legal separation or from a property settlement agreement incidental to such a decree;

☐ 7. Transfer made pursuant to mergers and from a subsidiary to a parent or the reverse;

☐ 8. Transfer or exchanges to or from any governmental entity; or

☐ 9. Transfer of a newly constructed, previously unoccupied dwelling.

The Seller acknowledges that the exemption marked above is a true and accurate statement regarding the transfer of the Property.

_____	_____	_____	_____
Seller's Signature	Date	Seller's Signature	Date

BUYER'S ACKNOWLEDGMENT

Note: The Buyer is urged to carefully inspect the Property and to have the Property inspected by an expert. The Buyer acknowledges the Buyer has read and received a signed copy of this Exemption Form.

_____	_____	_____	_____
Buyer's Signature	Date	Buyer's Signature	Date