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TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 790 Department or Agency Alabama Real Estate Commission

Alabama Rule No. 790-X-1-.06

Rule Title: Prelicense And Post License School Approval And Requirements

 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? **Yes**

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? **Yes**

Is there another, less restrictive method of regulation available that could adequately protect the public? **No**

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? **No**

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? **N/A**

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? **Yes**

Does the proposed rule have an economic impact? **No**

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer *Datene Anderson*

Date 3-19-14

DATE FILED
(STAMP)

ALABAMA REAL ESTATE COMMISSION

NOTICE OF INTENDED ACTION

Agency Name: Alabama Real Estate Commission

Rule No: Rule 790-X-1-.06

Rule Title: Prelicense And Post License School Approval And Requirements.

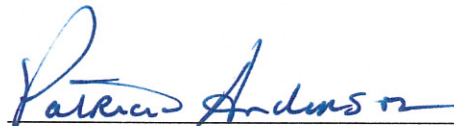
Intended Action: Amend Rule

Substance of Proposed Action: The proposed amendment requires the administrator of a school to submit course information and credit instead of the instructor. Incremental assessments and a final exam must be offered in the salesperson prelicense course. Also, the temporary license requirement is restated to avoid confusion.

Date, Time, Place, Manner of Presenting Views: Comments can be presented at the public hearing scheduled at 9:00 a.m. on May 22, 2014 at the Alabama Real Estate Commission located at 1201 Carmichael Way, Montgomery, Alabama. Additionally, written comments may be addressed to Patricia Anderson, Executive Director, Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama 36106. Written comments must be received in the Commission office no later than 4:30 p.m. on May 23, 2014.

Final Date For Comment and Completion of Notice: May 23, 2014

Contact Person at Agency: Chris Booth, Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama 36106. (334) 242-5544.

A handwritten signature in blue ink that reads "Patricia Anderson". The signature is written in a cursive style and is positioned above a horizontal line.

Patricia Anderson
Executive Director

790-X-1-.06. Prelicense And Post License School Approval And Requirements.

(1) All schools and instructors teaching real estate courses shall agree to be governed by rules and regulations adopted by the Commission for the orderly operation of the schools.

(2) All prelicense and post license courses shall have a definite beginning and ending date.

(3) The ~~instructor and~~ administrator shall, at least one week prior to the beginning of a prelicense or post license course, send information concerning the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission. Should changes occur in this information, instructors and administrators must submit the changes immediately via the electronic submission program provided by the Commission.

(4) The ~~instructor and~~ administrator shall, within three (3) days of course completion, report the credit for students who successfully complete the prelicense or post license course to the Commission via the electronic submission program provided by the Commission.

(5) No prelicense or post license course shall be approved by the Commission unless the following requirements are fulfilled.

(a) Courses shall be taught by an approved instructor.

(b) All courses shall comply with the curriculum as prescribed by the Commission.

(c) The salesperson prelicense course shall be completed within one year from the start date of the course or the student will receive no credit for classes completed and shall begin the course again. Students enrolled in the salesperson prelicense course can receive no more than six (6) hours credit per day.

(d) The 60 clock hour broker prelicense course must be completed in order to qualify for the broker's exam. The course shall be completed within one year from the start date of the course or the student will receive no credit for classes completed and shall begin the course again. Students enrolled in the broker prelicense course can receive no more than nine (9) hours credit per day.

(e) The 30 hour post license course is required for all temporary salesperson licensees, whether on active or inactive status, within the first year of licensure. In order to maintain an active license, the course shall be completed and the original (permanent) license issued within the first six months of licensure. Students enrolled in the post license course can receive no more than nine (9) hours credit per day.

(f) At least 80% of the course hours in the prelicense and post license courses shall be presented by live instruction unless the course is an ARELLO certified distance education course.

(g) Instructors shall offer incremental assessments including a final course exam. Students shall pass a ~~final~~ all required incremental assessments and the required final course exam that adequately measures mastery of course content and make a minimum course grade of 70% to successfully complete the prelicense and post license courses.

(h) Instructors shall teach a total of 60 hours for the prelicense course and 30 hours for the post license course. Ninety (90%) percent course attendance in the prelicense and post license courses is required of students to successfully complete the course. Any sessions taken by students to make up missed hours must cover topics that have not already been taken in the course. Instructors may take a 10-minute break after each 50 minutes of instruction. Meals and other unrelated activities cannot be counted as part of the course hours.

(i) Upon completing the course hours, passing the all required incremental assessments and the required course final exam, and obtaining a minimum course grade of 70% in the salesperson prelicense course, the administrator shall submit the course credit as directed by the Commission. Salesperson applicants shall not be allowed to schedule the salesperson examination until exam eligibility has been submitted.

(j) Instructors and administrators shall provide each student who completes the salesperson prelicense course with the Commission approved prelicense course evaluation form and instructions on where to send it. Instructors and administrators shall also provide each student in prelicense and post license courses with information explaining the licensing process and deadlines. Instructors and administrators shall provide the Application for Real Estate Salesperson's Original License to all post license students.

(k) Upon completing the course hours, passing the course final exam and obtaining a minimum course grade of 70% in the broker prelicense course, the administrator shall submit the course credit as directed by the Commission. Broker applicants shall not be allowed to schedule the broker examination until exam eligibility has been submitted. Broker applicants shall meet all qualifications for a broker's license prior to making application. Successfully passing the exam is only one of several qualifications that are identified in Section 34-27-32. Failure to meet all broker qualifications prior to applying for a broker's license shall result in the exam score being rendered null and void and may subject the broker applicant to disciplinary action by the Commission.

(l) A person shall be required to have a temporary license issued prior to taking a post license course and earning post license credit. Post license credit cannot be earned prior to obtaining an Alabama temporary license. Instructors and administrators shall obtain the temporary license number before allowing a student to enroll in the post license course. Salespersons who complete the 30 hour post license course may check the Commission ~~Web site~~ website to ensure their course credit has been accurately reported. The temporary salesperson shall submit the application and fees for an original (permanent) license within the time frame set forth in Section 34-27-33.

(m) Schools shall maintain permanent records showing registration, attendance, exam answer sheets, ~~certificates of completion when applicable,~~ licensing process and deadline forms ~~when applicable,~~ course credit submission via the electronic submission program provided by the Commission, and any other documentation required by the Commission for a minimum of four (4) years. If a school closes because it merges with another school or is bought by another school, the records for the previous four years shall be turned over to and become the responsibility of the new school. If a branch school closes, the records for the previous four years shall be turned over to and become the responsibility of the main school. In the event a school closes and there is no school to whom the records would revert, the records for the previous four years must be turned over to the Commission.

(6) Salesperson applicants shall pass the state licensing salesperson examination within 12 months immediately following the date of successful completion of the salesperson prelicense course approved

by the Commission. Salesperson applicants who fail to meet this requirement shall be required to again successfully complete the salesperson prelicense course and pass the state licensing salesperson examination.

(7) Broker applicants shall pass the state licensing broker examination within 12 months immediately following the date of successful completion of the broker prelicense course approved by the Commission. Broker applicants who fail to meet this requirement shall be required to again successfully complete the broker prelicense course and pass the state licensing broker examination.

Author:

Alabama Real Estate Commission

Statutory Authority:

Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-32, 34-27-33.

History:

Filed September 30, 1982.

Amended: Filed November 21, 1983; August 27, 1986 (Rule title changed from "School Approval and Requirements" to "Prelicense School Approval and Requirements"); August 15, 1988; December 5, 1988.

Amended: Filed February 6, 1991; October 22, 1991; August 7, 1992. **Amended:** Filed August 25, 1993; effective September 29, 1993. **Amended:** Filed December 22, 1994; effective January 26, 1995.

Amended: Filed August 23, 1996; effective September 27, 1996. **Amended:** Filed August 3, 1998; effective September 7, 1998. **Amended:** Filed August 29, 2000; effective October 3, 2000. **Amended:** Filed November 19, 2001; effective December 24, 2001. **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed August 30, 2005; effective October 4, 2005. **Amended:** Filed April 24, 2007; effective May 29, 2007. **Amended:** Filed July 11, 2008; effective August 15, 2008. **Amended:** Filed May 27, 2009; effective July 1, 2009. **Amended:** Filed August 27, 2009; effective October 1, 2009.

Amended: Filed June 19, 2013; effective October 11, 2013.