



1201 Carmichael Way / Montgomery, Alabama 36106  
Phone: 334.242.5544 / Fax: 334.270.9118  
arec.alabama.gov / arec@arec.alabama.gov

Patricia Anderson, Executive Director  
Teresa D. Hoffman, Assistant Executive Director

May 31, 2016

## Notice of Public Hearing on Proposed Rule Amendments

**Proposed Changes to Rules** (To view and/or download the rule amendments, click on the links below.)

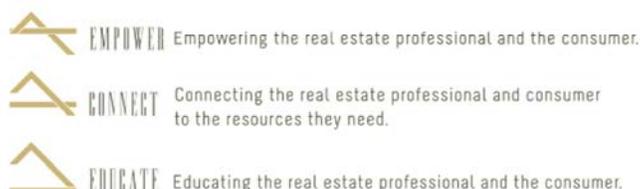
[790-X-1-.06](#)  
[790-X-1-.07](#)  
[790-X-1-.08](#)  
[790-X-1-.10](#)  
[790-X-1-.11](#)  
[790-X-1-.12](#)  
[790-X-1-.16](#)  
[790-X-1-.17](#)  
[790-X-1-.18](#)

**Location:** Alabama Real Estate Commission  
1201 Carmichael Way  
Montgomery, AL 36106

**Date:** Thursday, June 23, 2016

**Time:** 9:00 a.m.

Comments can be presented at the public hearing or by written comments. Address any written comments to Patricia Anderson, Executive Director, Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, AL 36106. Comments may also be faxed to 334.270.9118. The deadline for written comments is 4:30 p.m. on July 5, 2016.



## **Rule 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 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 administrator shall, within three (3) business 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. Business days are Monday through Friday and do not include federal holidays, state holidays and weekends.
- (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 ~~shall~~ ~~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 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 salesperson 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 all required incremental assessments and the required 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 access the Commission-approved prelicense course evaluation ~~and~~ 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. Instructors and administrators shall obtain the temporary license number before allowing a student to enroll in the post license course. Salespersons who make a minimum course grade of 70% and complete the 30 hour post license course may check the Commission 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, licensing process and deadline forms, 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~~ six (6)

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~~ six (6) 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 04, 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 September 6, 2013; effective October 11, 2013. **Amended:** Filed August 28, 2014; effective October 2, 2014.

## **Rule 790-X-1-.07. Qualifications For Prelicense And Post License Instructors**

(1) Prelicense and post license instructor applicants shall meet the following qualifications for approval:

(a) All instructor applicants shall apply on a form prescribed by the Commission.

(b) All instructors shall have written approval from the Alabama Real Estate Commission prior to teaching an approved course.

(c) All instructor applicants of prelicense and post license courses shall hold a current broker's license in order to attain approval and must maintain a current broker's license in order to continue approval to teach prelicense and post license courses.

(d) Instructor applicants ~~should~~ shall not have been found guilty of violating any provision of the Real Estate License Law or any rule, regulation or order of the licensing authority in any state.

(e) All instructors will be periodically reviewed and evaluated by the Alabama Real Estate Commission.

(f) All instructors shall attend Commission sponsored orientation courses and seminars when directed to do so by the Commission. Failure to do so will result in instructor approval being revoked in accordance with Rule 790-X-1-.17.

(2) Full-time college and university prelicense and continuing education course instructors shall be qualified when certified by their respective educational institutions.

(3) Qualifications for all prelicense and post license instructor applicants other than those specified in paragraphs (2) ~~and (3)~~ above shall be:

(a) Instructor applicants shall meet the qualifications as specified by the Commission. The Commission shall rate the individual's qualifications in education, industry experience, and teaching experience. The qualifications will be evaluated using a point system. An individual shall obtain a minimum of 70 points to be approved as an instructor.

The five major areas of evaluation and maximum points per category are:

1. Active real estate license experience-20 points
2. Real estate education-20 points
3. Formal education-20 points
4. Teaching experience-30 points
5. Real estate and related experience-10 points

(b) Each major category shall be comprised of subcategories thereby allowing consideration of a variety of qualifications.

(c) The Commission shall require that an instructor applicant submit appropriate documentation in order to be awarded points in any category or subcategory. No points can be awarded without supporting documents. If appropriate documentation is not received within 10 days of submission of the

application, the application shall be denied and the application fee and all documentation shall be returned.

(4) Instructors cannot earn continuing education credit for courses taught.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8.

**History:** Filed September 30, 1982 as Rule No 790-X-1-.09 entitled "Instructor Qualifications." **Amended:** Filed August 27, 1986. Ed Note: Rule title changed to "Qualifications for Instructors of Prelicense Courses" and previous Rule No 790-X-1-.09 became Rule No 790-X-1-.07 Previous Rule No 790-X-1-.07 "School Advertising Requirements" was amended and moved to become Rule No 790-X-1-.15. **Amended:** Filed October 22, 1991; August 7, 1992. **Amended:** Filed August 25, 1993; effective September 29, 1993. **Amended:** Filed May 5, 1995; effective June 9, 1995. **Amended:** Filed August 29, 2000; effective October 3, 2000. **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed August 30, 2005; effective October 04, 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 28, 2014; effective October 2, 2014.

### **Rule 790-X-1-.08. Instructor Approval And Utilization**

Each real estate prelicense, post license and continuing education course and the instructor(s) responsible for conducting each such course shall be approved by the Alabama Real Estate Commission. An approved instructor shall be present at each session of an approved real estate course. Unapproved guest ~~instructors~~ speakers with expertise in particular areas may be used in prelicense courses, post license courses, and ~~conferences~~ continuing education courses at any time without limitation so long as ~~an~~ the approved instructor is present during their respective presentations to guarantee satisfaction of all course requirements. ~~Unapproved instructors can be used no more than one-third (1/3) of course hours in continuing education courses so long as the approved instructors present during their respective presentations.~~

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8.

**History:** Filed September 30, 1982. **Amended:** Filed May 15, 1984; March 28, 1985. **Amended:** Filed August 25, 1993; effective September 29, 1993. **Amended:** Filed July 11, 2008; effective August 15, 2008. **Amended:** Filed August 28, 2014; effective October 2, 2014.

**Rule 790-X-1-.10. Application, Fees And Renewal Requirements For Instructors, Courses, Administrators, And Schools.**

(1) License and approval periods begin on October 1 of each odd numbered year and conclude on September 30 of the second year of the period.

(2) Instructor approval: Instructors shall submit application for approval as required by the Commission. The initial fee for instructor approval shall be \$50 per year or any portion thereof except that instructors who teach only elective continuing education shall pay an initial fee of \$25 per year or any portion thereof.

(3) Course approval: Instructors shall submit application for course approval as required by the Commission. Applications shall include an outline, learning objectives and learning strategies. The initial course review fee shall be \$100. An initial course constitutes either one being submitted for the first time or an existing course which incurs substantial changes as determined by the Commission. With the exception of distance education courses, all courses for which the Commission supplies a course outline do not require the \$100 initial course review fee for approval.

(4) School licensure: Proprietary schools that offer prelicense and post license courses shall submit application for licensure as required by the Commission and the initial license fee shall be \$250 per year or any portion thereof.

(a) Application for school licensure shall include appropriate license fee and verification of surety bond.

(b) Any proprietary school offering prelicense and/or post license courses in more than one location shall have a licensed branch school for each location using the same application procedure as the principal school.

(c) Any change of the name or address of a licensed school requires a written notice to be sent to the Commission within ten (10) days of making the change in order for a new license to be issued.

(5) School approval. Schools that offer only continuing education courses and accredited colleges and universities shall submit application for approval as required by the Commission. There is no fee for school approvals.

(6) Administrator approval: All schools shall name an individual associated with the school to serve as the administrator. The administrator shall be the person responsible for all course offerings and activities related to real estate education that are offered at the school and all acts governed by applicable rules which govern the operation of the school. Administrators shall submit application as required by the Commission. If an Administrator leaves a school, a new Administrator shall be approved within ten business days for the school to continue offering courses. If an Administrator is not approved within ten days, the school shall become inactive until an Administrator is approved.

(7) Renewal reminders for instructors, courses, schools and administrators shall be sent by August 1 of the second year of the approval period.

(8) Instructor renewal: Instructors shall renew their instructor approval no later than September 30 of the second year of each approval period. Failure to meet this deadline shall result in the instructor being placed on inactive status until the instructor meets all renewal requirements. If placed on inactive status, the instructor shall not teach any classes until the approval is renewed. If renewal requirements are not met by December 31 of the first year of the next approval period, the approval shall not be renewed and the instructor shall apply as an original applicant and meet all requirements applicable to new instructors. The fee for instructor renewal shall be \$100 for the two year approval period. For those who teach only elective continuing education the fee shall be \$50 for the two year approval period.

(a) Prelicense and post license instructors shall complete 12 hours of instructor training courses approved by the Commission no later than September 30 of the second year of each approval period. These instructor training courses shall be taken in addition to the continuing education courses required for renewal of a salesperson or broker license. Instructor training courses may not be used to satisfy requirements for renewal of a real estate license nor may courses taken for real estate license renewal be used to satisfy requirements for instructor renewal.

(b) Instructor applicants approved in the second year of the approval period, instructors who teach only continuing education courses or full time college instructors shall not be required to complete 12 hours of instructor training courses for renewal of instructor approval.

(9) Course Renewal: In order to retain approval for each course, the instructor shall submit the renewal fee and an updated outline, learning objectives and learning strategies. Instructors shall renew courses no later than September 30 of the second year of each approval period. Failure by instructors to meet the September 30 deadline for course renewal shall result in course approval being placed on inactive status until the instructor meets all renewal requirements. If course renewal requirements are not met by December 31 of the first year of the next approval period, the course may not be renewed and the instructor shall submit a new course application and meet all requirements applicable to new courses. The fee for course renewal shall be \$50 per course for the two year approval period. All courses for which the Commissioner supplies a course outline do not require the \$50 renewal fee.

(10) Administrator renewal: Administrators shall renew their approval no later than September 30 of the second year of each approval period. Failure to meet this deadline shall result in both the administrator approval and school license or approval being placed on inactive status until the renewal requirements are met. If renewal requirements are not met by December 31 of the first year of the next approval period, the approval may not be renewed and the administrator shall apply as an original applicant and meet all requirements applicable to new administrators.

(11) School renewal: Administrators shall renew the school licensure or approval online as required by the Commission no later than September 30 of the second year of each license or approval period. Failure to meet this deadline shall result in the school being placed on inactive status. If placed on inactive status, the school shall not offer any more classes until the licensure or approval is renewed. If renewal requirements are not met by December 31 of the first year of the next approval period, the licensure or approval may not be renewed and the school shall apply as an original applicant and meet all requirements applicable to new schools. The license renewal fee for proprietary schools which offer prelicense and post license courses shall be \$250 for the two year license period.

(12) Instructors who teach only college credit courses shall not be required to pay either the initial instructor or course application fee or the instructor or course renewal fee and shall not be subject to instructor renewal requirements.

(13) All instructors shall attend training programs as directed by the Commission in order to retain approval.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6; 34-27-8.

**History: New Rule:** Filed August 29, 2000; effective October 3, 2000. **Amended:** Filed November 8, 2000; effective December 13, 2000. **Amended:** Filed September 18, 2001; effective October 23, 2001. **Amended:** Filed May 1, 2003; effective June 5, 2003. **Amended:** Filed November 25, 2003; effective December 30, 2003. **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed August 30, 2005; effective October 4, 2005. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended:** Filed June 21, 2007; effective July 26, 2007. **Amended:** Filed July 11, 2008; effective August 15, 2008. **Amended:** Filed August 27, 2009; effective October 1, 2009. **Amended:** Filed September 6, 2013; effective October 11, 2013.

**Rule 790-X-1-.11. Course Content For Continuing Education.**

(1) To meet continuing education requirements, licensees shall complete fifteen (15) clock hours each license period as set out below beginning October 1, 2012:

(a) Three (3) clock hours in Risk Management – Level 1. In this level, brokers and salespersons shall take the Risk Management: Avoiding Violations course.

(b) Three (3) clock hours in Risk Management – Level 2. In this level, all brokers shall take the Risk Management for Brokers course. ~~All salespersons~~ ~~Salespersons~~ shall take the Risk Management for Salespersons course, ~~the Risk Management for Brokers course, or an~~ Other industry-specific Risk Management courses ~~approved for Level 2 credit~~ by the Commission may be taken for elective credit.

(c) Nine (9) clock hours in Commission-approved courses

(2) The curriculum for continuing education courses offered for elective credit shall consist of subjects which are "core" real estate and which will assist the licensee in fulfilling the Commission's ~~objective~~ statutory duty of protecting the public. Some examples of acceptable subject matter are License Law, RECAD (Real Estate Consumer's Agency and Disclosure Act), real estate ethics, real estate financing, appraisal and valuation, fair housing, truth-in-lending, agency relationships, agency disclosure, liability of real estate agents, writing contracts, handling escrow funds, environmental issues, negotiating techniques, listing and buyer presentations, writing and presenting offers, showing property, sales skills, communication skills, marketing, certain financial calculator courses, computer courses which are real estate specific and how to utilize technology in the practice of real estate. Examples of unacceptable subject matter are motivational courses, personal development courses, sales meetings, in-house training and orientation courses. All course topics and content are subject to approval by the Commission.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6; 34-27-8; 34-27-35.

**History:** Filed August 27, 1986. **Ed Note:** Former Rule No 790-X-1-.09 entitled "Instructor Qualifications" was amended and moved to become Rule No 790-X-1-.07. **Amended:** Filed May 17, 1988; August 15, 1988; January 31, 1989; January 30, 1990; September 13, 1990. Emergency rule filed October 1, 1990. **Amended:** Filed December 6, 1990; October 22, 1991; December 9, 1992. **Amended:** Filed August 25, 1993; effective September 29, 1993. **Amended:** Filed January 18, 1994; effective February 22, 1994.

**Rule 790-X-1-.12. Continuing Education Course Approval And Requirements.**

- (1) All instructors of continuing education courses shall apply for course approval on a form prescribed by the Commission along with a \$100 course review fee and all required documents. Applications for courses shall be submitted online as required by the Commission.
- (2) Approved continuing education courses shall be taken from a Commission approved school and taught only by approved instructors. Otherwise those completing the course shall not receive credit toward meeting continuing education requirements.
- (3) In order to be approved for continuing education credit, courses shall contain a minimum of three (3) clock hours of instruction. A licensee shall not earn more than nine (9) hours of continuing education credit in any one day. Upon special request courses which contain one and one-half (1 1/2) hours may be approved by the Commission.
- (4) Administrators shall not advertise courses out as approved, enroll students or conduct classes for which students expect to earn continuing education credit prior to the course instructor receiving written approval from the Commission. Course instructors shall submit the course application to the Commission at least 14 days prior to the proposed beginning date of the course.
- (5) Administrators shall report all required course information including the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission at least ~~one week~~ five (5) business days prior to the beginning of each course. Should changes occur in this information, the administrator shall submit the changes immediately via the electronic submission program provided by the Commission. Business days are Monday through Friday and do not include federal holidays, state holidays and weekends.
- (6) Administrators shall within 10 days of course completion, report credit for the students who successfully completed the course to the Commission via the electronic submission program provided by the Commission. Credit completed on or before September 30 of a renewal year shall be entered before midnight of September 30 to avoid possible disciplinary action.
- (7) Each school shall maintain permanent records for its students showing ~~registration~~, attendance, 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 principal 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.
- (8) No more than one-third of any continuing education class can be presented through video unless the course is an ARELLO certified distance education course.
- (9) Students shall attend 100% of the course offering in order to be awarded continuing education credit. Instructors may take a 10-minute break after each 50 minutes of instruction. Credit shall not be

given for time spent on meals or other unrelated activities. The instructor and school shall not issue credit to students who do not attend 100% of the course offering.

(10) Prior to becoming licensed, a person shall not earn real estate continuing education credit.

(11) Any licensee who completes the entire 60 hour broker prelicense course or the entire 30 hour post license course shall earn 15 clock hours of continuing education credit which shall satisfy all continuing education requirements for the current license period.

(12) Instructors and schools shall provide each student in any approved continuing education class with instructions on how they can check continuing education credit and electronically submit a course evaluation on the Commission's ~~Web site~~ website.

(13) Any licensee who completes a continuing education classroom course in another state which is approved by any state may receive credit in Alabama for successful completion of that course by submitting appropriate documentation as prescribed by the Commission including verification of approval by any state, the number of hours for which the course is approved, and course completion. Such courses shall count as elective continuing education credit only. These courses shall not be subject to renewal procedures, instructor application and fee or the course review fee.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8, 34-27-32, 34-27-35.

**History:** Filed August 27, 1986. **Ed Note:** Former Rule 790-X-1-.11 entitled "Waiver of Course Requirements under Certain Conditions" moved in its entirety to become Rule 790-X-1-.18. **Amended:** Filed May 17, 1988; August 15, 1988. Emergency rule filed October 1, 1990. **Amended:** Filed December 6, 1990; February 6, 1991; August 7, 1992. **Amended:** Filed August 23, 1993; effective September 27, 1993. **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. (**Ed. NOTE:** Former Rule 790-X-1-.11 was moved in its entirety to become 790-X-1-.12, as per this certification). **Amended:** Filed September 18, 2001; effective October 23, 2001. **Amended:** Filed November 25, 2003; effective December 30, 2003. **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended:** Filed April 24, 2007; 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 September 6, 2013; effective October 11, 2013.

**Rule 790-X-1-.16. Audits Of Approved Schools And Instructors.**

(1) All schools and instructors shall be subject to audit to ensure compliance with the Real Estate License Law and the Rules and Regulations of the Alabama Real Estate Commission. In the event of such an audit, the responsible individual shall make available to the authorized representative of the Commission all documentation and information requested which is necessary for the audit. This information may include but is not limited to:

- (a) a list of all guest lecturers and substitutes within the past six (6) months
- (b) ~~registration and~~ attendance records, credit entry verification, and licensing process and deadline forms when appropriate
- (c) classroom facilities as set forth in Commission rules
- (d) school advertisements
- (e) course examinations and answer sheets when appropriate
- (f) classroom management as set forth in Commission rules
- (g) any provision identified in Commission rules that could lead to disciplinary action

(2) The Commission representative(s) may make photocopies of records which the education provider is required to maintain by the Real Estate License Law or by Rules and Regulations of the Commission.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8.

**History:** Filed August 27, 1986. **Amended:** Filed August 15, 1988 (Rule title changed Rule previously entitled "Review of Approved Courses.") **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended:** Filed May 27, 2009; effective July 1, 2009. **Amended:** Filed August 27, 2009; effective October 1, 2009.

**Rule 790-X-1-.17. Disciplinary Actions For Instructors, Administrators And Schools/~~Course Sponsors~~.**

~~For instructors and administrators who also hold a real estate license the Commission may take disciplinary action against the real estate license and/or the instructor or administrator approval as provided in §34-27-36 when the instructor or administrator is found guilty of any of the provisions set out below. For instructors and administrators who do not hold a real estate license and for schools the Commission may revoke or suspend or may warn of the possibility of revoking or suspending the approval of any instructor or administrator, or the approval or license of a school found guilty of any of the provisions set out below. These shall apply when the accused:~~ The Commission may take disciplinary action against an instructor, an administrator or a school in accordance with §34-27-6 for violation of any of the following:

- (1) Is a party to any falsification of any document or other information provided to the Commission.
- (2) Publishes or causes to be published any advertising which is not in accordance with Commission rules.
- (3) Is guilty or has been found guilty of violating or disregarding any provision of the Alabama Real Estate License Law or any rule, regulation or order of the Commission.
- (4) Engages in conduct which constitutes or demonstrates dishonest dealings, bad faith or untrustworthiness.
- (5) Fails to file with the Commission, either by paper or electronically, accurate and complete records or fails to furnish any documents at the request of the Commission by the required deadlines.
- (6) Awards credit to any student who fails to comply with the student attendance participation standards as set forth in Commission rules.
- (7) Fails to obtain a license for each location where the school offers a prelicense or post license course.
- (8) Does an inadequate job of teaching the curriculum required by the Commission or submitted to be approved by the Commission as evidenced by the use of inaccurate, inappropriate and outdated teaching materials/information, student's poor performance on the state examination, student evaluations and/or Commission audits. This shall include failing to teach the content contained in the detailed content outline approved by the Commission.
- (9) Takes no action to correct problems as identified in Commission audits.
- (10) After receiving written warning from the Commission, continues to make inaccurate comments to students regarding course content or continues to offer opinions represented as being the law ~~or~~ or principles of law to students which are in conflict with any material contained in a Commission prescribed or approved course.
- (11) Engages in unprofessional behavior and/or inappropriate conduct in the classroom including but not limited to regular tardiness, disorganization, the use of profanity, ridicule, and sarcasm directed at subject matter, students or others, telling offensive jokes, and making inappropriate remarks unrelated to the subject matter.

(12) Fails to identify course objectives and display adequate knowledge of subject matter in presentation of information and answering of student questions.

(13) Fails to utilize a variety of teaching methods to accommodate visual, auditory, and tactile learning styles. Instructors shall not limit instruction to lecture, reading text material, utilizing audio-visual technology, or studying questions similar to those on the licensing examination which do not utilize interactive instructional techniques. Examples of interactive instructional techniques include but are not limited to role play, case studies, games, group work, etc.

(14) A revocation of instructor or school license or approval shall be for a period of two years. Any instructor or school whose license or approval has been suspended or revoked shall not be relicensed, reapproved, or reinstated without meeting all current instructor or school requirements and receiving approval from the Commission.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8, 34-27-33.

**History:** Filed November 21, 1983. **Ed Note:** Formerly Rule No 790-X-1-.12 moved in its entirety to become Rule No 790-X-1-.17 when new Rule No 790-X-1-.12 entitled "Exemptions from Continuing Education" was filed on August 27, 1986. **Amended:** Filed August 15, 1988 (Rule title changed Rule Previously entitled "Withdrawal of Approval."). **Amended:** Filed October 22, 1991. **Amended:** Filed: August 25, 1993; effective September 29, 1993. **Amended:** Filed June 9, 1994, effective July 14, 1994. **Amended:** Filed August 3, 1998; effective September 7, 1998. **Amended:** Filed August 29, 2000; effective October 3, 2000. **Amended:** Filed September 18, 2001; Effective October 23, 2001. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended:** Filed June 21, 2007; effective July 26, 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 August 27, 2009; effective October 1, 2009. **Amended:** Filed August 27, 2012; effective October 1, 2012. **Amended:** Filed September 6, 2013; effective October 11, 2013. **Amended:** Filed August 28, 2014; effective October 2, 2014.

**Rule 790-X-1-.18. Reciprocal License Requirements.**

(1) Applicants for a reciprocal license shall have a current license in a qualifying state either on active or inactive status which is not a reciprocal or nonresident license. A qualifying state is one in which the applicant completed prelicense course work and passed a comprehensive examination which contained general real estate in addition to state law. This shall be evidenced by a certification of licensure (license history) that is obtained from the qualifying state within the 120 days immediately prior to the issuance of an Alabama license. For initial licensure as a reciprocal salesperson or broker, at minimum the certification of licensure shall show:

- (a) Name and address of the licensee; and
- (b) Status of the license (current, renewed, not renewed, expired, lapsed, etc.) and
- (c) Type of license (salesperson, broker, etc.); and
- (d) Period of time the license has been active and inactive over at least the previous 36 months; and
- (e) If the applicant passed an examination; and
- (f) Whether the examination consisted of the national and state portion or only the state portion; and
- (g) Record of any disciplinary action against the licensee; and
- (h) Any other documentation the Commission may require.

(2) Persons who hold an entry level license in the qualifying state; i.e., a salesperson license in most states, shall apply for a reciprocal salesperson license in Alabama provided all other eligibility requirements are met. For single licensing states, the first level of broker licensing equates to salesperson licensing in Alabama.

(3) Persons who hold a license that is beyond entry level in a qualifying state, i.e., a broker license in most states, shall apply for a reciprocal broker license in Alabama provided all other eligibility requirements are met. For single licensing states, the second level of licensing or higher equates to broker licensing in Alabama.

(4) If potential reciprocal applicants have questions regarding their eligibility for licensure, they shall submit a "Request for Determination of Reciprocal Licensing Eligibility" along with a certification of licensure to the Commission for review and determination of eligibility. The form may be obtained from the Commission's website at [www.arec.alabama.gov](http://www.arec.alabama.gov).

(5) In addition to license requirements in Section 34-27-32(a) and (b) of License Law, applicants for a reciprocal salesperson or a reciprocal broker license shall meet the following requirements before applying for a reciprocal license.

- (a) Complete six (6) hours of reciprocal salesperson prelicense or reciprocal broker prelicense coursework prescribed by the Commission in order to qualify for the reciprocal license examination. These six hours of coursework shall not qualify for continuing education credit.

(b) Pass the reciprocal salesperson or reciprocal broker license examination offered by the testing agency under contract with the Commission. The examination appointment shall be made and the examination fee paid to the testing agency as published in the Candidate Handbook. When the registration has been processed, the applicant shall be notified of the time to report to the exam center. Unscheduled candidates shall not be admitted.

(6) An examination fee shall be paid for each scheduled examination whether or not the applicant takes the exam unless the applicant is rescheduled in accordance with policies as specified in the Candidate Handbook. Applicants who fail the examination may retake the examination by following application procedures as outlined in the Alabama Candidate Handbook.

(7) Reciprocal salesperson and reciprocal broker license applicants shall pass the examination within 12 months immediately following the date of completion of the reciprocal prelicense course approved by the Commission. Reciprocal applicants who fail to meet this requirement shall be required to again successfully complete the appropriate reciprocal prelicense course and pass the appropriate reciprocal license examination.

(8) The passing grade for both the reciprocal salesperson and reciprocal broker examinations shall be seventy (70). A time limit of one hour is allotted for completion of the required examination.

(9) Upon completing the course hours the administrator shall electronically submit the course credit to the Commission. Reciprocal applicants shall not be allowed to schedule the reciprocal salesperson examination or reciprocal broker examination until course credit has been submitted.

(10) Instructors and ~~schools administrators~~ shall provide each student who completes the reciprocal salesperson or reciprocal broker prelicense course with ~~the Commission-approved reciprocal prelicense course evaluation form and instructions on where to access the Commission-approved prelicense course evaluation send it.~~ access the Commission-approved prelicense course evaluation ~~send it.~~ Instructors and ~~schools administrators~~ shall also provide each student with information explaining the licensing process and deadlines.

(11) Reciprocal licensees shall meet continuing education requirements by complying with either paragraph (a) or paragraphs (b) and (c) below:

(a) Complete the appropriate 15 hours of continuing education courses approved by the Alabama Real Estate Commission.

(b) Submit to the Commission a certification of licensure or letter that is issued by the regulatory agency in the state where prelicense course work was completed and the licensing examination was passed. The certification of licensure or letter shall at minimum show:

1. the type of license

2. the license is active and current at least through October 1 of the calendar year during which the Alabama license is being renewed.

3. a full licensing examination, not just state portion, was passed in that state.

(c) The certification of licensure or letter in paragraph (b) above shall be dated no earlier than June 1 of the final year of the Alabama license period and shall be received by the Commission no later than September 30 of the final year of the Alabama license period.

(12) If continuing education requirements are not satisfied by the prescribed deadline the reciprocal licensee shall be automatically placed on inactive status and subject to all reactivation requirements as provided in §34-27-35, Code of Ala. 1975.

---

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8; 34-27-32; 34-27-35.

**History:** Filed November 21, 1983. **Ed Note:** This rule was formerly Rule No 790-X-1-.11. It was moved in its entirety to become Rule No 790-X-1-.18 when new Rule No 790-X-1-.11 entitled "Continuing Education Course Approval and Requirements" was adopted and filed on August 27, 1986. **Amended:** Filed January 31, 1989. **Amended:** Filed June 9, 1994, effective July 14, 1994. **Amended:** Filed May 5, 1995; effective June 9, 1995. **Repealed:** Filed August 23, 1996; effective September 27, 1996. **New Rule:** Filed August 27, 2009; effective October 1, 2009. **Amended:** Filed August 28, 2014; effective October 2, 2014.