

## Summary of August 2024 Rule Changes

**790-X-1-.03** - The amendment eliminates the requirement for someone who coordinates physical repairs and maintenance for a property under a management agreement to have a real estate license. It also clarifies that a licensee who is engaging in a transaction in which he/she is a principal party is subject to license law if he/she engages in fraud in the transaction.

**790-X-1-.05** - The amendment clarifies that qualifying brokers, as opposed to associate brokers, are the persons who should be entering out-of-state co-brokerage agreements.

**790-X-1-.06** - The amendment eliminates the limit on the number of hours of credit in a day students can earn in certain courses.

**790-X-1-.12** - The amendment strikes a sentence that says upon special request a course of 1.5 credit hours may be approved. It also strikes a sentence that says a person cannot earn CE credit prior to obtaining a license.

**790-X-1-.18** - The amendment adds language required by statute regarding reciprocally licensing spouses of active-duty military.

**790-X-1-.21** - This amendment eliminates some redundant language. It also eliminates the requirement for distance education classes with class sizes under 10 students to have an additional moderator. The requirement remains for classes that are 10 or larger.

**790-X-2-.05** - The amendment requires licensees to use their legal surname in all licensed real estate activities and marketing as a real estate agent. This change clarifies that nicknames can be used in place of first names, not last names.

**790-X-2-.07** - The amendment strikes the requirement for all files to be kept at the place of business. Files can now be kept electronically.

**790-X-3-.03** - This amendment clarifies that a mutual release agreement pertaining to earnest money can only be entered after the transaction fails.

**790-X-3-.04** - This amendment clarifies that a new estimated closing statement is to be provided by the agent to the client for every offer or counteroffer.

**790-X-3-.16 - NEW** - This is a new rule that defines the word “prominently” in the context of advertising the name of the company or qualifying broker.

790-X-1-.03

License Requirements.

(1) Rental leasing and/or property management services for Alabama real estate licensees include but are not limited to:

(a) Rent or lease real estate situated within the State of Alabama.

(b) Offer to rent or lease real estate situated within the State of Alabama.

(c) Negotiate, ~~to~~or attempt to negotiate, the rental or leasing of real estate situated within the State of Alabama.

(d) List or offer or attempt or agree to list real estate for rental or lease situated within the State of Alabama.

(e) Aid, attempt, offer to aid in locating, or obtaining for rent, or lease any real estate situated within the State of Alabama.

(f) Procure or assist in procuring the prospects for the purpose of effecting the lease, or rental of real estate situated within the State of Alabama.

(g) Procure or assist in the procuring of properties for the purpose of effecting the lease, or rental of real estate situated within the State of Alabama.

(h) Entering into an agreement or contracting for the collection and escrow of security deposits, and entering into an agreement or contracting for the collection and escrow of rental payments for properties situated within the State of Alabama.

~~(i) Coordinate physical maintenance and repairs for real property under rental or lease management agreement with an Alabama real estate licensee, and situated within the State of Alabama, when the coordination of physical maintenance or repairs does not require licensure pursuant to other state regulatory agencies or boards, or when the real estate licensee holds the license or licenses required by other state regulatory agencies or boards to coordinate or perform the physical maintenance or repairs.~~ (2)

~~(2)~~ Code of Ala. 1975, § 34-27-2(b)(1), exempts owners of real property from the licensing requirements of Articles 1 and 2 of Chapter 27 when managing his own property or consummating a real estate transaction involving his own property. As used in Code of Ala. 1975, § 34-27-2(b)(1), the term "owner" is defined as the individual owner himself, or in the case of a corporation or partnership, a partner or corporate officer, who has authority to and does make management decisions affecting the overall policy of the corporation or partnership.

(3) When engaging in a transaction in which the licensee or his or her spouse, child or parent is a principal party to the transaction, the licensee is governed by the provisions in Chapter 27 of Title 34, Code of Ala. 1975, that apply to licensees and the rules promulgated by the Alabama Real Estate Commission that apply to licensees only if:

(a) The licensee advertises, markets, or otherwise conveys that the licensee is engaging in the transaction through the licensee's broker or company; ~~or~~

(b) ~~the~~The licensee seeks to or does obtain compensation for acting as a licensee in the transaction; or

(c) The licensee violates Code of Ala. 1975, § 34-27-36(2) by engaging in misrepresentation or fraudulent acts during the transaction.

This rule does not prevent a company from enacting policies and procedures for their licensees engaging in transactions in which their licensees or their licensees' spouses, children, or parents are the principal party.

(4) Code of Ala. 1975, § 34-27-30(5), requires that one who auctions, or offers or attempts or agrees to auction real estate must be licensed under Articles 1 and ~~2~~. Persons commonly referred to as "ground men" are not required to be licensed, provided their activities shall be limited to relaying crowd participation bids to the auctioneer.

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-2, 34-27-8, 34-27-30.

**History:** Filed September 30, 1982. **Amended:** Filed August 15, 1985. **Amended:** Filed June 30, 2017; effective August 14, 2017.

**Amended:** Published July 29, 2022; effective September 12, 2022.

**Amended:** Published \_\_\_\_\_ ; effective \_\_\_\_\_ .

790-X-1-.05

**Out-Of-State Co-Brokerage Agreement.**

(1) ~~An Alabama licensed~~A licensed Alabama qualifying broker may enter into a co-brokerage agreement with a broker of another state, subject to the provisions of Code of Ala. 1975, § 34-27-3. The Alabama qualifying broker shall require a listing or joint listing of the property involved. The written co-brokerage agreements required by Code of Ala. 1975, § 34-27-3, shall specify all material terms of each agreement, including but not limited to its financial terms.

(2) The showing of property located in Alabama and negotiations pertaining thereto shall be supervised by the Alabama qualifying broker. In all advertising of real estate located in Alabama, the name of the Alabama qualifying broker shall appear.

(3) The Alabama qualifying broker shall be liable for all acts of the out-of-state broker, as well as for his own acts, arising from the execution of any co-brokerage agreement.

(4) The Alabama qualifying broker shall determine that the out-of-state broker is licensed as a broker in another state.

(5) All earnest money pertaining to a co-brokerage agreement must be held in escrow by the Alabama qualifying broker unless both the buyer and seller agree in writing to relieve the Alabama qualifying broker of this responsibility.

**Author:** ~~Ronald Forehand~~Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-3, 34-27-8.

**History:** Filed September 30, 1982. **Amended:** Filed August 15, 1985. Amended: Published ; effective .

**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 courses shall have a definite beginning and ending date.

(3) The administrator shall, at least five (5) business days 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) Professional real estate courses offered by the Armed Forces or reserves of the United States, the National Guard of any state, the military reserves of any state, or the naval militia of any state are approved by the Commission. No other 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 60-clock hour 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 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-clock hour post license course is required for all temporary salesperson licensees, whether on active or inactive status, within the first year of licensure or the license will lapse. 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.~~ Students shall start the post license course at the beginning of any course module in the approved course outline as allowed by the instructor.

(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 salesperson the prelicense course.

(h) Instructors shall teach a minimum of 60 hours for the prelicense course and a minimum of 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 license examination until exam eligibility has been submitted.

(j) Instructors and administrators shall provide each student who completes the salesperson prelicense course with instructions on where to access the Commission-approved prelicense course evaluation. 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 information on how to obtain 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 license 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 broker license examination is only one of several qualifications that are identified in Section 34-27-32. Failure to meet all broker license 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 beginning a post license course to earn post license credit. Instructors and administrators shall obtain the temporary license number before allowing a student to enroll in the post license course. Temporary salespersons who make a minimum course grade of 70% and complete the 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 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.-

(6) Salesperson applicants shall pass the salesperson license examination within 6 (six) 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 salesperson license examination.

(7) Broker applicants shall pass the broker license examination within 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 broker license examination.

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-6, 34-27-8, 34-27-32, 34-27-33, 31-12A-2.

**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.  
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Filed August 25, 2017; effective October 9, 2017. **Amended:**  
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Published August 31, 2021; effective October 15, 2021. **Amended:**  
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2023. **Amended:** Published ; effective .



**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 ½) 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~~30 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 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 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.-

(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~~ 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)~~ (11) 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 website.

~~(13)~~ (12) 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. **Amended:** Filed August 17, 2016; effective October 1, 2016. **Amended:** Published February 28, 2023; effective April 14, 2023. **Amended:** Published \_\_\_\_\_ ; effective \_\_\_\_\_ .

**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 (~~licensed~~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 ~~on~~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"~~ ["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.

(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 six (6) 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 administrators shall provide each student who completes the reciprocal salesperson or reciprocal broker prelicense course with instructions on where to access the Commission-approved prelicense course evaluation. Instructors and 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.

(13) Spouses of active-duty military who are reciprocal license applicants are subject to the provisions in this section of the rule with the exception that, after first filing with the

Commission a complete application, certification of licensure from their qualifying state, and proof of their spouse's active service and orders relocating them and stationing them in the State of Alabama, they shall have their initial license fee waived and their reciprocal licenses expedited. The appropriate reciprocal salesperson or broker license will be issued under a temporary status of no longer than ~~180 days with the exception~~365 days with the expectation that education, examination and any remaining requirements will be met during that time. Upon the completion of all reciprocal licensing requirements a full license will be issued. However, should the remaining requirements not be met within ~~180~~365 days the temporary license will expire and the license not reissued.

**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.

**Amended:** Filed August 17, 2016; effective October 1, 2016.

**Amended:** Filed August 25, 2017; effective October 9, 2017.

**Amended:** Filed April 26, 2019; effective June 10, 2019.

**Amended:** Published ; effective .

**790-X-1-.21**

**Distance Education Courses.**

Distance education courses are programs whereby instruction does not take place in a traditional classroom setting but rather where teacher and student are apart, and instruction takes place through other media. Distance education courses include but are not limited to those which are presented through interactive classrooms, virtual courses, interactive computer and the Internet. Distance education courses may be offered by approved instructors of primary or secondary providers.

(1) A primary provider is defined as a course developer who has a proprietary interest in the course. Primary providers may have their own instructors deliver courses and/or may market the courses to secondary providers. If a primary provider offers distance education courses directly to Alabama licensees, the provider shall be a school licensed or approved by the Commission.

(2) A secondary provider is defined as a school which obtains a distance education course from a primary provider. The secondary provider shall have approved instructors who are responsible for enrolling students, providing course orientation, monitoring student progress, answering student questions, administering and grading exams, verifying and reporting course completion and verifying student identity. Any school providing any of these services, other than administering a final exam, shall be deemed to be a secondary provider. The secondary provider shall be a school licensed or approved by the Commission.

(3) Instructors of distance education courses shall be approved by the Commission. Instructors shall not receive approval until they receive the Distance Education Instructor Certification from IDECC (International Distance Education Certification Center), which is a subsidiary of ARELLO (Association of Real Estate License Law Officials), and submit verification of the certification to the Commission. The Distance Education Instructor Certification shall be renewed and kept current in order for the instructor to continue offering distance education courses.

(4) All distance education ~~prelicense and post license~~ courses of primary providers shall be certified by ARELLO or IDECC before being submitted to the Commission for approval and shall retain certification in order to retain Commission approval.

~~(a) Synchronous continuing education courses shall be certified by ARELLO or IDECC prior to being reviewed for approval by the Commission.~~

~~(b) Asynchronous continuing education and all prelicense and post license courses shall be certified by ARELLO or IDECC prior to being reviewed for approval by the Commission.~~

~~(c) College credit courses offered through distance education at approved colleges and universities shall be~~



exempt from ARELLO ~~or~~, IDECC, and Commission certification.

(5) Distance education courses that will be offered to Alabama licensees by either primary or secondary providers shall be approved by the Commission. Any course containing major content errors or which fails to meet curriculum requirements shall be denied. The revised course may be submitted at a later date along with a new application and course review fee.

(6) Synchronous distance education is defined as a course with defined attendance time allowing an instructor to offer live instruction virtually while students are in different locations. Instructors of approved synchronous distance education courses must abide by the following requirements:

(a) Instructors of approved synchronous distance education courses shall submit to the Commission their course outline and procedures for enrolling students, monitoring attendance, answering student questions, administering and grading exams where applicable, and verifying student identity.

(b) Students must use video and be present on camera at all times without the use of still pictures or icons~~.~~

(c) Students must be present the entire course or session with the only exception being a temporary loss of connection not to exceed 15 minutes per three hours of instruction~~.~~

(d) Students shall not be participating in other activities such as driving, sitting, or riding in a vehicle; phone calls; text messages; emails; office paperwork; conversations with people who are not involved in the course; and any other activity unrelated to the course identified by the instructor or moderator.

(e) Students must be involved in the class using breakout rooms, polling, or other means of promoting interaction.

(f) Students must be monitored at all times by a separate moderator other than the instructor ~~regardless of~~ if the class size is ten students or more.

(g) Students must not participate in comments unrelated to the course using the course~~'s~~ chat tool.

(h) Students must be denied course credit for a virtual course if a violation occurs.

(7) Asynchronous distance education is defined as a course allowing a student to progress through the lessons of a course at his/her own pace and only contact the instructor when needed. Instructors of approved asynchronous distance education courses must abide by the following requirements:

(a) All asynchronous distance education courses developed by approved primary providers shall be approved by the Commission prior to being marketed to secondary providers who will offer the courses to Alabama licensees.

(b) Secondary providers shall only offer asynchronous courses which primary providers have had certified by ARELLO or IDECC.

The instructor for a secondary provider shall not be required to obtain ARELLO or IDECC certification for courses.

(c) Instructors of approved asynchronous distance education courses shall submit to the Commission their procedures for enrolling students, monitoring their progress, answering student questions, administering and grading exams, verifying and reporting course completion and verifying student identity. Instructors shall provide course requirements to all students in writing electronically or by mail when a distance education course is purchased. These requirements include, but are not limited to, submission of required forms, specific course deadlines, and the process for license examination scheduling.

(d) Approved instructors who submit an asynchronous distance education course for approval shall submit the Course Summary Certificate number from ARELLO or IDECC along with the course application and fee. For secondary providers, the Course Summary Certificate from ARELLO or IDECC shall be the same number received by the primary provider.

(8) All distance education courses shall follow curriculum requirements as specified by the Commission. Instructors who teach courses developed by another school or organization shall review the course for accuracy and applicability of content prior to submitting it to the Commission for review and approval.

(9) In order to successfully complete the prelicense or post license course, ~~student~~students shall take and score a minimum of 70% on a proctored final examination. Asynchronous course examinations may be administered using remote or virtual online proctoring using a live proctor, or administered in an educational facility by an approved real estate instructor, an approved school administrator, a qualified library employee or volunteer who is not in the real estate business, or a current or retired education professional who is not in the real estate business. ~~Remote or virtual online proctoring using a live proctor may be used when approved by the Commission~~Synchronous course examinations shall be proctored by the instructor.

Administrators will be held entirely responsible for the security of all final examinations.

(10) Administrators shall give distance education students instructions on how they can electronically submit a course evaluation to the Commission.

(11) Administrators of schools offering the prelicense course shall provide students with licensing requirements and information on how to schedule to take the ~~licensing~~license examination. Administrators of schools offering the post license course shall provide students with original salesperson license requirements and access to the proper application.

(12) The Commission may withdraw approval for any distance education course that is not offered in accordance with Commission requirements for distance education courses.

(13) The Commission may withdraw approval or otherwise discipline instructors and schools in accordance with Rule 790-X-1-.17 for any instructor who teaches distance education courses that do not comply with all applicable rules and statutes.

**Author:** Alabama Real Estate Commission

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

**History: New Rule:** Filed October 11, 1996; effective November 15, 1996. **Amended:** Filed August 3, 1998; effective September 7, 1998. **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 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 25, 2017; effective October 9, 2017. **Amended:**

Filed August 27, 2018; effective October 11, 2018. **Amended:**

Published October 29, 2021; effective December 13, 2021.

**Amended:** Published ; effective .

790-X-2-.05

**Names On Application For Licenses.**

An application for temporary salesperson, original salesperson, broker, reciprocal license or license renewal shall include the full legal name of the applicant. If the applicant, in licensed real estate activities, uses or desires to use any name other than their full legal name or use a shortening of their name that does not use the same letters in the same order as a portion of their full legal name, then the applicant shall include that nickname or assumed name on their application. Even if a nickname or assumed name is provided on the license application, the licensee must use his/her legal surname in all licensed real estate activities and marketing of himself or herself as a real estate agent.

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**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-8, 34-27-32, 34-27-33, 34-27-35.

**History:** Filed September 30, 1982. **Repealed:** Filed August 15, 1985. **New Rule:** Filed September 6, 2013; effective October 11, 2013. **Amended:** Published ; effective .

790-X-2-.07

**Place Of Business And Signage.**

A place of business shall be identified by a sign which sets out the name of the company as licensed with the commission. In places where an exterior sign is permitted a sign shall be posted outside of the office so that it is plainly and readily visible to the public. In places where an exterior sign is not permitted, an interior sign shall be posted. The interior sign shall be in keeping with the building restrictions, and if permitted, shall be posted in the entry area and on the door of the office or suite of offices. ~~Appropriate files and records shall be maintained in the place of business.~~

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-2, 34-27-8.

**History:** Filed September 30, 1982. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended (No changes made to the text, only Stat. Auth.):** Filed August 27, 2018; effective October 11, 2018. **Amended:** Published ; effective .

790-X-3-.03

Deposit Of Funds.

(1) The deposit and accounting for at all times of all funds belonging to or being held for others in a separate federally insured account or accounts in a financial institution located in Alabama shall require that the qualifying broker be a customer of the financial institution holding all such accounts and the qualifying broker shall be one of the persons with authority to deposit and withdraw funds and to write or make checks as necessary on all such accounts.

(2) Each real estate salesperson or associate broker shall pay over to his or her qualifying broker all funds coming into his or her possession in trust for other parties immediately upon receipt of same.

(3) Each qualifying broker is responsible for deposit of all funds belonging to others coming into his or her possession or of a salesperson or associate broker licensed under him or her where such funds are to be held in trust, unless the qualifying broker is expressly relieved of such responsibility in writing. In cases where the funds are U. S. currency, i.e. cash as opposed to a check or note, these funds shall be deposited immediately. In cases where a check is received as earnest money and the contract form states that the check is to be held for a specific length of time or until the occurrence of a specific event, then the check shall be deposited when the contract form states, or if no time for deposit is specified in the contract form, then the check shall be deposited when the offer becomes a contract.

(4) Funds to be held in trust under a contract for sale involving more than one qualifying broker shall be held and deposited by any of the qualifying brokers involved in the sale. All funds to be held in trust, whether by contract for sale, or by lease or property management agreement, shall be held and deposited by the qualifying broker who is providing these services to the owner. In cases where a successor qualifying broker is to provide these services, the first broker shall provide a complete accounting of the funds and shall transfer the funds to the successor broker. The qualifying broker who is currently providing services to the owner shall be responsible to the public and to the commission for all funds. Upon request by the Commission or its authorized representative, each qualifying broker shall promptly account for any trust funds being held by that qualifying broker.

(5) Disbursement of funds held in trust: Unless otherwise stated in this rule, each qualifying broker shall promptly disburse to the appropriate party or parties any trust funds within 7 business days of the consummation of the transaction for which the funds were deposited. If for any reason the transaction is not consummated, or if for any reason there is a disagreement involving to whom trust funds should be disbursed, the

qualifying broker shall not disburse any trust funds except pursuant to a written agreement entered after the transaction fails and signed by all parties or pursuant to a court order.

(6) Disbursement of security deposits held in trust under a lease agreement:

(a) Residential leases security deposits: Refer to Alabama Code Section 35-9A-201 Security Deposits; Prepaid Rent, and 35-9A-205 Limitation of Liability. Alabama Code~~Code of Ala. 1975, Section 35-9A-201 Security Deposits; Prepaid Rent, and 35-9A-205 Limitation of Liability. Code of Ala. 1975,~~ Sections 35-9A-201 and 35-9A-205 have priority and qualifying brokers shall comply with their instruction.

(b) Commercial leases security deposits:

1. Upon termination of the tenancy, money held for the landlord by a qualifying broker as security may be applied to the payment of accrued rent and the amount of damages that the landlord has suffered by reason of the tenant's noncompliance of the lease all as itemized by the qualifying broker in a written notice delivered to the tenant together with the amount due within 60 calendar days after termination of the tenancy and delivery of possession.

2. If the qualifying broker does not refund the entire deposit, the qualifying broker, within the 60-calendar-day period, shall provide the tenant an itemized list of amounts withheld.

3. Upon vacating the premises, the tenant may provide to the qualifying broker a valid forwarding address, in writing, to which the deposit or itemized accounting, or both, may be mailed. If the tenant fails to provide a valid forwarding address, the qualifying broker shall mail, by first class mail, the deposit or itemized accounting or both, to the tenant at the address of the property. Any deposit unclaimed by the tenant as well as any check outstanding shall be forfeited by the tenant after a period of 90 calendar days.

4. The qualifying broker's mailing, by first class mail, to the address provided in writing by the tenant, within 60 calendar days of the refund or itemized accounting, or both, is sufficient compliance with this chapter.

(c) Security deposits and trust funds subject to a management termination by a landlord or the qualifying broker: If a landlord and/or qualifying broker terminates a management agreement for leased properties, the qualifying broker shall provide an accounting of all security deposits, prepaid rents and other related escrows, and provide such accounting to the landlord or new manager of the property, within seven (7) business days of the management termination effective date, along with payment of funds. A qualifying broker, who is the manager of leased properties, whose leases include security deposits, is relieved of liability under the lease agreements

and this chapter as to events occurring after written notice to the tenant of the termination of management and name of the new management.

(d) Security deposits subject to a sale of the property: If a landlord conveys property subject to a rental agreement in a good faith sale to a bona fide purchaser, the qualifying broker shall provide an accounting of all security deposits, prepaid rents and other related escrows, and provide such accounting to the purchaser of the property, within seven (7) business days of the closing of the sale, along with ~~the~~ payment of funds, if such funds are not already transferred via sale closing documents. Upon the date of accounting and payment, the qualifying broker is relieved of trust funds liability under the rental agreement and this chapter as to events occurring after written notice to the tenant of the sale and name of the new management.

(7) This Rule shall not prohibit a broker from depositing with the appropriate court any trust funds which are the subject of disagreement among or between parties under the rules of interpleader or other lawful procedure.

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-8, 34-27-36(a).

**History:** Filed September 30, 1982. **Amended:** Filed November 21, 1983; August 15, 1985; August 15, 1988. **Amended:** Filed November 17, 1995 effective December 22, 1995. **Amended:** Filed January 25, 1996; effective February 29, 1996. **Amended:** Filed August 25, 2006; effective September 28, 2006. **Amended:** Filed November 4, 2016; effective December 19, 2016. **Amended:**  
Published ; effective .



790-X-3-.04

**Estimated Closing Statement.**

~~(1) The licensee who procures a written offer from a buyer in a single family residential transaction shall prepare and furnish to the buyer a complete estimated closing statement at the time the offer is signed by the purchaser. This statement must contain the licensee's best estimates of all costs the buyer is expected to have at closing and the approximate amounts of those costs. The buyer~~  
A licensee, in a single-family residential sales transaction, must furnish to his/her client, consumer, or customer a complete estimated closing statement each time the licensee presents a written offer or counteroffer to the client, consumer, or customer or each time the licensee prepares a written offer or counteroffer for the client, consumer, or customer. This statement shall contain the licensee's best estimates of all costs his/her client, consumer, or customer may have at closing and the approximate amount of those costs. The client, consumer, or customer must acknowledge receipt of the estimated closing statement by signature on the form.

~~(2) The licensee who presents a written offer to a seller in a single family residential transaction shall prepare and furnish to the seller a complete estimated closing statement at the time the offer is presented to the seller. This statement must contain the licensee's best estimates of all costs the seller is expected to have at closing and the approximate amounts of those costs. The seller must acknowledge receipt of the estimated closing statement by~~  
dated signature on the form.

~~(3)~~

(2) For purposes of records retention, it is sufficient that each licensee ~~retains~~retain in his or her qualifying broker's file the statements required of him or her under this rule. It is not necessary that cooperating brokers maintain both buyer's and seller's statements.

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala. 1975, §§34-27-8, 34-27-36(a)  
(22).

**History:** Filed September 30, 1982. **Amended:** Filed August 7, 1992. **Amended:** Filed November 4, 2016; effective December 19, 2016. **Amended:** Published ; effective .

**790-X-3-.16      Advertising.**

Code of Alabama, 1975 § 34-27-36(a)(15) requires a salesperson or associate broker to display the name of the qualifying broker or company "prominently" in any advertising promoting the salesperson or qualifying broker as a real estate agent. The word "prominently" as used in that statutory provision means use of a font size that is equal to or larger in size than any other text or logo in the advertisement and situated and sized for the purpose of gaining the attention of consumers viewing the advertising.

**Author:** Alabama Real Estate Commission

**Statutory Authority:** Code of Ala., 1975, §§

**History: New Rule:** Published \_\_\_\_\_; effective \_\_\_\_\_.