

Proposed New Alabama Real Estate Broker Licensing Process

Summary

A task force composed of licensees from different areas of Alabama and different areas of real estate discussed proposed changes to the current licensing process for brokers and recommended changes that will ensure new brokers are better prepared to use a real estate license and assist members of the public in buying and selling real estate.

Task Force Members

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Current Licensing Process

A potential broker licensee is required to:

- Be actively licensed for 24 of the previous 36 months to qualify for a broker license.
- Complete a 60-hour Broker Prelicense Course designed to prepare the license applicant for the license examination.
- Pass the license examination within six months of Broker Prelicense Course completion.
- Submit the proper license application for an Associate Broker or Qualifying Broker License within 90 days of passing the license examination.

Proposed Licensing Process

- Applicant must have been actively licensed for 24 of the previous 36 months to qualify for a broker license.
- Complete the 60-hour Broker Prelicense I course designed to prepare the license applicant for the license examination.
- Pass the license examination within six months of Broker Prelicense I Course completion.
- Complete the 45-hour Broker Prelicense II Course within six months of passing the license examination. This course teaches the applicant how to use the real estate license before actual issuance.
- Submit the proper application for an Associate Broker License within 90 days after completing the Broker Prelicense II Course.
- An Associate Broker cannot become a Qualifying Broker until actively licensed as an Associate Broker for two years.

The Alabama Real Estate Commission is proposing this licensing process change in an effort to have all real estate licensees better prepared to serve the public in real estate transactions. This will assist in the Commission's mission and vision of serving the public and ensuring excellence in the real estate profession.

Below is a detailed step-by-step explanation of the proposed changes in the licensing process:

Step 1: 60-Hour Broker Prelicense I Course

The current 60-hour Broker Prelicense Course is designed to prepare license applicants for the license examination. No changes need to be made to this course. Once completed, the applicant can schedule the license examination.

Step 2: License Examination

The current license examination provides license applicants with testing on general real estate practices as well as specific areas of Alabama Real Estate License Law. This examination is offered by a contracted examination provider offering psychometric experts in the science of measuring knowledge and application. No changes need to be made to the license examination. Once the applicant passes the license examination, the 45-Hour Broker Prelicense II Course must be taken.

Step 3: 45-Hour Broker Prelicense II Course

This new prelicense course will offer the same information that was taught in the previous 60-hour Broker Prelicense Course designed to prepare applicants for a simulation examination. This new outline will be finalized with the assistance of current real estate instructors. Once the Broker Prelicense II Course is completed and course credit has been submitted to the Commission, an applicant can apply for an Associate Broker License.

Step 4: Apply for the Associate Broker License

Once all course and examination requirements have been completed, the Salesperson can apply for the Associate Broker License. This application will require documentation demonstrating experience in real estate transactions. This license will need to be renewed every two-year license period and will require continuing education coursework completion to remain active.

Step 4: Qualifying Broker Requirements

An Associate Broker can apply for an active Qualifying Broker License after being actively licensed as an Associate Broker for two years. Qualifying Broker applicants must submit an application based on a point system. After approval of the application, applicants must attend a one-day training at the Commission office which will be delivered by Commission staff from the areas of Licensing, Legal, Education, and Communication & Public Relations (CPR). After completing this training, an applicant can be approved as a Qualifying Broker.

Inactive Licenses

Any license that remains on inactive status for a period exceeding three years, license activation will require completion of the 45-hour Broker Prelicense II course as opposed to 15 hours of continuing education courses.

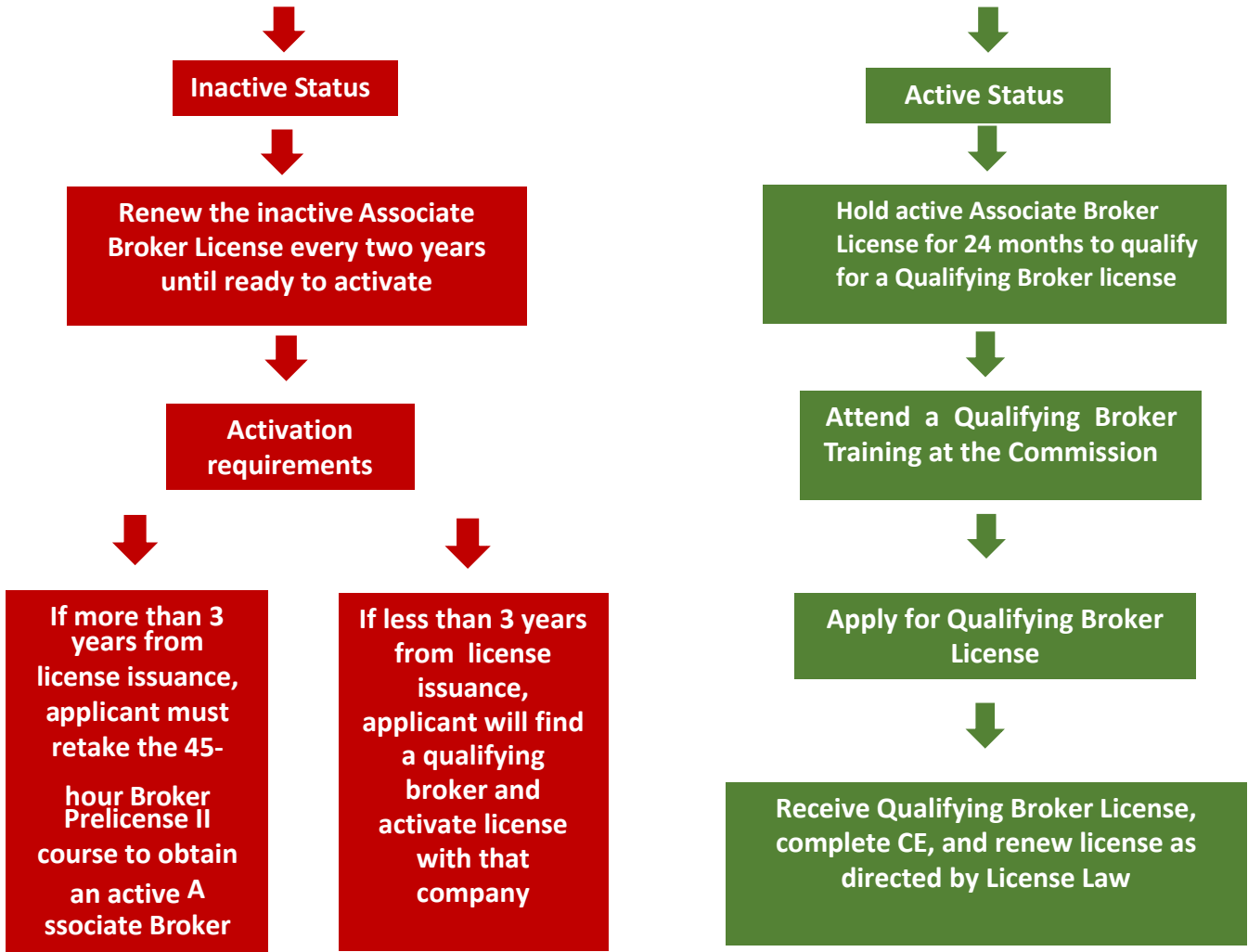
Appendix

- Proposed New Alabama Licensing Process
- QB Experience Report for Broker License

Alabama Real Estate Broker Licensing Process

1. Complete the 60-hour Broker Prelicense I course
2. Pass the state license examination
3. Complete the 45-hour Broker Prelicense II course

Submit application and receive an Associate Broker License



APPLICATION FOR A REAL ESTATE BROKER LICENSE
SUPPLEMENT A - QUALIFYING EXPERIENCE REPORT FOR A BROKER LICENSE

Applicant Name *(Enter name exactly as shown on your application)*

First Middle Last License Number

INSTRUCTIONS

You must accumulate at least _____ points to qualify for a broker's license based on experience as a real estate license holder. Applicant must have been actively licensed for 24 of the previous 36 months.

1. Only experience gained during the period beginning ___ years before the date the broker application is filed may be used for this report. You must have performed at least ___ transaction per year for at least ___ of the last _____ years.
2. Multiply the number of transactions performed by the point value indicated to arrive at the points earned for that transaction type.
3. Add the points earned for each transaction type to arrive at your total points for that category.
4. Enter the total figure on the Total Qualifying Points line. You should have at least ___ qualifying points.
5. You must file "Supplement B" to receive credit for experience claimed after the application is filed.
6. You must maintain documentation to support your claim for experience, which may include executed contracts, settlement statements, etc., that clearly demonstrate your active participation.
7. You must complete the entire experience report to document your qualifying experience including broker signature(s) and verification.

CATEGORY AND TRANSACTION TYPES	NUMBER OF TRANSACTIONS PER YEAR					=	TOTAL NUMBER OF TRANSACTIONS	X	POINTS EARNED PER TRANSACTION	=	TOTAL POINTS EARNED
	Year 1	Year 2	Year 3	Year 4	Year 5						
Category: Residential Single Family, Condo, Co-op Unit, Multi-family (1-to 4- unit), Apartment Unit Lease											
1. Closed Purchase or Sale – improved property	_____	_____	_____	_____	_____	=	_____	X	30	=	_____
2. Closed Purchase or Sale – unimproved residential lot	_____	_____	_____	_____	_____	=	_____	X	30	=	_____
3. Executed Lease – Landlord or Tenant – new	_____	_____	_____	_____	_____	=	_____	X	5	=	_____
4. Property Management – per property	_____	_____	_____	_____	_____	=	_____	X	2.5	=	_____
CATEGORY TOTAL											_____

CATEGORY AND TRANSACTION TYPES	NUMBER OF TRANSACTIONS PER YEAR					TOTAL NUMBER OF TRANSACTIONS	POINTS EARNED PER TRANSACTION	TOTAL POINTS EARNED
	Year 1	Year 2	Year 3	Year 4	Year 5			
Category: Commercial <i>Apartment (5+ units), Office, Retail, Industrial, Mixed Use, Hotel, Parking, Specialty, Other</i>								
5. Closed Purchase or Sale – improved property	___	___	___	___	___	=	___	X 50 = ___
6. Closed Purchase or Sale – unimproved commercial lot	___	___	___	___	___	=	___	X 50 = ___
7. Executed lease – Landlord or Tenant – new, renewal, or extension	___	___	___	___	___	=	___	X 10 = ___
8. Property Management – per property	___	___	___	___	___	=	___	X 15 = ___
							CATEGORY TOTAL	___
Category: Farm and Ranch, Unimproved Land <i>Farm and Ranch (with residence, improved, or unimproved) or Unimproved Land</i>								
9. Closed Purchase or Sale – improved property	___	___	___	___	___	=	___	X 30 = ___
10. Closed Purchase or Sale – unimproved property	___	___	___	___	___	=	___	X 30 = ___
11. Executed Lease – Landlord or Tenant – new	___	___	___	___	___	=	___	X 5 = ___
12. Property Management – per property	___	___	___	___	___	=	___	X 5 = ___
							CATEGORY TOTAL	___
Category: Brokerage Team Management, Delegated Supervision <i>Written delegation by broker required; or at least 1 agent supervised</i>								
13. Number of Months per Year as a Delegated Supervisor	___	___	___	___	___	=	___	X 12 = ___
							CATEGORY TOTAL	___
Total Number of Transactions Claimed Per Year					Total Transactions Claimed			
___ =					___			

Sum of Total Points Earned for Each Category = Total Qualifying Points on Supplement A

TRANSACTION IDENTIFICATION LIST

You must complete and attach a separate spreadsheet listing the following information for each transaction claimed in this experience report:

- Transaction Date
- Category
- Transaction Type
- Property Address or Description
- MLS Number *(if applicable)*
- Role in Transaction
 - Listing Agent
 - Buyer/Tenant Agent
 - Property Manager
 - Brokerage Manager/Supervisor

Salesperson Experience-I was actively engaged as a licensed real estate salesperson as indicated below:

Broker's Name, Address and Telephone Number	License Number	From MM/YYYY	To MM/YYYY

This information given on this application is subject to verification. In order to prevent any unnecessary return of your application, please provide us with information that will help us contact you by telephone or email if needed.

Business Number Home Number Alternate Number Email Address

CERTIFICATIONS

All claimed transactions are subject to verification. In order to claim experience points, the applicant must be able to provide documentation, such as an executed contract, settlement statements, etc., which clearly demonstrates the active participation of the applicant in each transaction. If the applicant is unable to provide documentation and/or obtain the sponsoring broker's signature, the applicant must attest to that using a separate verification, Affidavit in Lieu of Documentation and/or Signature, AREC Form. In addition, the applicant must submit two of the AREC forms entitled "Affidavit in Support of Applicants Claim of Experience", AREC Form, each signed by a different individual familiar with the applicant's circumstances.

Failure to provide satisfactory supporting documentation when requested may result in denial of the application and/or disciplinary action initiated against the applicant and broker.

We, the undersigned, jointly certify that the named applicant has accumulated a total of _____ points as indicated in the preceding qualifying experience report. We further certify that the information given above is true to the best of our knowledge and belief. We understand that any material misstatement made may result in the revocation or suspension of the license, if issued, as well as any existing license of the applicant and/or the broker.

 Applicant Signature/Date

 Broker Signature/Date

Additional Affirmations if Necessary: We, the undersigned, jointly certify that the named applicant has accumulated a total of _____ points as indicated in the preceding qualifying experience report. We further certify that the information given above is true to the best of our knowledge and belief. We understand that any material misstatement made may result in the revocation or suspension of the license, if issued, as well as any existing license of the applicant and/or the broker.

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 Applicant Signature/Date

 Broker Signature/Date

The information and certifications on this page must be supplied for each broker who sponsored the applicant during the periods being reported on the experience report.