



**Arizona Department of Real Estate (ADRE)
Enforcement & Compliance Division**

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FREQUENTLY ASKED QUESTIONS – Compliance Division

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ACCELERATED SETTLEMENT AGREEMENTS:

What is an Accelerated Settlement Agreement (“ASA”)?

An ASA is a short-form consent order used by the Department for minor violations resulting in less complicated compliance matters.

There is a continuing education requirement in my ASA, how do I comply?

The ASA will state how long you have to complete the accredited courses and submit proof of compliance to the Compliance Specialist. Department of Real Estate accredited courses may be located at <http://services.azre.gov/publicdatabase/SearchScheduledCourses.aspx>. Upon completion of the courses, you must email or mail the course certificate/s immediately to the Compliance Specialist .

All classes are in addition to continuing education courses you have taken or will take for license renewal pursuant to A.R.S. §32-2130.

There is a civil penalty in my ASA, how do I comply?

Civil penalties are due and payable in full at the time the ASA is signed and delivered to the Department. The Department does not accept partial payments.

The payment must be made by:

- Cashier’s check payable to Arizona Department of Real Estate;
- Money order payable to Arizona Department of Real Estate; or
- Credit card, issued in Respondent’s name, in person at the Department.

CONSENT ORDERS:

I was granted a 2-year provisional license, how do I comply?

A provisional license is usually granted under the supervision of a Practice Monitor, who is the Respondent’s Designated Broker. This authority cannot be delegated. The Designated Broker/Practice Monitor is subject to review and approval by the Department’s Compliance Specialist. Approval may be withdrawn at any time, in writing.

First, you must have your Designated Broker/Practice Monitor submit a signed statement (Form COM-302) to the Compliance Specialist that states:

- Their agreement to act as the practice monitor.
- They have received and read a copy of the consent order.
- They have not been party to prior disciplinary action by the Department.
- They are not a relative, business partner, or co-owner in any business enterprise with you. There can be no relationship with you that may create, or create the appearance of, a conflict of interest or bias.

Next, you are required to submit sworn declarations (quarterly or monthly) on Form COM-101:

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- Signed by you.
- Signed by your Employing/Designated Broker.
- Both signatures must be notarized.

*If your Designated Broker is not required to have his/her signature notarized, please use Form COM-102.

*If you are not required to have your signature notarized, please use Form COM-105.

For example, if you are subject to quarterly statements, the first statement would be due 90 days after entry of the consent order (Commissioner's signature). If the Order was entered October 15, 2016, the first Sworn Statement would be due January 15, 2016.

If your Designated Broker is no longer eligible to act as your Practice Monitor, or is no longer the Designated Broker for your Employing Broker, you are required to immediately notify the Compliance Specialist. Unless a new Practice Monitor can be approved, your employment is required to be terminated within seventy-two (72) hours after the loss of the Practice Monitor.

I am under a 2-year provisional license; can I change employers during this time?

You are not required to stay with the same Brokerage for the entire 2-year period. If you sever employment with your Designated/Employing Broker/Practice Monitor, you must let the Compliance Specialist know, in writing, immediately.

Anytime you are hired, you must immediately inform the Compliance Specialist. Your Designated Broker/Practice Monitor must submit a signed statement (Form COM-302) to the Compliance Specialist that states:

- Agree to act as your practice monitor.
- They have received and read a copy of the consent order.
- They have not been party to prior disciplinary action by the Department.
- They are not your relative, business partner, or co-owner in any business enterprise with you.

If an Order was entered (signed by the Commissioner) on October 15, 2016, and your license is active with a brokerage, the Practice Monitor Statement would be due 10 days after entry of the consent order, or on October 25, 2016. If you hire at another brokerage, your new Practice Monitor Statement is due 10 days after your hire date.

I am under a 2-year provisional license, what if I change my license status to inactive?

Only periods of active licensure count towards the 2-year period, therefore, any periods of inactive status will lengthen the time of your provisional license. To change your license to inactive status, you must submit a complete Salesperson/Associate Broker Change Form LI-202 (http://www.azre.gov/Lic/Forms/Form_LI-202_Salesperson_Associate_Broker_Change.pdf) to the Compliance Specialist. You may remain in inactive status indefinitely as long as you maintain your renewal hours and continue to renew your license.

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I'm a Designated Broker who has agreed to act as Practice Monitor, what am I required to do?

Anytime you hire a licensee under a provisional license, you must submit a signed statement (Form COM-302) to the Compliance Specialist that states:

- Agreement to act as the practice monitor.
- You have received and read a copy of the consent order.
- You have not been party to prior disciplinary action by the Department.
- You are not a relative, business partner, or co-owner in any business enterprise with the licensee. There can be no relationship with the licensee that may create, or create the appearance of, a conflict of interest or bias.

You as the Designated Broker/Practice Monitor must complete and sign sworn declarations (quarterly or monthly) on Form COM-101. The Respondent must also sign the form. Both signatures must be notarized.

If you become aware of any behavior of conduct in which Respondent has engaged that violated real estate statutes or rules, you must immediately submit a written report to the Compliance Specialist.

If you are no longer eligible to act as Practice Monitor, or you are no longer the Designated Broker for the Employing Broker, you and the Respondent are required to immediately notify the Compliance Specialist. Unless a new Practice Monitor can be approved, Respondent's employment is required to be terminated within seventy-two (72) hours after the loss of the Practice Monitor.

I was granted a 2-year provisional designated broker's license, how do I comply?

A provisional license granted to you as the Designated Broker requires you to submit to the Compliance Specialist:

- Sworn declarations (quarterly or monthly) on Form COM-104:
 - Signed by you.
 - Your signature must be notarized.
- Comply with other terms as specified in your consent order.

If you are subject to quarterly statements, the first statement would be due 90 days after entry of the consent order (Commissioner's signature). If the Order were entered October 15, 2016, the first Sworn Statement would be due January 15, 2016.

I was ordered to complete continuing education, how do I comply?

You must submit to the Compliance Specialist, in writing, Form COM-301 within thirty (30) days after entry of the consent order (Commissioner's signature). You must report:

- School name,
- School location, and
- Course name.

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All classes are subject to approval of the Compliance Specialist. Most often, there is a provision in the consent order that will stipulate the subject area from which the courses must be chosen.

Form COM-301 and approval by the Compliance Specialist is due 30 days after entry of the Order (Commissioner's signature). So, if the entry date is October 15, 2016, the form and approval are due on November 15, 2016.

After completion of the course, you must submit copies of the certificates showing completion to the Compliance Specialist within the amount of time stated in your consent order.

Proof of completion of the Continuing Education is due to the Compliance Specialist depending on what is stated in the consent order; 60, 90, or even 120 days after entry of the Order.

All classes are in addition to continuing education courses Respondent has taken or will take for license renewal pursuant to A.R.S. §32-2130.

I was ordered to attend counseling, how do I comply?

You must submit proof of attendance to counseling (as prescribed in your consent order) by submitting Form COM-200 every month. Form COM-200 must be:

- Signed by you.
- Signed by your support group leader or counselor.

I was ordered to complete trust account reconciliations, how do I comply?

Please see the [Trust Account Reconciliation Instructions](#). (This to be linked).

I was ordered to get a surety bond, how do I comply?

Upon approval of the consent order, the Compliance Specialist will provide you with a form that must be filled out by the bond company for the person listed in the consent order (Respondent) and the original must be submitted to the Compliance Specialist within 10 days of the entry of the order (Commissioner's signature) if your license is active. If your license is inactive, the bond would be required upon activation of your license.

If your entity changes its Designated Broker during the term of the consent order, the new Designated Broker must obtain a new surety bond and submit it within ten (10) days to the Compliance Specialist.

The time period that you must keep the bond is for 2 years of active licensure. If your license status changes to inactive during the 2 year period, the time period will be put on hold until your license is activated.

You may contact the State of Arizona Department of Insurance by calling the Market Assistance

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Program at (602) 364-2496 or (800) 325-2548 for surety bond company options.

I was ordered to pay a civil penalty, how do I comply?

Civil penalties are due and payable in full at the time the consent order is signed and delivered to the Department. The Department does not accept partial payments.

The payment must be made by:

- Cashier's check payable to Arizona Department of Real Estate;
- Money order payable to Arizona Department of Real Estate; or
- Credit card, issued in your name, in person at the Department.

My consent order states that my civil penalty is "jointly and severally liable." What does that mean?

This means that it applies to all Respondents named in a consent order. Any Respondent named in the consent order may pay the civil penalty.

Why does my consent order state the disposition of my Fingerprint Clearance Card?

It is your responsibility to adhere to any driving restrictions that may be on your Fingerprint Clearance Card.

LICENSING QUESTIONS:

How do I become an active licensee?

To become an active licensee complete the form LI-202

(<http://www.azre.gov/Lic/Forms/Form LI-202 Salesperson Associate Broker Change.pdf>).

Ensure the hire form has the original signatures from you and the Designated Broker. Next, fill out Form COM-302 and submit the packet to the Compliance Specialist. Please ensure that all applicable information is provided on the forms. If complete, and you are in compliance with the Order, the package will be forwarded to Licensing for processing.

I received an ASA and I have to renew my license, can I do it online?

Yes, you may renew online; however, you must mark "yes" to number 3 on Form LI-214/244 (Disciplinary Actions Disclosure), asking, "Had any action issued by the ADRE which resulted in an Accelerated Settlement Agreement (ASA)?"

I received an ASA and I would like to apply for my Broker's license, can I do it online?

No, you must file a paper application. A Broker's application is treated as a new application, and you must make all the necessary disclosures again. Forms can be found on the Department's website at: <http://www.azre.gov/Lic/LicForms.aspx> under "BROKER ORIGINAL LICENSING."

If you have questions, you may make an appointment to review your application with the Compliance Specialist. It is recommended that you fill out as much as possible and make sure you have all of your documentation ready before that appointment.

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I am under a consent order, and I'm trying to renew my license, why can't I renew online?

Your first renewal application after entry into a consent order must be done in paper copy form. Renewal forms can be found at: <http://www.azre.gov/Lic/LicForms.aspx> under "RENEWAL OF LICENSE."

If you have questions, you may make an appointment to review your application with the Compliance Specialist. It is recommended that you fill out as much as possible and make sure you have all of your documentation ready before that appointment.

I am under a consent order and I would like to apply for my Broker's License, can I do it online?

No, you must file a paper application. A Broker's application is treated as a new application, and you must make all the necessary disclosures again. Forms can be found on the Department's website at: <http://www.azre.gov/Lic/LicForms.aspx> under "BROKER ORIGINAL LICENSING."

If you have questions, you may make an appointment to review your application with the Compliance Specialist. It is recommended that you fill out as much as possible and make sure you have all of your documentation ready before that appointment.

There is an error on my Department log-in page, how do I correct it?

You are responsible for all of the information on your Department web page. You should always monitor your information (license status, renewal date, addresses, phone number, email, etc.) to make sure it is correct. Specific errors may be directed to the Compliance Specialist by email.

GENERAL QUESTIONS:

Will my ASA or Consent Order always be available on the Department's website?

Yes. Disciplinary actions stay attached to your license file.

My consent order is for a time period of 2 years, can the time be shortened with "good behavior?"

No. The Department does not shorten the time frame. You are expected to comply with all the terms of the Order for the entire length of time.

I have documents to turn into the Department, how can I do so?

You may submit documents by email, USB drive, cd, mail, or in person; however, please note that some documentation requires that the original be submitted. If emailing proof of compliance, ensure that the documents are clearly labeled and well organized. If mailing, the correspondence will be addressed to:

ADRE

Attn: COMPLIANCE SPECIALIST

100 North 15th Avenue, Suite 201

Phoenix, Arizona 85007

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If you would like to submit the documents in person, you must make an appointment to meet with the Compliance Specialist. Please only drop off documents at the front desk if instructed to do so by the Compliance Specialist .

If you would like to retain a copy of any documentation that you are submitting, please make copies before you turn them into the Compliance Specialist .

I have a question about a compliance issue, how do I contact the Compliance Specialist ?

If you need to speak with the Compliance Specialist in person, you must make an appointment. The Compliance Specialist does not take walk-ins.

Until all terms of compliance have been met, and your case is closed (you will receive a letter), direct all inquiries to the Compliance Specialist .

You may call the Compliance Specialist at 602-771-7783 or send a message through the Message Center using the subject "Compliance Submissions."