

Short Title: Broker Management Clinic Course/Instructor Requirements

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Description of Practice/Procedure:

The Arizona Department of Real Estate (Department) presents the following clarification of the requirements for Broker Management Clinic (BMC) classes and instructors under the Department’s original jurisdiction and as provided by amendments adopted by the 2012 Legislature. This legislation provides that on and after January 1, 2013, each real estate Designated Broker (DB) and Delegated Associate Broker (DAB) with duties authorized in writing pursuant to A.R.S. § 32-2151.01(G) to act on the designated broker’s behalf to review and initial contracts or similar instruments, shall complete a BMC consisting of nine (9) credit hours (three (3) courses of three (3) hours each). This brings the total renewal credit hours required for these licensees to 30 per 24-month license period.

BMC COURSE STANDARDS AND GUIDELINES

The BMC shall be presented in three (3) different three (3) hour classes and may be delivered in either live classroom or distance learning format. Each class shall be approved for three (3) hours of continuing education credit in Commissioner’s Standards and may include/emphasize a specific real estate discipline (specialty) as described below under BMC Specialty Option that includes the distinct Specialty Name in the course title. To meet statutory requirements these three (3) classes shall be designed as follows:

BMC #1- Statutes and Rules (Specialty Name)

This class shall include the following topic areas:

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|-----------------------------|---------------------------|----------------------------------|
| Record keeping requirements | Contracts | Department Audits |
| Trust fund accounts | Fiduciary duties | Other related statutes and rules |
| Advertising and promotions | Material disclosures | |
| Employment agreements | Department Investigations | |

BMC #2 – Broker Policies (Specialty Name)

This class shall include the following topic areas:

- Broker Policy Development
- Related Topics, including a minimum of one of the following three areas:

Establishment of broker policies (A.A.C. R4-28-1103)	Practical application enforcing policies
Emphasis on those policies which ADRE has identified as common complaints/ violations to avoid	

BMC #3 – Supervision (Specialty Name)

This class shall include the following topic areas:

- | | |
|------------------------|---|
| Broker supervision | Broker responsibilities/legal obligations |
| Broker risk management | Other related topics |

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BMC Specialty Option

A BMC course may include/emphasize a specific real estate discipline, or disciplines, such as:

Residential resale	Business brokerage
Property management	Timeshares
Commercial real estate	Other specific real estate issues
New home sales	

The Department will accept BMC course applications beginning August 1, 2012, to ensure the availability of courses prior to the January 1, 2013 implementation date. **Current BMC courses approved prior to August 1, 2012, will terminate January 1, 2013.**

BMC COURSE INSTRUCTOR QUALIFICATIONS

A BMC course instructor applicant, original or renewal, may apply to be an instructor in any or all of the classes that make up the Broker Management Clinic per Real Estate Instructor Approval/Renewal/Change Application (Form ED-101). Current/existing BMC course instructors must apply to instruct any or all of the new BMC classes, their existing certification will terminate January 1, 2013. The applicant shall:

- a) Possess the appropriate subject area experience/expertise in the content areas required to be included in the specific BMC class(es).
- b) A current licensed Arizona Real Estate Broker for three (3) of the immediately preceding five (5) years.
- c) Have satisfactorily completed six separate 3-hour BMC courses (2 each of BMC #1, #2, and #3) within the immediately preceding 48 months, or a 9-hour BMC instructor Development Workshop (IDW) within the immediately preceding 24 months. (An instructor application submitted prior to March 1, 2013 may petition the Commissioner to accept evidence of equivalent education if a 9-hour BMC IDW or six (6) 3-hour BMCs were not available.)

REAL ESTATE BROKER LICENSING/RENEWAL REQUIREMENTS

Original broker license applicants who have not completed the licensing process prior to January 1, 2013, shall take the nine (9) hour BMC course prior to becoming licensed brokers pursuant to A.R.S. § 32-2136(C).

Associate Brokers (AB) without the authority pursuant to A.R.S. § 32-2151.01(G) are not required to complete a BMC course to meet the renewal requirements.

Designated Brokers subject to this legislation who complete the current BMC continuing education requirements prior to January 1, 2013, are exempt pursuant to A.A.C. R4-28-402 (A) (9) and may renew their license without meeting the new BMC course requirements.

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DABs subject to this legislation who complete their current continuing education requirements prior to January 1, 2013, are exempt pursuant to A.A.C. R4-28-402 (A) (9) and may renew their license without meeting the new BMC course requirements.

Designated Brokers subject to this legislation who do not complete the current continuing education requirements by January 1, 2013, must complete a nine (9) hour BMC course.

DABs subject to this legislation who do not complete the current continuing education requirements by January 1, 2013, must complete a nine (9) hour BMC course.

An AB applying to become a DB on or after January 1, 2013, shall have completed a nine (9) hour BMC course within the past 23 months.

An AB shall have completed a nine (9) hour BMC course within the past 23 months before acting under the delegated authority pursuant to A.R.S. § 32-2151.01(G) on or after January 1, 2013.

Real Estate Salespersons and ABs who are delegated the authority to act as a temporary broker during a designated broker's temporary absence pursuant to A.R.S. § 32-2127(D) are not required to complete a BMC course to meet the requirements of A.R.S. § 32-2136.

Licensees may take the three BMC classes in any order, and from any combination of approved schools within any discipline, however all three classes must be completed for the current license period.

Authority: A.R.S. § 32-2102 provides that the Department of Real Estate, under the direction of the Real Estate Commissioner, shall administer Title 32, Chapter 20. A.R.S. § 32-2130 specifies the educational requirements for license renewal. A.R.S. § 32-2136 specifies the content of Broker Management Clinics. Arizona Administrative Code R4-28-402(A)(9) specifies the requirements for course completion.

Policy Program: Education

Effective Date: August 1, 2012