

4 MCAR 1

9-14-82

1 Department of Commerce  
 2 Commissioner of Securities and Real Estate  
 3  
 4 Adoption, Amendment and Repeal of Rules and Forms of the State  
 5 Securities and Real Estate Division Governing Real Estate  
 6 Brokers and Salespersons  
 7  
 8 Rules as Adopted

9 4 MCAR S 1.41500 Definitions.

10 A. Applicability. For the purposes of 4 MCAR SS  
 11 1.41501-1.41552, the terms defined in this rule have the  
 12 meanings given them.

13 B. Commissioner. "Commissioner" means the Commissioner of  
 14 Securities and Real Estate.

15 C. Licensee. "Licensee" means a person duly licensed under  
 16 Minn. Stat. ch. 82.

17 D. Loan broker. "Loan broker" means a licensed real estate  
 18 broker or salesperson who for another and for a commission, fee,  
 19 or other valuable consideration or with the intention or  
 20 expectation of receiving the same (1) directly or indirectly  
 21 negotiates or offers or attempts to negotiate a loan secured or  
 22 to be secured by a mortgage or other encumbrance on real estate  
 23 or (2) represents himself or herself or otherwise holds himself  
 24 or herself out as a licensed real estate broker or salesperson  
 25 (a) in connection with any transaction in which he or she  
 26 directly or indirectly negotiates or offers or attempts to  
 27 negotiate a loan or (b) in connection with the conduct of his or  
 28 her ordinary business activities as a loan broker.

29 "Loan broker" does not include a licensed real estate  
 30 broker or salesperson who, in the course of representing a  
 31 purchaser or seller of real estate, incidentally assists the  
 32 purchaser or seller in obtaining financing for the real property  
 33 in question if the licensee does not receive a separate  
 34 commission, fee, or other valuable consideration for this  
 35 service.

36 E. Primary broker. "Primary broker" means the broker on

1 whose behalf salespersons are licensed to act pursuant to Minn.  
 2 Stat. S 82.20, subd. 6. In the case of a corporation licensed  
 3 as a broker, "primary broker" means each officer of the  
 4 corporation who is individually licensed to act as a broker for  
 5 the corporation. In the case of a partnership, "primary broker"  
 6 means each partner licensed to act as a broker for the  
 7 partnership.

8 ~~F.~~ <sup>E.</sup> Overpayment. "Overpayment" means any payment of  
 9 moneys in excess of a statutory fee or for a license for which a  
 10 person does not qualify.

11 ~~G.~~ <sup>F.</sup> Override clause. "Override clause" means a provision  
 12 in a listing agreement or similar instrument allowing the broker  
 13 to receive a commission when the property is sold after the  
 14 listing agreement has expired to persons with whom a broker or  
 15 salesperson had negotiated or exhibited the property prior to  
 16 the expiration of the listing agreement.

17 ~~H.~~ <sup>G.</sup> Person. "Person" means a natural person, firm,  
 18 institution, partnership, corporation, or association.

19 ~~H.~~ <sup>H.</sup> Primary broker. "Primary broker" means the broker on  
 20 whose behalf salespersons are licensed to act pursuant to '  
 21 Minnesota Statutes, ' section 82.20, subdivision 6. In the case  
 22 of a corporation licensed as a broker, "primary broker" means  
 23 each officer of the corporation who is individually licensed to  
 24 act as a broker for the corporation. In the case of a  
 25 partnership, "primary broker" means each partner licensed to  
 26 act as a broker for the partnership.

27 ~~I.~~ <sup>I.</sup> Property. "Property" means real property or other  
 28 property within the scope of Minn. Stat. ch. 82, unless the  
 29 context clearly indicates otherwise.

30 ~~J.~~ <sup>J.</sup> Protective list. "Protective list" means the written  
 31 list of names and addresses of prospective purchasers with whom  
 32 a licensee has negotiated the sale or rental of the property or  
 33 to whom a licensee has exhibited the property prior to the  
 34 expiration of the listing agreement. For the purposes of this  
 35 paragraph "property" means the property which is the subject of  
 36 the listing agreement in question.

1 K. Rental service. "Rental service" means a person who  
2 gathers and catalogs information concerning apartments or other  
3 units of real estate available for rent, and who, for a fee,  
4 provides information intended to meet the individual needs of  
5 specifically identified lessors or prospective lessees. This  
6 term shall not apply to newspapers or other periodicals with a  
7 general circulation or individual listing contracts between an  
8 owner or lessor of property and a licensee.

9 L. School. "School" means a person offering or providing  
10 real estate education.

11 4 MCAR S 1.41501 Payment of fees.

12 A. Cash not accepted. All fees shall be paid by check,  
13 draft, or other negotiable or non-negotiable instrument or order  
14 of withdrawal which is drawn against funds held by a financial  
15 institution. Cash will not be accepted.

16 B. Overpayment of fees. An overpayment of a fee paid  
17 pursuant to Minn. Stat. ch. 82 shall be refunded within a  
18 reasonable time after a letter requesting the refund is received  
19 by the commissioner and signed by the person making the  
20 overpayment.

21 Refunds shall not be given for other than overpayment of  
22 fees. A request for a refund of an overpayment must be received  
23 by the commissioner within ~~three~~ six months of the date of  
24 deposit or it will be forfeited.

25 4 MCAR S 1.41502 Passing grade. A passing grade for a  
26 salesperson's and broker's examination shall be a score of 75  
27 percent or higher on the uniform portion and a score of 75  
28 percent or higher on the state portion of the examination.

29 The commissioner shall not accept the scores of a person  
30 who has cheated on an examination. Cheating on a real estate  
31 examination shall be grounds for denying an application for a  
32 broker's or salesperson's license.

33 4 MCAR S 1.41503 License.

34 A. Application for broker's license. After successful  
35 completion of the real estate broker's examination, an

1 individual shall have one year from the date of the examination  
 2 to apply for a broker's license, unless the individual is a  
 3 salesperson who remains continuously active in the real estate  
 4 field as a licensee. Failure to apply for the broker's license  
 5 or to remain continuously active in the real estate field will  
 6 necessitate a reexamination.

7 An individual who holds a broker's license in his or her  
 8 own name or for or on behalf of a corporation or partnership  
 9 shall be issued an additional broker's license only upon  
 10 demonstrating: (1) that the additional license is necessary in  
 11 order to serve a legitimate business purpose; (2) that he or she  
 12 will be capable of supervising all salespersons over whom he or  
 13 she will have supervisory responsibility or, in the alternative,  
 14 that he or she will have no supervisory responsibilities under  
 15 the additional license; and (3) that he or she has a substantial  
 16 ownership interest in each corporation or partnership for or on  
 17 whose behalf he or she holds or will hold a broker's license.

18 The requirement of a substantial ownership interest shall  
 19 not apply where the broker seeking the additional license or  
 20 licenses is an officer of a corporation for or on whose behalf  
 21 he or she already holds a license and he or she is applying for  
 22 the additional license or licenses for or on behalf of an  
 23 affiliated corporation or corporations of which he or she is  
 24 also an officer. For the purpose of this rule "affiliated  
 25 corporation" means a corporation which is directly or indirectly  
 26 controlled by the same "persons" as the corporation for or on  
 27 whose behalf he or she is already licensed to act.

28 For the purposes of this rule a legitimate business purpose  
 29 includes engaging in a different and specialized area of real  
 30 estate or maintaining an existing business name.

31 B. Cancellation of a salesperson's or broker's license. A  
 32 salesperson's or broker's license which has been cancelled for  
 33 failure of a licensee to complete post-licensing education  
 34 requirements must be returned to the commissioner by the  
 35 licensee's broker within ten days of receipt of notice of  
 36 cancellation. The license shall be reinstated without

1 reexamination by completing the required instruction, filing an  
2 application, and paying the fee for a salesperson's or broker's  
3 license within one year of the cancellation date.

4 C. Waivers. The commissioner may waive the real estate  
5 licensing experience requirement for the broker's examination.

6 1. An applicant for a waiver shall provide evidence of:

7 a. Successful completion of a minimum of 90 quarter  
8 credits or 270 classroom hours of real estate-related studies;

9 b. A minimum of five consecutive years of practical  
10 experience in real estate-related areas; or

11 c. Successful completion of 30 credits or 90 classroom  
12 hours and three consecutive years of practical experience in  
13 real estate-related areas.

14 2. A request for a waiver shall be submitted to the  
15 commissioner in writing and be accompanied by documents  
16 necessary to evidence qualification as set forth in 1.

17 3. The waiver will lapse if the applicant fails to  
18 successfully complete the broker's examination within one year  
19 from the date of the granting of the waiver.

20 4 MCAR S 1.41505 Trust funds.

21 A. Listing broker. Unless otherwise agreed upon in writing  
22 by the parties to a transaction, the broker with whom trust  
23 funds are to be deposited in satisfaction of Minn. Stat. S  
24 82.24, subd. 1 shall be the listing broker.

25 B. Maintenance. Trust funds shall be maintained in a trust  
26 account until disbursement is made in accordance with the terms  
27 of the applicable agreements and proper accounting is made to  
28 the parties entitled to an accounting.

29 Disbursement shall be made within a reasonable time  
30 following the consummation or termination of a transaction if  
31 the applicable agreements are silent as to the time of  
32 disbursement.

33 C. Consent to place in special account. Trust funds may be  
34 placed by the broker in a special account, which may be an  
35 interest-bearing account or certificate of deposit if the buyer  
36 and the seller consent in writing to the special account and to

1 the disposition of the trust funds, including any interest  
2 thereon.

3 D. Licensee as principal. Funds which would constitute  
4 trust funds if received by a licensee acting as an agent must,  
5 if received by a licensee acting as principal, be placed in a  
6 trust account unless a written agreement signed by all parties  
7 to the transaction specifies a different disposition of the  
8 funds. The written agreement shall state that the funds would  
9 otherwise be placed in a real estate trust account.

10 4 MCAR S 1.41514 Loan brokers; standards of conduct. Loan  
11 brokers shall comply with the requirements of A.-F.

12 A. Contract provisions. A loan broker shall enter into a  
13 written contract with each customer and shall provide a copy of  
14 the written contract to each customer at or before the time of  
15 receipt of any fee or valuable consideration paid for loan  
16 brokerage services. The written contract shall:

17 1. Identify the escrow account into which the fees or  
18 consideration will be deposited;

19 2. Set forth the circumstances under which the loan  
20 broker will be entitled to disbursement from the escrow account;

21 3. Set forth the circumstances under which the customer  
22 will be entitled to a refund of all or part of the fee;

23 4. Specifically describe the services to be provided by  
24 the loan broker and the dates by which the services will be  
25 performed;

26 5. State the maximum rate of interest to be charged on  
27 any loan obtained;

28 6. Contain a statement which notifies the customer of his  
29 or her rights to cancel the contract pursuant to B.;

30 7. Disclose, with respect to the 12-month period ending  
31 ten business days prior to the date of the contract in question,  
32 the percentage of the loan broker's customers for whom loans  
33 have actually been funded as a result of the loan broker's  
34 services. This disclosure need not be made for any period prior  
35 to the effective date of this rule; and

36 8. Disclose the cancellation rights and procedures set

1 forth in B.

2 B. Cancellation. Any customer of a loan broker who pays a  
3 fee prior to the time a loan is actually funded shall have an  
4 unconditional right to rescind the contract for loan brokerage  
5 services at any time until midnight of the third business day  
6 after the day on which the contract is signed. Cancellation is  
7 evidenced by the customer giving written notice of cancellation  
8 to the loan broker at the address stated in the contract.  
9 Notice of cancellation, if given by mail, is effective upon  
10 deposit in a mailbox properly addressed to the loan broker with  
11 postage prepaid. Notice of cancellation need not take a  
12 particular form and is sufficient if it indicates by any form of  
13 written expression the intention of the customer not to be bound  
14 by the contract. No act of a customer of a loan broker shall be  
15 effective to waive the right to rescind as provided in this  
16 paragraph.

17 C. Escrow account. The loan broker shall deposit in an  
18 escrow account within 48 hours all fees received prior to the  
19 time a loan is actually funded. The escrow account shall be in  
20 a bank located within the State of Minnesota and shall be  
21 controlled by an unaffiliated accountant, lawyer, or bank  
22 officer or employee.

23 D. Records. The loan broker shall maintain a separate  
24 record of all fees received for services performed or to be  
25 performed as a loan broker. Each record shall set forth the  
26 date funds are received; the person from whom the funds are  
27 received; the amount received; the date of deposit in the escrow  
28 account; the account number; the date the funds are disbursed  
29 and the check number of the disbursement; and a description of  
30 each disbursement and the justification for the disbursement.

31 E. Monthly statement. The loan broker shall provide to each  
32 customer at least monthly a detailed written accounting of all  
33 disbursements of the customer's funds from the trust account.

34 F. Disclosure of lenders. The loan broker shall provide to  
35 each customer at the expiration of the contract a list of the  
36 lenders or loan sources to whom loan applications were submitted

1 on behalf of the customer.

2 4 MCAR S 1.41515 Standards of conduct. The methods, acts, or  
3 practices set forth in 4 MCAR SS 1.41516-1.41526 are standards  
4 of conduct governing the activities of real estate brokers and  
5 salespersons under Minn. Stat. ch. 82. Failure to comply with  
6 these standards shall constitute grounds for license denial,  
7 suspension, or revocation or for censure of the licensee.

8 4 MCAR S 1.41516 Responsibilities of brokers.

9 A. Supervision of personnel. Brokers shall adequately  
10 supervise the activities of their salespersons and employees.  
11 Supervision includes the on-going monitoring of listing  
12 agreements, purchase agreements, other real estate-related  
13 documents which are prepared or drafted by the broker's  
14 salespersons or employees or which are otherwise received by the  
15 broker's office, and the review of all trust account books and  
16 records. If an individual broker maintains more than one place  
17 of business, each place of business shall be under the broker's  
18 direction and supervision. If a partnership or corporate broker  
19 maintains more than one place of business, each place of  
20 business shall be under the direction and supervision of an  
21 individual broker licensed to act on behalf of the partnership  
22 or corporation.

23 The primary broker shall maintain records specifying the  
24 name of each broker responsible for the direction and  
25 supervision of each place of business. If an individual broker,  
26 who may be the primary broker, is responsible for supervising  
27 more than one place of business, the primary broker shall, upon  
28 written request of the commissioner, file a written statement  
29 specifying the procedures which have been established to assure  
30 that all salespersons and employees are adequately supervised.  
31 Designation of another broker to supervise a place of business  
32 does not relieve the primary broker of the ultimate  
33 responsibility for the actions of licensees.

34 B. Preparation and safekeeping of documents. Brokers shall  
35 be responsible for the preparation, custody, safety, and



1 accuracy of all real estate contracts, documents and records,  
2 even though another person may be assigned these duties by the  
3 broker.

4 C. Documentation and resolution of complaints. Brokers  
5 shall investigate and attempt to resolve complaints made  
6 regarding the practices of any individual licensed to them and  
7 shall maintain, with respect to each individual licensed to  
8 them, a complaint file containing all material relating to any  
9 complaints received in writing for a period of three years.

10 D. Disclosure of listed property information. No broker  
11 shall allow any unlicensed person to disclose any information  
12 regarding a listed property except to state the address of the  
13 property and whether it is available for sale or lease.

14 4 MCAR S 1.41517 Temporary broker's permit. In the event of  
15 death or incapacity of a broker, the commissioner may issue a  
16 45-day temporary permit to an individual who has had a minimum  
17 of two years actual experience as a licensed real estate  
18 salesperson and who is otherwise reasonably qualified to act as  
19 a broker. Upon application prior to its expiration, the 45-day  
20 temporary permit shall be renewed once by the commissioner if  
21 the applicant demonstrates that he or she has made a good faith  
22 effort to obtain a broker's license within the preceding 45 days  
23 and an extension of time will not harm the public interest.

24 Only those salespersons licensed to the deceased or  
25 incapacitated broker at the time of death or incapacity may  
26 conduct business for or on behalf of the person to whom the  
27 temporary broker's license was issued.

28 4 MCAR S 1.41518 Licensee as agent of broker; disclosure. A  
29 salesperson shall only conduct business under the licensed name  
30 of and on behalf of the broker to whom he or she is licensed.  
31 An individual broker shall only conduct business under his or  
32 her licensed name. A broker licensed to a corporation or  
33 partnership shall only conduct business under the licensed  
34 corporate or partnership name. A licensee shall affirmatively  
35 disclose prior to the negotiation or consummation of any

1 transaction the licensed name of the broker under whom he or she  
2 is authorized to conduct business in accordance with this rule.

3 4 MCAR S 1.41519 Listing agreements.

4 A. Requirement. Licensees shall obtain a signed listing  
5 agreement, or other written authorization, from the owner of  
6 real property or from another person authorized to offer the  
7 property for sale or lease prior to advertising to the general  
8 public that the real property is available for sale or lease.

9 For the purposes of this rule "advertising" shall include  
10 placing a sign on the owner's property which indicates that the  
11 property is being offered for sale or lease.

12 B. Contents. All listing agreements shall be in writing and  
13 shall include:

- 14 1. A definite expiration date;
- 15 2. A description of the real property involved;
- 16 3. The list price and any terms required by the seller;
- 17 4. The amount of any compensation or commission or the  
18 basis for computing the commission;
- 19 5. A clear statement explaining the events or conditions  
20 which will entitle a broker to a commission;
- 21 6. Information regarding an override clause, if  
22 applicable, including a statement to the effect that the  
23 override clause will not be effective unless the licensee  
24 supplies the seller with a protective list within 72 hours after  
25 the expiration of the listing agreement; and
- 26 7. The following notice in not less than ten point  
27 boldface type immediately preceding any provision of the listing  
28 agreement relating to compensation of the licensee:

29 "NOTICE: THE AMOUNT OR RATE OF REAL ESTATE COMMISSIONS OR  
30 FEES IS NOT FIXED BY LAW AND MAY NOT LEGALLY BE FIXED BY MEANS  
31 OF AN AGREEMENT BETWEEN OR AMONG COMPETING REAL ESTATE FIRMS AND  
32 COMPANIES THE COMMISSION RATE FOR THE SALE, LEASE, RENTAL, OR  
33 MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH  
34 INDIVIDUAL BROKER AND ITS CLIENT."  
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35 C. Prohibited provisions. Licensees shall not include in a  
36 listing agreement a holdover clause, automatic extension, or any

1 similar provision, or an override clause the length of which is  
2 more than six months after the expiration of the listing  
3 agreement.

4 D. Override clauses. Licensees shall not seek to enforce an  
5 override clause unless a protective list has been furnished to  
6 the seller within 72 hours after the expiration of the listing  
7 agreement.

8 E. Protective lists. A broker or salesperson has the burden  
9 of demonstrating that each person on the protective list has,  
10 during the period of the listing agreement, either made an  
11 affirmative showing of interest in the property by responding to  
12 an advertisement or by contacting the broker or salesperson  
13 involved or has been physically shown the property by the broker  
14 or salesperson. For the purpose of this rule the mere mailing  
15 or other distribution by a licensee of literature setting forth  
16 information about the property in question does not, of itself,  
17 constitute an affirmative showing of interest in the property on  
18 the part of a subsequent purchaser.

19 The protective list shall contain the following notice in  
20 boldface type:

21 "IF YOU RELIST WITH ANOTHER BROKER WITHIN THE OVERRIDE  
22 PERIOD AND THEN SELL YOUR PROPERTY TO ANYONE WHOSE NAME APPEARS  
23 ON THIS LIST, YOU COULD BE LIABLE FOR FULL COMMISSIONS TO BOTH  
24 BROKERS. IF THIS NOTICE IS NOT FULLY UNDERSTOOD, SEEK COMPETENT  
25 ADVICE."

26 The protective list need not contain this notice if the  
27 written listing agreement specifically states that after its  
28 expiration the seller will not be obligated to pay the licensee  
29 a fee or commission if the seller has executed another valid  
30 listing agreement pursuant to which the seller is obligated to  
31 pay a fee or commission to another licensee for the sale, lease,  
32 or exchange of the real property in question.

33 4 MCAR S 1.41520 Guaranteed sale programs. If a broker  
34 advertises or offers a guaranteed sale program, or other program  
35 whereby the broker undertakes to purchase real property in the  
36 event he or she is unable to effectuate a sale to a third party

1 within a specified period of time, a written disclosure which  
 2 sets forth clearly and completely the general terms and  
 3 conditions under which the broker agrees to purchase the  
 4 property and the disposition of any profit at the time of resale  
 5 by the broker must be provided to the seller prior to the  
 6 execution of a listing agreement.

7 4 MCAR S 1.41521 Disclosure requirements.

8 A. Advertising. Each licensee shall identify himself or  
 9 herself as either a broker or an agent in any advertising for  
 10 the purchase, sale, lease, exchange, mortgaging, transfer, or  
 11 other disposition of real property, whether the advertising  
 12 pertains to his or her own property or the property of others.

13 B. Financial interests of licensee. Prior to the  
 14 negotiation or consummation of any transaction, a licensee shall  
 15 affirmatively disclose to the owner of real property that the  
 16 licensee is a real estate broker or agent, and in what capacity  
 17 the licensee is acting, if the licensee directly, or indirectly  
 18 through a third party, purchases for himself or herself or  
 19 acquires, or intends to acquire, any interest in, or any option  
 20 to purchase, the owner's property.

21 C. Material facts. Licensees shall disclose to any  
 22 prospective purchaser all material facts pertaining to the  
 23 property, of which the licensee is aware, which could adversely  
 24 and significantly affect an ordinary purchaser's use or  
 25 enjoyment of the property, or any intended use of the property  
 26 of which the licensee is aware.

27 D. Nonperformance of any party. If a licensee is aware that  
 28 ~~put on notice by any party to a real estate transaction is~~  
 29 ~~clearly unwilling or unable to~~ that the party will not perform  
 30 in accordance with the terms of a purchase agreement or other  
 31 similar written agreement to convey real estate, the licensee  
 32 shall immediately disclose the fact of that party's  
 33 ~~unwillingness or inability~~ intent not to perform to the other  
 34 party or parties to the transaction ~~if the licensee is aware~~  
 35 ~~that the other party or parties have acted or are likely to act~~  
 36 ~~to their detriment in reasonable reliance upon the anticipated~~

1 ~~consummation of the transaction.~~ Whenever reasonably possible,  
 2 the licensee shall inform the party who is unable or unwilling  
 3 ~~to~~ will not perform of the licensee's ~~intention~~ obligation to  
 4 disclose this fact to the other party or parties to the  
 5 transaction prior to making the disclosure. The obligation  
 6 required by this rule shall not apply to notice of a party's  
 7 inability to keep or fulfill any contingency to which the real  
 8 estate transaction has been made subject.

9 4 MCAR S 1.41522 Prohibition on guaranteeing future profits.

10 Licensees shall not, with respect to the sale or lease of real  
 11 property, guarantee or project or permit or affirmatively  
 12 encourage another person to guarantee or project future profits  
 13 or earnings which may result from the purchase or lease of the  
 14 real property in question unless the guarantee or projection and  
 15 the assumptions upon which it is based are fully disclosed and  
 16 contained in the contract, purchase agreement, or other  
 17 instrument of sale or lease.

18 4 MCAR S 1.41523 Negotiations.

19 A. Written offers. All written offers to purchase or lease  
 20 shall be promptly submitted in writing to the seller or lessor.

21 B. Nondisclosure of terms of offer. A licensee shall not  
 22 disclose the terms of an offer to another prospective buyer or  
 23 the buyer's agent prior to the presentation of the offer to the  
 24 seller.

25 C. Closing costs. Licensees shall disclose to a buyer or a  
 26 seller at or before the time an offer is written or presented  
 27 that the buyer or seller may be required to pay certain closing  
 28 costs, and the approximate amount of these costs which may  
 29 effectively reduce the proceeds from the sale or increase the  
 30 cash outlay at closing.

31 D. Required documents. Licensees shall furnish to the  
 32 parties to the transaction at the time the documents are signed  
 33 or become available a true and accurate copy of listing  
 34 agreements, earnest money receipts, purchase agreements,  
 35 contracts for deed, option agreements, closing statements,

1 truth-in-housing forms, energy audits, and any other record,  
2 instrument, or document which is material to the transaction and  
3 which is in the licensee's possession.

4 E. Closing statement. The listing broker or his or her  
5 designee shall deliver to the seller at the time of closing a  
6 complete and detailed closing statement setting forth all of the  
7 receipts and disbursements handled by the broker for the  
8 seller. The listing broker shall also deliver to the buyer at  
9 the time of closing a complete and detailed statement setting  
10 forth the disposition of all moneys received in the transaction  
11 from the buyer.

12 F. Exclusive agency agreements. A licensee shall not  
13 negotiate the sale, exchange, lease, or listing of any real  
14 property directly with the owner or lessor knowing that the  
15 owner or lessor has executed a written contract granting  
16 exclusive agency in connection with the property to another real  
17 estate broker. The licensee shall inquire of the owner or  
18 lessor whether such a contract exists.

19 G. Prohibition against interference with contractual  
20 relationships of others. Licensees shall not induce any party  
21 to a contract of sale or lease, option, or exclusive listing  
22 agreement, to breach the contract, option, or agreement.

23 H. Prohibition against discouraging use of attorney.  
24 Licensees shall not discourage prospective parties to a real  
25 estate transaction from seeking the services of an attorney.

26 4 MCAR S 1.41524 Compensation.

27 A. Licensee to receive only from broker. A licensee shall  
28 not accept a commission or other valuable consideration for the  
29 performance of any acts requiring a real estate license from any  
30 person except the real estate broker to whom he is licensed or  
31 to whom he was licensed at the time of the transaction.

32 B. Undisclosed compensation. A licensee shall not accept,  
33 give, or charge any undisclosed commission or realize any direct  
34 or indirect remuneration which inures to the benefit of the  
35 licensee on an expenditure made for a principal.

36 C. Limitation on broker when transaction not completed.

1 When ~~for any reason~~ the owner fails or is unable to consummate a  
 2 real estate transaction, through no fault of the purchaser, the  
 3 listing broker may not claim any portion of any trust funds  
 4 deposited with the broker by the purchaser, absent a separate  
 5 agreement with the purchaser, ~~regardless of whether the~~  
 6 ~~commission from the owner has been earned.~~

7 4 MCAR S 1.41525 Notice to the commissioner. Licensees shall  
 8 notify the commissioner of the facts in A.-D.

9 A. Change of application information. The commissioner  
 10 shall be notified in writing of a change of information  
 11 contained in the license application on file with the  
 12 commissioner within ten days of the change.

13 B. Civil judgment. The commissioner shall be notified in  
 14 writing within ten days of a final adverse decision or order of  
 15 a court, whether or not the decision or order is appealed,  
 16 regarding any proceeding in which the licensee was named as a  
 17 defendant, and which alleged fraud, misrepresentation, or the  
 18 conversion of funds, if the final adverse decision relates to  
 19 the allegations of fraud, misrepresentation, or the conversion  
 20 of funds.

21 C. Disciplinary action. The commissioner shall be notified  
 22 in writing within ten days of the suspension or revocation of a  
 23 licensee's real estate or other occupational license issued by  
 24 this state or another jurisdiction.

25 D. Criminal offense. The commissioner shall be notified in  
 26 writing within ten days if a licensee is charged with, adjudged  
 27 guilty of, or enters a plea of guilty or nolo contendere to a  
 28 charge of a any felony, or of any gross misdemeanor, misdemeanor  
 29 ~~or any comparable offense~~ alleging fraud, misrepresentation,  
 30 conversion of funds or a similar violation of any real estate  
 31 licensing law.

32 4 MCAR S 1.41526 Access to governing statutes and rules. Every  
 33 real estate office and branch office shall have a current copy  
 34 of Minn. Stat. chs. 82 and 83 and the rules adopted thereunder  
 35 available for the use of licensees.

1 4 MCAR S 1.41527 Rental services.

2 A. License. A rental service shall obtain a real estate  
3 broker's license prior to engaging in business or holding itself  
4 out as being engaged in business. No person shall act as a real  
5 estate salesperson on behalf of a rental service without first  
6 obtaining a real estate salesperson's license on behalf of the  
7 rental service.

8 B. Dissemination of unit information. A rental service  
9 shall not provide information regarding a rental unit without  
10 the express authority of the owner of the unit.

11 C. Availability of unit. A rental service shall not  
12 represent a unit as currently available unless its availability  
13 has been verified within 72 hours preceding the representation.

14 D. Advertising. A rental service shall not advertise in a  
15 manner which is misleading with regard to fees charged, services  
16 provided, the availability of rental units or rental terms or  
17 conditions.

18 4 MCAR S 1.41528 Fraudulent, deceptive, and dishonest practices.  
19 For the purposes of Minn. Stat. S 82.27, subd. 1, clause (b),  
20 the following acts and practices constitute fraudulent,  
21 deceptive, or dishonest practices:

22 A. Act on behalf of more than one party to a transaction  
23 without the knowledge and consent of all parties;

24 B. Act in the dual capacity of licensee and undisclosed  
25 principal in any transaction;

26 C. Receive funds while acting as principal, which funds  
27 would constitute trust funds if received by a licensee acting as  
28 an agent, unless the funds are placed in a trust account. Funds  
29 need not be placed in a trust account if a written agreement  
30 signed by all parties to the transaction specifies a different  
31 disposition of the funds, see in accordance with 4 MCAR S  
32 1.41505 D.;

33 D. Violate any state or federal law concerning  
34 discrimination intended to protect the rights of purchasers or  
35 renters of real estate;



1 E. Make a material misstatement in an application for a  
2 license or in any information furnished to the commissioner;

3 F. Procure or attempt to procure a real estate license for  
4 himself or herself or any person by fraud, misrepresentation, or  
5 deceit;

6 G. Represent membership in any real-estate related  
7 organization in which the licensee is not a member;

8 H. Advertise in any manner which is misleading or inaccurate  
9 with respect to properties, terms, values, policies, or services  
10 conducted by the licensee;

11 I. Make any material misrepresentation or permit or allow  
12 another to make any material misrepresentation;

13 J. Make any false or misleading statements, or permit or  
14 allow another to make any false or misleading statements of a  
15 character likely to influence, persuade, or induce the  
16 consummation of a transaction contemplated by Minn. Stat. ch. 82;

17 K. Fail within a reasonable time to account for or to remit  
18 any money coming into the licensee's possession which belongs to  
19 another;

20 L. Commingle with his or her own money or property trust  
21 funds or any other money or property of another held by the  
22 licensee;

23 M. Demand from a seller a commission to which the licensee  
24 is not entitled, knowing that he or she is not entitled thereto;

25 N. Pay or give money or goods of value to an unlicensed  
26 person for any assistance or information relating to the  
27 procurement by a licensee of a listing of a property or of a  
28 prospective buyer of a property. This paragraph does not apply  
29 to money or goods paid or given to the parties to the  
30 transaction;

31 ~~O. Commingle personal or other funds with trust funds or~~  
32 Fail to maintain a trust account at all times, as provided by  
33 law;

34 P. Engage, with respect to the offer, sale, or rental of  
35 real estate, in an anticompetitive activity.

36 A licensee shall be deemed to have violated this provision

1 if he has been found to have violated the Minnesota Antitrust  
2 Law of 1971, Minn. Stat. SS 325D.49-325D.66 by a final decision  
3 or order of a court of competent jurisdiction.

4 Nothing in 4 MCAR S 1.41528 limits the authority of the  
5 commissioner to take actions against a licensee for fraudulent,  
6 deceptive, or dishonest practices not specifically described in  
7 this rule.

8 4 MCAR S 1.41529 Salespersons; initial real estate education  
9 requirements.

10 A. Generally. An approved 90-hour course of initial  
11 education shall consist of three 30-classroom-hour courses to be  
12 designated as Course I, Course II, and Course III. Pursuant to  
13 Minn. Stat. S 82.22, subd. 6, each applicant for a salesperson's  
14 license or salesperson is required to complete all courses  
15 successfully. Courses I, II, and III must be taken in sequence  
16 and may not be taken concurrently.

17 B. Salesperson's examination. Applicants must successfully  
18 complete the salesperson's examination within one year after the  
19 successful completion of Course I. After this date, credit for  
20 Course I will expire and successful completion of the first  
21 30-hour course must be repeated before taking the salesperson's  
22 examination.

23 An exception will be made for students pursuing a full-time  
24 course of study in either a two-year or four-year real estate  
25 education program. The burden of demonstrating full-time status  
26 is on the student. Applicants must successfully complete the  
27 salesperson's examination within one year after the successful  
28 completion of the two-year or four-year course of study.

29 C. Application for salesperson's license. Applicants must  
30 apply for a salesperson's license within one year after  
31 successful completion of the licensing examination. Applicants  
32 who fail to apply for a license within the one-year period must  
33 retake Course I and successfully complete the examination.

34 D. Post-licensing education course. Courses II and III must  
35 be completed within one year after obtaining a salesperson's  
36 license.

1 E. Alternative means of completing initial education.  
2 Applicants may elect to complete Course II and Course III prior  
3 to examination or licensure and shall receive credit for those  
4 courses successfully completed if the applicant is otherwise in  
5 compliance with the time limitations set forth in B. and C.

6 F. Limitations on course substitutions. No course may be  
7 substituted for Course I.

8 Written requests for substitutions for Courses II and III  
9 shall be granted if the request is submitted no later than six  
10 months prior to the date upon which that education is due to be  
11 completed, if:

12 1. The salesperson is engaged exclusively in a  
13 specialized field, such as property management, and the course  
14 proposed to be substituted for Course II or III provides the  
15 student with at least 30 hours of instruction in that field; or

16 2. The salesperson demonstrates successful completion of  
17 a course in another jurisdiction which is substantially similar  
18 to Course II or III.

19 G. Limitation on use of certain education courses. Courses  
20 I and II may not be taken for credit towards a licensee's  
21 continuing education requirements.

22 Any Course III may be taken for credit towards a licensee's  
23 continuing education requirements if the licensee has not  
24 previously received credit for that course or a substantially  
25 similar course.

26 H. Textbooks required. Courses I, II, and III shall require  
27 the use of a textbook. The textbook shall cover substantially  
28 the subject matter of the course. The textbook shall be current  
29 and may be disallowed by the commissioner upon demonstration  
30 that it contains material errors.

31 I. Completion of initial education. Successful completion  
32 of Courses I, II and III includes full-time classroom attendance  
33 throughout the course, completion of required assignments or  
34 reading materials if applicable, and passage of an examination  
35 designed by the school which is sufficiently comprehensive to  
36 measure the student's knowledge of all aspects of the course.

1 J. Course I.

2 1. Hours. Course I shall incorporate the following  
3 number of hours for each of the following topics, for a total of  
4 30 hours:

5 (a) Introduction to real estate, one hour;

6 (b) Real estate licensing law (Minn. Stat. chs. 82 and  
7 83), four hours;

8 (c) Law of agency, four hours;

9 (d) Law of contracts, five hours;

10 (e) Real estate financing, six hours;

11 (f) Types and classifications of property, three hours;

12 (g) Examination of title, one hour; and

13 (h) Title closing, six hours.

14 2. Curriculum. The Course I curriculum shall be based on  
15 the following outline:

16 I. Introduction to real estate

17 A. Overview of Course I

18 1. Course goals

19 2. Attendance

20 3. Examination policy

21 4. Course and instructor evaluation

22 B. Scope of industry

23 C. Areas of specialization

24 D. Industry terminology

25 E. Professional standards and ethics

26 F. Broker-salesperson relationship

27 II. Real estate license law, (Minn. Stat. ch. 82),  
28 subdivided land sales practices act (Minn. Stat. ch. 83) and  
29 securities act (Minn. Stat. ch. 80A)

30 A. Real estate license law

31 1. Purpose of law and rules

32 2. Administration of law

33 3. Substantive provisions of law

34 a. Trust accounts

35 b. Prohibition of fraudulent, deceptive or  
36 dishonest practices

- 1 c. Standards of conduct
- 2 d. Federal and state antidiscrimination laws
- 3 e. Licensing requirements
- 4 f. Education requirements
- 5 g. Real estate education, research and
- 6 recovery fund
- 7 B. Subdivided land sales practices act
- 8 1. Scope of law
- 9 2. Registration and public disclosure provisions
- 10 3. Licensing requirements
- 11 C. Securities act; potential applicability to real
- 12 estate
- 13 III. Law of agency
- 14 A. Agent and agency
- 15 1. Broker-principal relationship
- 16 2. Termination of relationships
- 17 3. Dual agency
- 18 4. Cooperative broker
- 19 B. Duties of broker and agent
- 20 1. Accountability
- 21 2. Fiduciary responsibility to seller
- 22 3. Full disclosure
- 23 C. Listing contract
- 24 1. Types
- 25 2. Essential elements of a listing agreement
- 26 3. Multiple listing
- 27 4. Commissions earned
- 28 D. Responsibilities to buyer
- 29 IV. Contracts
- 30 A. Definition
- 31 1. Types
- 32 2. Essentials
- 33 3. Breach; remedies
- 34 B. Purchase agreements
- 35 1. Examination and analysis
- 36 C. Other types of contracts

- 1 1. Contract for deed
- 2 2. Options
- 3 D. Cancellation of contract
- 4 E. Property description
- 5 1. Lot and block number
- 6 2. Metes and bounds
- 7 3. Government survey
- 8 4. Datum planes
- 9 5. Measurement and mathematics
- 10 V. Real estate financing
- 11 A. Note as evidence of indebtedness
- 12 B. Sources of mortgage funds
- 13 1. Lenders
- 14 2. Secondary mortgage market
- 15 3. Owner financing
- 16 C. Mortgage
- 17 1. Legal elements
- 18 2. Theories
- 19 a. Lien
- 20 b. Title
- 21 3. Mortgage clauses
- 22 a. Covenants
- 23 1. Indebtedness
- 24 2. Insurance
- 25 3. Removal
- 26 4. Taxes
- 27 5. Acceleration clause
- 28 6. Warranty of title
- 29 b. Special clauses
- 30 1. Attorney's fees
- 31 2. Receiver
- 32 3. Sale in one parcel
- 33 4. Trust
- 34 5. Prepayment penalties
- 35 6. Subordination
- 36 7. Due-on-sale clause

- 1 8. Condemnation clause
- 2 9. Defeasance clause
- 3 10. Good repair
- 4 D. Types of mortgages
- 5 1. FHA
- 6 2. VA
- 7 3. Conventional/~~insurance~~ insured conventional,  
8 types currently available -----
- 9 4. Other
- 10 5. Points
- 11 E. Mortgage assumption and nonalienation
- 12 F. Contract for deed financing
- 13 G. Foreclosure (default)
- 14 1. Mortgage
- 15 2. Contract for deed
- 16 H. Buyer qualifications
- 17 1. Credit information
- 18 2. Standards for approval
- 19 I. Usury law
- 20 VI. Types of property
- 21 A. Classification
- 22 1. Real property
- 23 2. Personal property
- 24 3. Fixtures
- 25 B. Title
- 26 1. Private grant
- 27 2. Public grant
- 28 3. Political relations
- 29 a. Eminent domain
- 30 b. Escheat
- 31 4. Public policy
- 32 a. Adverse possession
- 33 b. Prescription
- 34 c. License
- 35 C. Estates and interests in land
- 36 1. Estates

- 1                   2. Fee simple
- 2                   3. Life estate (waste)
- 3                   4. Remainders and reversions
- 4                   5. Other
- 5                   D. Concurrent ownership
- 6                   1. Joint tenancy
- 7                   2. Tenancy in common
- 8                   3. Other
- 9                   E. Easements
- 10                  VII. Examination of title
- 11                  A. History
- 12                  B. Examination of abstract
- 13                  C. Title insurance
- 14                   1. Owners
- 15                   2. Purchasers
- 16                   3. Mortgage
- 17                  D. Title registration (Torrens)
- 18                  VIII. Title closing
- 19                  A. Review of topics I-VII
- 20                  B. Closing checklist
- 21                  C. Methods of closing
- 22                   1. Closing through escrow
- 23                   2. Other
- 24                  D. Delivery of deed
- 25                  E. Responsibilities of buyer and seller
- 26                   1. Taxes and liens
- 27                   2. Reduction certificate (assumption statement)
- 28                   3. Insurance
- 29                   4. Leases
- 30                   5. Bill of sale
- 31                   6. Title search
- 32                   7. Survey
- 33                   8. Leases
- 34                   9. Certificate of occupancy
- 35                   10. Violations (ordinances)
- 36                   11. Apportionments



- 1 F. Adjournment of closing (settlement)
- 2 G. Real estate settlement procedures act
- 3 1. Lender requirements
- 4 2. Truth-in-lending (regulation Z)
- 5 3. Settlement (closing)
- 6 H. Broker's responsibilities
- 7 K. Course II.
- 8 1. Hours. Course II shall incorporate the following
- 9 number of hours for each of the following topics, for a total of
- 10 30 hours:
- 11 (a) Deeds, three hours;
- 12 (b) Search and examination of title, one hour;
- 13 (c) Residential appraisal, six hours;
- 14 (d) Residential construction, two hours;
- 15 (e) Land development and use, three hours;
- 16 (f) Condominiums, cooperatives, planned unit
- 17 developments, and manufactured housing, three hours;
- 18 (g) Taxation, four hours;
- 19 (h) Investment and appraisal, four hours;
- 20 (i) Real property management, two hours; and
- 21 (j) Leases and leasing, two hours.
- 22 2. Curriculum. The Course II curriculum shall be based
- 23 on the following outline:
- 24 I. Deeds
- 25 A. Parts of a deed
- 26 1. Parties
- 27 2. Consideration
- 28 3. Words of conveyance
- 29 4. Property description
- 30 5. Appurtenances
- 31 6. Habendum (estate)
- 32 7. Execution and acknowledgement
- 33 8. Seal
- 34 B. Delivery
- 35 C. Recording
- 36 D. Types of deeds

- 1 1. Quitclaim
- 2 2. Warranty deed and covenants
- 3 3. Special warranty deed
- 4 4. Other
- 5 E. Covenants running with the land
- 6 F. Validity
- 7 II. Search and examination of title
- 8 A. Object of search
- 9 1. Chain of title
- 10 2. Recording acts
- 11 B. Grantor-grantee system of indexing
- 12 1. Running the chain of title
- 13 2. Grantors
- 14 3. Mortgages
- 15 4. Lis pendens
- 16 5. Judgments
- 17 6. Liens
- 18 7. Taxes
- 19 8. Probate court
- 20 9. Special assessments
- 21 C. Lot and block indexing
- 22 III. Residential appraisal
- 23 A. Values
- 24 1. Economic concepts
- 25 2. Value and price
- 26 3. Cost
- 27 4. Elements of value
- 28 a. Physical
- 29 b. Economic
- 30 c. Social
- 31 d. Legal
- 32 5. Characteristics of value
- 33 a. Utility
- 34 b. Scarcity, demand
- 35 c. Transferability
- 36 6. Principles of value

- 1 a. Substitution
- 2 b. Conformity
- 3 c. Anticipation
- 4 B. Fundamental considerations
- 5 1. Population trends
- 6 2. Neighborhood characteristics
- 7 3. Building description
- 8 4. Site evaluation
- 9 5. Market value
- 10 C. Highest and best use
- 11 1. Factors of production
- 12 2. Diminishing returns
- 13 3. Over and under improvement
- 14 D. Approaches to value
- 15 1. Cost
- 16 2. Market
- 17 3. Income
- 18 E. Appraisal report
- 19 IV. Residential construction
- 20 A. Government regulations
- 21 B. Architectural styles
- 22 C. Plans and specifications
- 23 1. Foundations
- 24 2. Exterior
- 25 3. Interior
- 26 D. Disclosure
- 27 V. Land development and use
- 28 A. Public land use control
- 29 1. City planning
- 30 a. Enabling acts
- 31 b. Planning commissions
- 32 c. Capital improvements
- 33 d. Master planning
- 34 e. Future scope of planning
- 35 2. Zoning
- 36 a. Purpose

- 1                   b. Form of ordinances
- 2                   c. Exclusionary zoning
- 3                   d. Board of appeals
- 4                   e. Nonconforming use
- 5                   f. Variance
- 6                   g. Green acres law
- 7                   3. Building codes
- 8                   4. Environmental impact statements
- 9                   5. Subdivision regulations
- 10                  B. Prepurchase
- 11                   1. Analysis of market
- 12                   2. Site selection
- 13                   3. Land costs
- 14                   4. Drainage, soil tests, topography
- 15                   5. Utilities
- 16                   6. Road costs
- 17                   7. Transportation, schools, shopping
- 18                   8. Covenants
- 19                   9. Government
- 20                   10. Financing
- 21                    a. Purchase, option or escrow
- 22                    b. Rolling option
- 23                  C. Planning
- 24                   1. Subdivision
- 25                   2. Planned urban development
- 26                   3. Filing the plat
- 27                   4. Consumerism and environmental protection
- 28                   5. Subdivided land sales and practices act
- 29                   6. State and local land use regulations
- 30                  D. Urban development and revitalization
- 31                  VI. Condominiums, cooperatives, planned unit
- 32                  developments and manufactured housing
- 33                   A. Cluster housing
- 34                    1. History
- 35                    2. Economics
- 36                    a. Land use efficiency



- 1 c. Safety
- 2 3. Financing
- 3 VII. Taxation
- 4 A. Real property taxes
- 5 1. Tax assessment levies
- 6 a. City
- 7 b. County
- 8 c. School district
- 9 2. Obtaining tax information
- 10 3. Appraisal and classification
- 11 4. Homestead status
- 12 B. Residential property
- 13 1. Basis
- 14 2. Adjustment of basis
- 15 3. Installment plan sales
- 16 4. Tax deferral on sale and repurchase
- 17 5. Tax implications of residential ownership
- 18 C. Income producing property
- 19 1. Long term capital gain and loss
- 20 2. Offsetting gains and losses
- 21 3. Classification
- 22 D. Depreciation on real property
- 23 E. Residential rehabilitation expense
- 24 VIII. Investment and appraisal
- 25 A. Risks
- 26 1. Purchasing power
- 27 2. Market
- 28 3. Interest rates
- 29 4. Earning power
- 30 5. Liquidity
- 31 B. Leverage
- 32 C. Cash and tax flow
- 33 D. Investment analysis
- 34 1. Effective gross income
- 35 2. Margin
- 36 3. Return on investment

- 1 E. Real estate syndication
- 2 1. General partners
- 3 2. Limited partners
- 4 3. Regulation
- 5 4. Risks and rewards
- 6 F. Real estate investment trusts
- 7 G. Appraisal of investment property
- 8 1. Net operating income
- 9 a. Converting net income to value
- 10 b. Rate of return (discount rate)
- 11 2. Estimate of value
- 12 IX. Real property management
- 13 A. Background
- 14 1. Development of management
- 15 2. Scope of management
- 16 a. Residential
- 17 b. Commercial
- 18 c. Industrial
- 19 d. Agricultural
- 20 3. Professional management
- 21 4. Types of owners
- 22 B. Management plan
- 23 1. Objectives
- 24 2. Regional analysis
- 25 3. Neighborhood analysis
- 26 4. Property analysis
- 27 a. Physical
- 28 b. Fiscal
- 29 c. Operational
- 30 5. Market analysis
- 31 a. Costs and profit
- 32 b. Comparable
- 33 c. Escalation base
- 34 6. Analysis of alternatives
- 35 7. Conclusions and recommendations
- 36 C. Government and real estate management

- 1           1. Local government
- 2           a. Rent control
- 3           b. Handicapped requirements
- 4           c. Fire code requirements
- 5           d. Miscellaneous ordinances
- 6           2. State government
- 7           a. Landlord-tenant laws
- 8           b. Nondiscrimination
- 9           c. Extension of tenants' rights
- 10          3. Federal government
- 11          a. Nondiscrimination
- 12          b. HUD subsidies
- 13          c. Regulated housing
- 14          4. Housing programs
- 15          D. Management operations
- 16           1. Marketing
- 17           2. Tenant underwriting
- 18           3. Tenant administration
- 19           4. Physical plant maintenance
- 20           a. Preventative maintenance
- 21           b. Energy management
- 22           5. Operational record keeping
- 23           a. Physical records
- 24           b. Tenant files
- 25           c. Budget
- 26           d. Fiscal
- 27          X. Leases and leasing
- 28           A. Statute of frauds
- 29           B. Elements of a contract (review)
- 30           C. Types of tenancies
- 31           1. Estate for years
- 32           2. Tenancy from year to year
- 33           3. Tenancy at will
- 34           4. Tenancy at sufferance
- 35           5. Holdover tenants
- 36          D. Types of leases



- 1                   1. Gross
- 2                   2. Net
- 3                   3. Percentage
- 4                   4. Land
- 5                   5. Farm
- 6                   E. Form of lease
- 7                   1. Common covenants
- 8                   2. Residential leases
- 9                   3. Responsibilities of lessor
- 10                  4. Responsibilities of lessee
- 11                  5. Termination
- 12                   a. Expiration
- 13                   b. Automatic renewal
- 14                   c. Breach of conditions
- 15                   d. Abandonment
- 16                   e. Eviction
- 17                  6. Minnesota landlord-tenant act
- 18                  L. Course III.
- 19                   1. Hours. Course III shall be a 30-hour course
- 20                  consisting of one of the following:
- 21                   (a) Real estate appraisal, 30 hours;
- 22                   (b) Closing procedures, 30 hours;
- 23                   (c) Farm and ranch brokerage, 30 hours;
- 24                   (d) Real estate finance, 30 hours;
- 25                   (e) Real estate investment, 30 hours;
- 26                   (f) Real estate law, 30 hours;
- 27                   (g) Real estate management, 30 hours;
- 28                   (h) Real estate mathematics, 30 hours;
- 29                   (i) Business brokerage, 30 hours; or
- 30                   (j) A combination course of no more than three of the
- 31                  subjects set forth in (a)-(i), 30 hours.
- 32                   2. Curriculum.
- 33                   (a) The real estate appraisal course shall be based on
- 34                  the following outline:
- 35                                 Real estate appraisal
- 36                   I. Nature, importance and purposes of appraisals

- 1           II. Nature, importance and characteristics of
- 2 property and value
- 3           III. Principles controlling real estate value
- 4           IV. The appraisal process
- 5           V. Economic and neighborhood analysis
- 6           VI. Considerations and fundamentals of site
- 7 evaluation
- 8           VII. Construction methods and materials
- 9           VIII. Architectural styles and utility
- 10          IX. Cost approach: estimating costs and accrued
- 11 depreciation
- 12          X. Analysis
- 13          XI. Market data approach
- 14          XII. Income approach: income and expense analysis,
- 15 capitalization theory and techniques
- 16          XIII. Reconciliation and final value estimate
- 17          XIV. Writing the report
- 18          XV. Course examination
- 19          (b) The closing procedures course shall be based on the
- 20 following outline:
- 21                                   Closing procedures
- 22           I. Overview of closing: persons present, protocol,
- 23 timeliness
- 24           II. Review of purchase agreement, supplements,
- 25 addenda
- 26           III. Compilation of data needed to prepare a
- 27 closing file
- 28           IV. Legal documents
- 29           V. Abstracts, title procedures
- 30           VI. Review of settlement costs: buyer, seller
- 31           VII. Closing statement: prorations and other math
- 32           VIII. Review of sample cases
- 33           IX. Follow-up procedures
- 34           X. Course examination
- 35          (c) The farm and ranch brokerage course shall be based
- 36 on the following outline:

1 Farm and ranch brokerage

2 I. Responsibilities of broker to seller and buyer

3 II. Selling options

4 III. Sources of financing

5 IV. Factors in selecting a farm or ranch

6 V. Advantages and disadvantages of irrigation

7 systems

8 VI. Determination of farm and ranch value

9 VII. Considerations in the constructing of purchase

10 agreements

11 VIII. Course examination

12 (d) The real estate finance course shall be based on  
13 the following outline:

14 Real estate finance

15 I. Introduction to the mortgage market

16 II. Sources of mortgage money

17 III. Real estate investment trusts and syndication

18 IV. Mortgage banking

19 V. Financing residential properties

20 VI. Financing income producing properties

21 VII. Construction and land development loans

22 VIII. Special techniques used in financing real

23 estate

24 IX. Junior mortgages

25 X. Land contracts

26 XI. Financing long term leases

27 XII. Course examination

28 (e) the real estate investment course shall be based on  
29 the following outline

30 Real estate investment

31 I. Real estate investments

32 II. Discounted cash flow analysis

33 III. Measuring investment returns

34 IV. Estimation of real estate cash flows

35 V. Real estate financing

36 VI. The tax process

- 1 VII. Acquisitions and operations
- 2 VIII. Dispositions and exchanges
- 3 IX. After tax investment analysis
- 4 X. Speculative land investment
- 5 XI. Multiple exchanges
- 6 XII. Course examination

7 (f) The real estate law course shall be based on the  
8 following outline:

9 Real estate law

- 10 I. The process of real estate law
- 11 II. Real estate brokerage
- 12 III. Contract for the sale of real estate
- 13 IV. Property conveyance
- 14 V. Title insurance and closing
- 15 VI. Property ownership and taxes
- 16 VII. Estates in land and landlord/tenant  
17 relationships
- 18 VIII. Cooperatives, condominiums and planned unit  
19 developments
- 20 IX. Real estate lending and land use regulations
- 21 X. Course examination

22 (g) The real estate management course shall be based on  
23 the following outline:

24 Real estate management

- 25 I. Overview and economics of real estate management
- 26 II. Government involvement
- 27 III. The management plan
- 28 IV. Owner relations and record keeping
- 29 V. Marketing and leasing
- 30 VI. Property operations
  - 31 A. Tenant administration
  - 32 B. Physical plant maintenance
  - 33 C. Staffing and employee relations
- 34 VII. Residential management
  - 35 A. Rental housing
  - 36 B. Condominiums and cooperatives

- 1 VIII. Commercial management  
 2 A. Office building and special purpose  
 3 properties  
 4 B. Shopping centers and retail properties  
 5 IX. The management office  
 6 X. Creative property management  
 7 XI. Course examination  
 8 (h) The real estate mathematics course shall be based  
 9 on the the following outline:

10 Real estate mathematics

- 11 I. Functions  
 12 A. Percentages, fractions, decimals, ~~and~~  
 13 equivalencies, functions  
 14 B. Basic geometric rules  
 15 C. Ratio, proportion, scale  
 16 D. Basic algebraic operations  
 17 II. Areas of application to real estate  
 18 A. Broker trust accounts  
 19 B. Sales and listings  
 20 C. Valuation and spatial problems  
 21 D. Finance  
 22 E. Income and investment property  
 23 F. Closing  
 24 III. Course examination

- 25 (i) The business brokerage course shall be based on the  
 26 following outline:

27 Business brokerage  
 -----

- 28 I. Business financial statements  
 29 II. Financial statement ratio analysis  
 30 III. Cash flow, rate of return, and breakeven  
 31 analysis  
 32 IV. Competitive market analysis  
 33 V. Valuation of the business  
 34 VI. Developing the business plan  
 35 VII. Qualifying the buyer  
 36 VIII. Terms of the purchase agreement

1 IX. Financing the business opportunity

2 X. Evaluation of business risk

3 XI. Course examination

4 (j) A combination course shall consist of no more than  
5 three of the preceding nine subjects and shall devote at least  
6 ten hours to each subject. A school which proposes to offer a  
7 combination Course III shall submit to the commissioner, as part  
8 of the application for approval, an outline setting forth the  
9 subjects to be addressed and the number of hours proposed to be  
10 devoted to each topic.

11 3. Course objectives

12 (a) Real estate appraisal. Upon completion of the real  
13 estate appraisal course, a student should be able to explain the  
14 nature, importance and characteristics of the factors affecting  
15 property value; perform an economic and neighborhood analysis;  
16 discuss and apply the cost, market and income approaches to  
17 value; estimate the value of 1-4 ~~units of~~ unit residential  
18 ~~property~~ properties; and prepare a written report of the  
19 appraisal.

20 (b) Closing procedures. Upon completion of the closing  
21 procedures course, a student should be able to develop a  
22 checklist of activities and documents needed to carry out a  
23 closing; coordinate the compilation of information and documents  
24 from all parties to a closing; interpret all information on a  
25 purchase agreement; compute prorations and other calculations  
26 required for a closing; complete acceptable legal formats for  
27 all documents serving to transfer title; prepare an accurate  
28 closing statement; and develop a closing file system.

29 (c) Farm and ranch brokerage. Upon completion of the  
30 farm and ranch brokerage course, a student should be able to  
31 utilize the management assistance available to brokers, buyers  
32 and sellers of farm real estate; determine the value of farm or  
33 ranch real estate; understand the components that make up farm  
34 and ranch real estate; identify and describe methods of  
35 financing farm and ranch property; and understand the  
36 considerations in the preparation of a purchase agreement for

1 the sale of farm or ranch property.

2 (d) Real estate finance. Upon completion of the real  
3 estate finance course, a student should be able to identify and  
4 describe methods of financing real property; explain the role of  
5 financial institutions in financing the purchase or sale of real  
6 estate; utilize compound interest or "time value of money"  
7 concepts to facilitate investment and financing decisions; apply  
8 these methods to solve client financing problems; and discuss  
9 the practices and procedures of loan application, analysis,  
10 closings and foreclosure.

11 (e) Real estate investment. Upon completion of the  
12 real estate investment course, a student should be able to  
13 understand and describe investment tax considerations such as  
14 depreciation, capital gains, installment sales and exchanges;  
15 utilize the mathematics of real estate investment; perform  
16 feasibility studies including market analysis; perform property  
17 analysis; and apply techniques of investment analysis to  
18 specific types of real estate.

19 (f) Real estate law. Upon completion of the real  
20 estate law course, a student should be able to understand the  
21 process of real estate law, its historical origins, and the  
22 legal responsibilities placed upon real estate salespersons and  
23 brokers; prepare and understand the basic contracts of property  
24 conveyance; explain the major legal aspects of property  
25 conveyance, property ownership, insurance settlement procedures,  
26 taxes and leasing agreements; recognize and apply the specific  
27 requirements in planned unit developments, condominium and  
28 cooperative housing transactions; and understand the  
29 requirements of real estate lending and land use regulations.

30 (g) Real estate management. Upon completion of the  
31 real estate management course, a student should be able to  
32 explain and discuss the scope, nature and importance of property  
33 management; outline the essentials of a management plan; and  
34 understand the significant differences between residential,  
35 commercial, industrial and retail property management.

36 (h) Real estate mathematics. Upon completion of the

1 real estate mathematics course, a student should be able to  
2 identify required mathematical procedures to be used in real  
3 estate transactions; perform required mathematical functions  
4 with a high level of accuracy; isolate and explain the steps of  
5 each calculation; and explain mathematical procedures to clients  
6 as needed.

7 (i) Business brokerage. Upon completion of the  
8 business brokerage course, a student should be able to evaluate  
9 business financial statements, qualify potential buyers, review  
10 relevant markets including competition, develop a business plan,  
11 value the firm's assets and goodwill, negotiate the terms of a  
12 purchase agreement, and explain terms of financing, valuation,  
13 and business risk to a potential buyer.

14 4 MCAR S 1.41530 Continuing education.

15 A. Generally. Continuing education shall consist of  
16 approved courses which impart substantive and procedural  
17 knowledge in the real estate field.

18 B. Attendance. Courses must be attended in their entirety  
19 in order for a licensee to obtain credit. No credit will be  
20 given for partial attendance at a course.

21 C. Credit approved. Courses will be approved only in hour  
22 segments. No fractional hours will be approved, nor will  
23 applicants be given credit for any period of less than a whole  
24 hour.

25 D. Examinations. Course examinations will not be required  
26 for continuing education courses unless they are required by the  
27 school or the licensee elects to take Course III for continuing  
28 education credit.

29 E. Textbooks. Textbooks are not required to be used for  
30 continuing education courses. In instances in which textbooks  
31 are not used, students are to be provided with a syllabus  
32 containing, at a minimum, the course title; the times and dates  
33 of the course offering; the names and addresses or telephone  
34 numbers of the course coordinator and instructor; and a detailed  
35 outline of the subject materials to be covered.

36 F. Credit earned. Upon completion of approved courses,



1 students shall earn one hour of continuing education credit for  
2 each hour of attendance and approved instructors shall earn  
3 three hours of continuing education credit for each hour of  
4 instruction. Credit may not be earned if the licensee has  
5 previously obtained credit for the same course as either a  
6 student or instructor.

7 G. Disapproved courses. Approval will not be granted for  
8 courses (1) designed to prepare students for passing any  
9 licensing examinations; (2) in mechanical office or business  
10 skills, including typing, speed-reading, use of calculators or  
11 other machines or equipment; (3) in sales promotion, including  
12 meetings held in conjunction with the general business of the  
13 licensee's broker; (4) or in motivation, salesmanship,  
14 psychology or time management.

15 H. Continuing education credit for Course III. Licensees  
16 may attend or teach Course III for continuing education credit.  
17 Credit will be given for less than the entire Course III only  
18 for combination courses offered pursuant to 4 MCAR S 1.41529  
19 L.1.j. Credit will be given only for attendance at segments of  
20 the combination Course III which completely cover a subject. An  
21 examination will be required only if the licensee takes the  
22 entire combination course or if the school requires a separate  
23 examination for each subject covered.

24 The burden of demonstrating that courses impart substantive  
25 and procedural knowledge in the real estate field is upon the  
26 person seeking approval or credit.

27 4 MCAR S 1.41531 General real estate education requirements.

28 Rules 4 MCAR SS 1.41532-1.41548 constitute general requirements  
29 applicable to all real estate education courses.

30 4 MCAR S 1.41532 Course approval.

31 A. Generally. Courses must be approved by the commissioner  
32 in advance and will be approved or disapproved on the basis of  
33 their compliance with the provisions of Minn. Stat. S 82.22 and  
34 the rules adopted thereunder.

35 No advance approval is required for continuing education

1 offerings if the licensee demonstrates attendance at an offering  
2 which was in substantial compliance with Minn. Stat. ch. 82 and  
3 the rules adopted thereunder.

4 Approval will not include time spent on breaks, meals, or  
5 other unrelated activities.

6 B. Permitted course offerings. Courses complying with Minn.  
7 Stat. ch. 82 and the rules adopted thereunder may be offered or  
8 sponsored by schools.

9 Coordinators must immediately notify the commissioner of  
10 any material change in an application for approval or in the  
11 exhibits attached to it.

12 C. Limitation on advertising. Courses may not be advertised  
13 prior to approval.

14 D. Applications. Applications for course approval will be  
15 accepted on forms prescribed by the commissioner no later than  
16 30 days prior to the course offering and shall include the  
17 following:

18 1. The course title;

19 2. The date, time, and place of the course offering;

20 3. The name, address, and telephone number of the  
21 sponsoring entity;

22 4. The name, address, and telephone number of the course  
23 coordinator;

24 5. The name, address, and telephone number of the  
25 instructor;

26 6. The name, edition, and date of publication of the text  
27 to be used, if applicable;

28 7. A detailed outline of the course offering, or a  
29 statement of compliance with the prescribed outlines for Course  
30 I, II, or III; and

31 8. Compliance with the service of process provisions of  
32 Minn. Stat. S 82.31, if applicable.

33 The form in 4 MCAR S 1.41555 (RE-3) shall be used for  
34 Courses I, II, and III and the form in 4 MCAR S 1.41558 (RE-6)  
35 shall be used for continuing education courses.

36 E. Subsequent offerings of courses. Approval shall be

1 granted for subsequent offerings of identical continuing  
2 education courses without requiring a new application if a  
3 Notice of Subsequent Offerings, 4 MCAR S 1.41560 (RE-8), is  
4 filed with the commissioner at least 30 days in advance of the  
5 date the course is to be held.

6 Subsequent offerings of identical Courses I, II, and III do  
7 not require the approval of or notice to the commissioner.

8 4 MCAR S 1.41533 Courses open to all. All course offerings  
9 shall be open to any interested individuals. Discounts of  
10 tuition shall not be given because of affiliation with any  
11 particular brokerage or franchise.

12 4 MCAR S 1.41534 Course coordinator.

13 A. Requirement. Each course of study shall have one  
14 coordinator, approved by the commissioner, who is responsible  
15 for supervising the program and assuring compliance with Minn.  
16 Stat. ch. 82 and the rules adopted thereunder. Schools may  
17 engage an additional approved coordinator in order to assist the  
18 coordinator or to act as a substitute for the coordinator in the  
19 event of an emergency or illness.

20 B. Qualifications. The commissioner shall approve as a  
21 coordinator a person meeting one or more of the following  
22 criteria:

23 1. A minimum of the previous five years as an active real  
24 estate broker;

25 2. At least three years of full-time experience in the  
26 administration of an education program during the five-year  
27 period immediately preceding the date of application; or

28 3. A degree in education plus two years real estate  
29 experience.

30 Application for approval must be submitted on the form in 4  
31 MCAR S 1.41554 (RE-2).

32 C. Responsibilities. A coordinator shall be responsible for:

33 1. Assuring compliance with all laws and rules pertaining  
34 to real estate education;

35 2. Assuring that students are provided with current and

1 accurate information relating to the laws and rules governing  
2 their real estate activity;

3       3. Supervising and evaluating courses and instructors.  
4 Supervision shall include assuring, especially when a course  
5 will be taught by more than one instructor, that all areas of  
6 the curriculum are addressed without redundancy and that  
7 continuity is present throughout the entire course;

8       4. Furnishing the commissioner, upon request, with copies  
9 of evaluations of instructors or courses;

10       5. Investigating complaints related to course offerings  
11 and instructors;

12       6. Maintaining records relating to course offerings,  
13 instructors, and student attendance for a period of three years  
14 from the date on which the course was completed. These records  
15 shall be made available to the commissioner upon request.

16       In the event that a school should cease operation for any  
17 reason, the coordinator shall be responsible for maintaining the  
18 records or providing a custodian for the records acceptable to  
19 the commissioner. Under no circumstances will the commissioner  
20 act as custodian of the records. In order to be acceptable to  
21 the commissioner, custodians must agree to make copies of  
22 acknowledgements available to students at a reasonable fee.

23       7. Assuring that the coordinator is available to  
24 instructors and students throughout course offerings and  
25 providing the name of the coordinator and a telephone number at  
26 which the coordinator can be reached;

27       8. Attending workshops or instructional programs as  
28 reasonably required by the commissioner;

29       9. Reporting on the form in 4 MCAR S 1.41557 (RE-5) the  
30 attendance of licensed students in Courses II and III to the  
31 commissioner within 14 days of their completion of the course;  
32 and

33       10. Providing students with Course Completion  
34 Certificates, 4 MCAR S 1.41553 (RE-1), for Courses I, II, and  
35 III, and continuing education courses.

36 4 MCAR S 1.41535 Instructors.

1 A. Requirement. Each course of study shall have an  
2 instructor who is qualified by education, training, or  
3 experience to insure competent instruction.

4 B. Qualifications. The following provisions relate to the  
5 approval and qualification of instructors:

6 1. Applicants shall submit requests for instructor  
7 approval on the form in 4 MCAR S 1.41556 (RE-4) for Courses I,  
8 II, and III and the form in 4 MCAR S 1.41559 (RE-7) for  
9 continuing education courses. Requests must be submitted at  
10 least 30 days prior to instruction in an approved course;

11 2. Applicants for Courses I, II, and III shall be  
12 approved if they achieve a rating of 70 points or higher based  
13 upon the scale in Exhibit 4 MCAR S 1.41535 B.-1.

14 Exhibit 4 MCAR S 1.41535 B.-1.

15 Ratings for Applicants Seeking Approval  
16 as Instructors of Courses I, II, and III

17 POINTS	CRITERIA
18 20	2-year degree or certificate;
19 40	4-year degree;
20 50	post graduate degree;
21 60	2-year real estate degree 22 or certificate;
23 70	4-year real estate degree 24 or certificate.
25	Points may not be 26 accumulated in the case of 27 individuals holding more 28 than one degree or 29 certificate;
30 10	Each 45 hours of continuing 31 real estate education attended 32 or taught. No points will be 33 allowed for periods of less 34 than 45 hours;
35 30	First three-year period in 36 which engaged full-time in

1 the real estate industry as  
2 a licensed broker or  
3 salesperson or, in the case  
4 of applicants for Course III,  
5 the first three-year period  
6 in which engaged full-time in  
7 a business or profession  
8 relating to the subject  
9 being taught. No points will  
10 be allowed for an applicant  
11 who has been licensed for  
12 less than three years or  
13 who has been engaged in a  
14 related business or  
15 profession for less than  
16 three years;

17           10           Each full year, after the  
18 first full three years,  
19 in which engaged full-time  
20 in the real estate industry  
21 as a licensed broker or  
22 salesperson or, in the case  
23 of applicants for Course III,  
24 each full year, after the  
25 first full three years, in  
26 which engaged full-time in a  
27 business or profession  
28 relating to the subject  
29 being taught.

30           3. The same instructor may teach all three courses.  
31 Instructors may engage a nonapproved or guest instructor to  
32 teach up to ten hours of specialized coursework covered in  
33 Course I, II, or III. Approved instructors remain responsible  
34 for complying with the provisions of C.; and

35           4. Continuing education instructors must have either:  
36           a. a degree in any area plus two years practical

1 experience in the subject area being taught;

2 b. five years practical experience in the subject area  
3 being taught;

4 c. a college or graduate degree in the subject area  
5 being taught; or

6 d. have held a broker's license for three years or  
7 have three years practical experience in the subject area being  
8 taught. These individuals shall also have completed at least 60  
9 hours of approved continuing education in the subject area being  
10 taught.

11 C. Responsibilities. Approved instructors shall be  
12 responsible for the following:

13 1. Compliance with all laws and rules relating to real  
14 estate education;

15 2. Providing students with current and accurate  
16 information;

17 3. Maintaining an atmosphere conducive to learning in the  
18 classroom;

19 4. Assuring and certifying attendance of students  
20 enrolled in courses;

21 5. Providing assistance to students and responding to  
22 questions relating to course materials; and

23 6. Attending such workshops or instructional programs as  
24 are reasonably required by the commissioner.

25 4 MCAR S 1.41536 Prohibited practices for coordinators and  
26 instructors.

27 A. Generally. In connection with an approved course  
28 coordinators and instructors shall not:

29 1. Recommend or promote the services or practices of any  
30 particular real estate brokerage, franchise, coordinator,  
31 instructor or school;

32 2. Encourage or recruit individuals to engage the  
33 services of, or become associated with, any particular real  
34 estate brokerage or franchise;

35 3. Use materials, clothing, or other evidences of  
36 affiliation with any particular real estate brokerage or

1 franchise;

2 4. Require students to participate in other programs or  
3 services offered by the school, coordinator, or instructor;

4 5. Take a Minnesota real estate licensing examination  
5 without the prior approval of the commissioner;

6 6. Attempt, either directly or indirectly, to discover  
7 questions or answers on a real estate licensing examination; or

8 7. Disseminate to any other person specific questions,  
9 problems, or information known or believed to be included in  
10 licensing examinations.

11 B. Notification of misconduct. Coordinators and instructors  
12 shall notify the commissioner within ten days of a felony  
13 conviction or of disciplinary action taken against a real estate  
14 or other occupational license held by the coordinator or  
15 instructor.

16 C. Coordinators and instructors shall notify the  
17 commissioner within ten days of any change in the information  
18 set forth in the application for approval on file with the  
19 commissioner.

20 4 MCAR S 1.41537 Extensions. Upon appropriate showing of a bona  
21 fide financial or medical hardship, the commissioner may extend  
22 the time period during which post-licensing or continuing  
23 education instruction must be successfully completed. Loss of  
24 income resulting from cancellation of a license is not a bona  
25 fide hardship. Requests for extensions must be submitted in  
26 writing no later than 45 days prior to the date of license  
27 cancellation and shall include an explanation and verification  
28 of the hardship, and a verification of enrollment in an approved  
29 course of study and the dates during which the course will be  
30 held.

31 4 MCAR S 1.41538 Waivers. Required real estate education shall  
32 not be waived for any licensee or applicant for a license.

33 4 MCAR S 1.41539 Fees. Fees for approved courses and related  
34 materials shall be reasonable and clearly identified to  
35 students. In the event that a course is cancelled for any



1 reason, all fees shall be returned promptly. In the event that  
2 a course is postponed for any reason, students shall be given  
3 the choice of attending the course at a later date or of having  
4 their fees refunded in full. If a student is unable to attend a  
5 course or cancels his or her registration in a course, school  
6 policies regarding refunds shall govern.

7 4 MCAR S 1.41540 Facilities. Each course of study shall be  
8 conducted in a classroom or other facility which is adequate to  
9 implement the offering. Approved courses shall not be held on  
10 the premises of a real estate brokerage, franchise, or an  
11 affiliate thereof.

12 4 MCAR S 1.41541 Conflict of interest. A course will not be  
13 approved if it is offered by a person who derives substantial  
14 income from the real estate brokerage business.

15 4 MCAR S 1.41542 Supplementary materials. An adequate supply of  
16 supplementary materials to be used or distributed in connection  
17 with an approved course must be available in order to ensure  
18 that each student receives all of the necessary materials.  
19 Outlines and any other materials which are reproduced shall be  
20 of readable quality.

21 4 MCAR S 1.41543 Advertising.

22 A. Generally. Advertising must be truthful and not  
23 deceptive or misleading.

24 B. Approval statement. No advertisement, pamphlet,  
25 circular, or other similar materials pertaining to an approved  
26 offering may be circulated or distributed in this state unless  
27 the following statement is prominently displayed on the cover of  
28 it:

29 1. For initial education courses, "This course has been  
30 approved by the Commissioner of Securities and Real Estate  
31 pursuant to Minn. Stat. S 82.22, subd. 6 for initial education  
32 courses;" or

33 2. For continuing education courses, "This course has  
34 been approved by the Commissioner of Securities and Real Estate

1 pursuant to Minn. Stat. S 82.22, subd. 13, relating to  
2 continuing real estate education."

3 The preceding language need not be displayed on the cover  
4 of any out-of-state offering advertisement; however, it is the  
5 responsibility of the school to provide students with evidence  
6 that the course has been approved.

7 C. Approved course advertisements. Advertising of approved  
8 courses must be clearly distinguishable from the advertisement  
9 of other nonapproved courses and services.

10 4 MCAR S 1.41544 Notice. At the beginning of each approved  
11 offering, the following notice shall be read to students: "This  
12 real estate educational offering is recognized by the  
13 Commissioner of Securities and Real Estate as satisfying .....  
14 hours of credit toward ..... (choose one, or  
15 more, of the following: prelicensing, postlicensing, or  
16 continuing) real estate education requirements pursuant to Minn.  
17 Stat. S 82.22. If you have any comments about this real estate  
18 offering, please mail them to the Commissioner of Securities and  
19 Real Estate, 500 Metro Square Building, St. Paul, Minnesota  
20 55101."

21 4 MCAR S 1.41545 Audits. The commissioner reserves the right to  
22 audit subject offerings with or without notice to the school.

23 4 MCAR S 1.41546 Disciplinary action. The commissioner may  
24 deny, censure, suspend, or revoke the approval of a coordinator,  
25 instructor, or course if it is determined that they are not in  
26 compliance with Minn. Stat. ch. 82 or the rules adopted  
27 thereunder.

28 4 MCAR S 1.41547 Course completion certificates. Applicants for  
29 a salesperson's license shall submit to the commissioner, along  
30 with their application for licensure, a copy of the Course  
31 Completion Certificate, 4 MCAR S 1.41553 (RE-1), for Course I,  
32 and for Courses II and III if completed prior to being licensed.

33 Students are responsible for maintaining copies of Course  
34 Completion Certificates.

1 4 MCAR S 1.41548 Reports to commissioner. Continuing education  
2 credits shall be reported by the licensee on the form in 4 MCAR  
3 S 1.41561 (RE-9).

4 Forms will not be accepted unless they reflect the entire  
5 45 required hours. Incomplete forms will be returned to the  
6 licensee.

7 Forms must be received by the commissioner no later than  
8 June 15 of the year in which the credits are due. Forms which  
9 are mailed shall be deemed timely received if addressed to:  
10 Real Estate Licensing, 500 Metro Square Building, Saint Paul, MN  
11 55101, and postmarked prior to 12:01 a.m. on June 14. Licensees  
12 are encouraged to submit the form as soon as they have completed  
13 the 45 hours of continuing education credit.

14 4 MCAR SS 1.41549 Automatic transfer of salesperson's license.

15 A. Applicability. A salesperson may utilize the automatic  
16 license transfer provisions of Laws 1982, ch. 478, section 1,  
17 subdivision 9, clause (b) if the salesperson commences his or  
18 her association with the broker to whom he or she is  
19 transferring, as evidenced by the dates of the signatures of  
20 both brokers on the form in 4 MCAR S 1.41562 (RE-10), within  
21 five days after terminating his or her association with the  
22 broker from whom he or she is transferring, provided the  
23 salesperson's educational requirements are not past due.

24 A salesperson may not utilize the automatic license  
25 transfer provisions of Laws 1982, ch. 478, section 1,  
26 subdivision 9, clause (b) if he or she has failed to notify the  
27 commissioner within ten days of any change of information  
28 contained in his or her license application on file with the  
29 commissioner or of a civil judgment, disciplinary action, or  
30 criminal offense, which notice is required pursuant to 4 MCAR S  
31 1.41525.

32 B. Procedure. An application for automatic transfer shall  
33 be made only on the form in 4 MCAR S 1.41562 (RE-10). The  
34 transfer is ineffective if the form is not completed in its  
35 entirety.

1           The form in 4 MCAR S 1.41562 (RE-10) shall be accompanied  
2 by a \$10 transfer fee, and the license renewal fee, if  
3 applicable, plus an additional \$10 if the salesperson holds a  
4 subdivided land license. Cash will not be accepted. If the  
5 licensee holds a subdivided land license it must be transferred  
6 at the same time as the salesperson's license. In order for the  
7 transfer of the subdivided land license to be effective the  
8 broker to whom the salesperson is transferring must also hold a  
9 subdivided land license.

10           The signature on the form in 4 MCAR S 1.41562 (RE-10) of  
11 the broker from whom the salesperson is transferring must  
12 predate the signature of the broker to whom the salesperson is  
13 transferring. The salesperson is unlicensed for the period of  
14 time between the times and dates of both signatures. The broker  
15 from whom the salesperson is transferring shall sign and date  
16 the transfer application upon the request of the salesperson and  
17 shall destroy the salesperson's license immediately.

18           C. Effective date.

19           1. The transfer is effective when the broker to whom the  
20 salesperson is transferring signs and dates the transfer  
21 application form in 4 MCAR S 1.41562 (RE-10), provided the  
22 commissioner receives the form and fee within 72 hours after the  
23 date and time of the new broker's signature, either by certified  
24 mail or personal delivery to the commissioner's office. In the  
25 event of a delay in mail delivery, an application postmarked  
26 within 24 hours of the date of the signature of the new broker  
27 shall be deemed timely received.

28           2. The transfer is ineffective if the fee is paid by  
29 means of a check, draft or other negotiable or non-negotiable  
30 instrument or order of withdrawal drawn on an account with  
31 insufficient funds.

32           3. The salesperson shall retain the certified mail return  
33 receipt, if the transfer application is delivered to the  
34 commissioner by mail, retain a photocopy of the executed  
35 transfer application, and provide a photocopy of the executed  
36 transfer application to the broker from whom he or she is

1 transferring.

2 4 MCAR S 1.41550 Approved lender is not a broker. The  
3 definition of "real estate broker" or "broker" set forth in  
4 Minn. Stat. S 82.17, subd. 4, clause (b) shall not apply to the  
5 originating, making, processing, selling, or servicing of a loan  
6 in connection with his or her ordinary business activities by a  
7 mortgagee or, lender or servicer approved or certified by the  
8 secretary of housing and urban development, or approved or  
9 certified by the administrator of veterans affairs, or approved  
10 or certified by the administrator of the farmers home  
11 administration, or approved or certified by the federal home  
12 loan mortgage corporation, or approved or certified by the  
13 federal national mortgage association.

14 4 MCAR S 1.41551 Applicability. Prior rules exclusively govern  
15 all suits, actions, prosecutions, or proceedings which are  
16 pending or may be initiated on the basis of facts or  
17 circumstances occurring before the effective date of these  
18 rules. Judicial review of all administrative orders issued  
19 prior to the effective date of these rules as to which review  
20 proceedings have not been instituted by the effective date of  
21 these rules is governed by prior rules.

22 4 MCAR S 1.41552 Withdrawal of status license or application.  
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23 A. Request to commissioner. A licensee or license applicant  
24 may at any time file with the commissioner a request to withdraw  
25 from the status of licensee or to withdraw a pending license  
26 application. Withdrawal from the status of licensee or  
27 withdrawal of the license application becomes effective 30 days  
28 after receipt of a request to withdraw or within a shorter  
29 period the commissioner determines unless a revocation,  
30 suspension, or denial proceeding is pending when the request to  
31 withdraw is filed or a proceeding to revoke, suspend, deny, or  
32 to impose conditions upon the withdrawal is instituted within 30  
33 days after the request to withdraw is filed. If a proceeding is  
34 pending or instituted, withdrawal becomes effective at the time  
35 and upon the conditions the commissioner by order determines.

1 If no proceeding is pending or instituted and withdrawal  
2 automatically becomes effective, the commissioner may institute  
3 a revocation or suspension proceeding within one year after  
4 withdrawal became effective and enter a revocation or suspension  
5 order as of the last date on which the license was in effect.

6 B. Failure to renew license. If a license lapses or becomes  
7 ineffective due to the licensee's failure to file a timely  
8 renewal application or otherwise, the commissioner may institute  
9 a revocation or suspension proceeding within one year after the  
10 license was last effective and enter a revocation or suspension  
11 order as of the last date on which the license was in effect.

12 C. Revocations. If the commissioner finds that any licensee  
13 or applicant is no longer in existence or has ceased to do  
14 business as a broker or salesperson or is subject to an  
15 adjudication of mental incompetence or to the control of a  
16 committee, conservator, or guardian, or cannot be located after  
17 reasonable search, the commissioner may by order revoke the  
18 license or deny the application.

1 4 MCAR S 1.41553 Course Completion Certificate. The real estate  
 2 education course completion certificate shall be in the form in  
 3 Exhibit 4 MCAR S 1.41553-1.  
 4 Exhibit 4 MCAR S 1.41553-1



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 Department of Commerce  
 Securities and Real Estate Division  
 500 Metro Square Building  
 St. Paul, Minnesota 55101  
 (612) 296-9458

RE-1

COURSE COMPLETION CERTIFICATE

- NOTICE TO SCHOOL: Furnish two copies to student.  
 NOTICE TO STUDENTS:
1. For Course I, attach one copy to license application.
  2. For Course II and III, retain for your records unless course was completed prior to licensure. If completed prior to licensure, attach one copy to license application.
  3. For continuing education courses, transfer information from this form to Form RE-9 and submit to Real Estate Licensing when total is 45 hours. Retain one copy for your records.

Student's Name (as it appears on your license)		Home Address	
City, State, Zip		Company to Which You are Licensed	
School/Sponsoring Entity			
Completion Date of Course	<input type="checkbox"/> Course I	<input type="checkbox"/> Course II	<input type="checkbox"/> Course III
<input type="checkbox"/> Continuing Education	No. of Hrs.	Course No.	Course Title
Coordinator's Signature		Date	

M-00502-01

1 4 MCAR S 1.41554 Application for Coordinator Approval. The real  
2 estate education application for coordinator approval shall be  
3 in the form in Exhibit 4 MCAR S 1.41554-1.

4 Exhibit 4 MCAR S 1.41554-1



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RE-2

APPLICATION FOR COORDINATOR APPROVAL

Name of Applicant		Address	
City, State, Zip	Phone ( )	School/Sponsoring Entity for Which Seeking Approval	

4 MCAR § 1.41534 Course Coordinator. B. Qualifications -- The Commissioner shall approve as a coordinator a person having the following qualifications:

1. A minimum of the previous five years as an active real estate broker  
OR:
2. At least three of the prior five years of full time experience in the administration of an education program  
OR:
3. A degree in education plus two years real estate experience.

Educational Background Relating to Criteria for Approval		
School	Dates Attended	Degree (indicate major)

Employment History Relating to Criteria for Approval			
Name of Employer	Address	Date of Employment	Position

1. Do you have a real estate license in Minnesota or any other state? If Yes, date issued: _____ Type of License: _____	Yes	No
---	-----	----

► If the answer to any of the following questions is yes, attach a detailed explanation.

2. Have you ever been the subject of any inquiry or investigation by any agency through which you have been licensed or certified?	Yes	No
3. Have you ever had a real estate, securities or insurance license in any state which has been suspended, revoked, cancelled or terminated?		
4. Have you ever been convicted of any criminal offense (felony, gross misdemeanor or misdemeanor) in any State or Federal Court, other than traffic violations?		
5. Have you ever been a defendant in any lawsuit involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty or breach of real estate contract?		
6. Are you currently an officer, partner or owner of a licensed real estate company?		

I certify that the information contained on this application is correct. I understand that if approved as coordinator, I will be responsible for compliance with Minnesota laws and rules relating to real estate education in connection with any courses conducted under my supervision. I further certify that I have read and understood the Minnesota laws and rules relating to real estate education.

Signature of Applicant	Date
------------------------	------



1 4 MCAR S 1.41555 Application for Course Approval for Course I,  
 2 II, and III. The real estate education application for course  
 3 approval for courses I, II, and III shall be in the form in  
 4 Exhibit 4 MCAR S 1.41555-1.

5 Exhibit 4 MCAR S 1.41555-1



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 Department of Commerce  
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RE-3

APPLICATION FOR COURSE APPROVAL  
 FOR COURSE I, II, AND III

- Instructions: 1. Attach Service of Process Form (for out-of-state applicants only).  
 2. Attach Instructor Approval Form if instructor has not previously been approved.

"X" applicable course:  Course I  Course II  Course III

Course Title		School/Sponsoring Entity	
Address		City, State, Zip	Phone (include area code) ( )
Course Dates:	From	To	Total Hours
	Course Location		
Name of Text		Date of Edition	Author

"X" if you certify that course material is in compliance with prescribed outlines:  Yes  No

If Course III is a combination of subjects, list below:

Subject	Number of Hours

Coordinator	Home Address
City, State, Zip	Phone (include area code) ( )

As coordinator of the proposed offering, I certify that the information contained in this application is correct to the best of my knowledge. I also certify that this course is not being offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

Signature of Coordinator	Date
--------------------------	------

State of \_\_\_\_\_ )  
 ) ss  
 County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_  
 appeared before me, a Notary Public, and being duly sworn, says that she/she has read the foregoing application and accompanying exhibits, and that the contents thereof are true to her/his own knowledge.

NOTARIAL  
 SEAL

Notary Public	
County	My Commission Expires

FOR OFFICE USE ONLY		
Course No.	Course Title	Date Approved
Reason for Non-approval		
Signature		Title

1 4 MCAR S 1.41556 Application for Instructor Approval for Courses  
 2 I, II, III. The real estate education application for  
 3 instructor approval for courses I, II, and III shall be in the  
 4 form in Exhibit 4 MCAR S 1.41556-1.

5 Exhibit 4 MCAR S 1.41556-1



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APPLICATION FOR INSTRUCTOR APPROVAL  
 FOR COURSES I, II, III

RE-4

Name of Applicant		Address	
City, State, Zip	Phone (include area code) ( )	School/Sponsoring Entity	

4 MCAR § 1.41535 Instructors 2. Applicants for Course I, II, and III shall be approved if they achieve a rating of 70 points or higher based upon the scale below.

Points	
20	2 year degree or certificate
40	4 year degree
50	Post graduate degree
60	2 year real estate degree or certificate
70	4 year real estate degree or certificate
10	Each 45 hours of approved continuing real estate education attended or taught.
30	First three year period in which engaged full time in real estate industry or profession related to area of teaching.
10	Each successive year in which engaged in full time in real estate or profession relating to area of teaching.

Educational Background For Which Applicant Seeks Points		
Name of School	Dates Attended	Degree

Educational Points: \_\_\_\_\_

Continuing Real Estate Education For Which Applicant Seeks Points	
Total No. of Hours Attended	Total No. of Hours Taught

Continuing Education Points: \_\_\_\_\_

Professional Experience For Which Applicant Seeks Points		
Place of Employment	Dates	Position Held

Experience Points: \_\_\_\_\_

TOTAL POINTS: \_\_\_\_\_

1. Do you have a real estate license in Minnesota or any other state? If yes, date issued: _____ Type of License: _____	Yes	No
---	-----	----

► If the answer to any of the following questions is yes, attach a detailed explanation.

2. Have you ever been the subject of any inquiry or investigation by any agency through which you have been licensed or certified?	Yes	No
3. Have you ever had a real estate, securities or insurance license in any state which has been suspended, revoked, cancelled or terminated?		
4. Have you ever been convicted of any criminal offense (felony, gross misdemeanor or misdemeanor) in any State or Federal Court, other than traffic violations?		
5. Have you ever been a defendant in any lawsuit involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty or breach of real estate contract?		
6. Are you currently an officer, partner or owner of a licensed real estate company?		

I certify that the information contained in this application is correct and that I will notify the Commissioner within ten days of any changes in the information contained herein

Signature of Applicant:	Date:
-------------------------	-------

State of \_\_\_\_\_ )  
 ) ss  
 County of: \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_  
 appeared before me, a Notary Public, and being duly sworn, says that she/he is the applicant; that she/he read the foregoing application and accompanying exhibits, and that the contents are true to her/his knowledge.

NOTARIAL  
SEAL

Notary Public:	
County:	My Commission Expires:

I recommend that approval as an instructor be granted for the aforementioned applicant. I understand that I am responsible for the supervision of this instructor pursuant to 4 MCAR § 1.41534C.

Signature of Coordinator:	Date:
---------------------------	-------

1 4 MCAR S 1.41557 Course II and III Record of Completion. The  
2 real estate education courses II and III record of completion  
3 shall be in the form in Exhibit 4 MCAR S 1.41557-1.

4 Exhibit 4 MCAR S 1.41557-1



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RE-5

COURSE II and III RECORD OF COMPLETION

This form is to be submitted by schools/sponsoring entities within 14 days of course completion.

"X" one:  Course II  Course III

Completion Date

Student Name	Home Address	Company Name
Coordinator's Signature	Date	Name of School/Sponsoring Entity
School/Sponsoring Entity Address		City, State, Zip

CM-00306-01

1 4 MCAR S 1.41558 Application for Course Approval for Continuing  
 2 Education. The real estate education application for course  
 3 approval for continuing education shall be in the form in  
 4 Exhibit 4 MCAR S 1.41558-1.

5 Exhibit 4 MCAR S 1.41558-1



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RE-6

APPLICATION FOR COURSE APPROVAL  
 FOR CONTINUING EDUCATION

- Instructions:
1. Attach a Service of Process Form (for out-of-state applicants only).
  2. Attach syllabus (pursuant to 4 MCAR § 1.41530 (E) and include the time allotted to each segment in the outline.
  3. Attach instructor approval form.

Course Title		School/Sponsoring Entity	
Address		City, State, Zip	Phone (include area code) ( )
Course Dates:	From	To	Total Hours
	Course Location		
Name of Text (if applicable)		Date of Edition	Author

Coordinator	Home Address
City, State, Zip	Phone (include area code) ( )

As coordinator of the proposed offering, I certify that the information contained in this application is correct to the best of my knowledge. I also certify that this course is not being offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

Signature of Coordinator	Date
--------------------------	------

State of \_\_\_\_\_ )  
 ) ss  
 County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_  
 appeared before me, a Notary Public, and being duly sworn, says that she/he has read the foregoing application and accompanying exhibits, and that the contents thereof are true to her/his own knowledge.

NOTARIAL  
 SEAL

Notary Public	
County	My Commission Expires

FOR OFFICE USE ONLY		
Course No.	Course Title	Date Approved
Reason for Non-Approval		
Signature		Title

CM-00507-01

1 4 MCAR S 1.41559 Application for Instructor Approval for  
 2 Continuing Education. The real estate education application for  
 3 instructor approval for continuing education shall be in the  
 4 form in Exhibit 4 MCAR S 1.41559-1.

5 Exhibit 4 MCAR S 1.41559-1



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 Securities and Real Estate Division  
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RE-7

APPLICATION FOR INSTRUCTOR APPROVAL  
 FOR CONTINUING EDUCATION

Name of Applicant	Address
City, State, Zip	Telephone (include area code) ( )
Course Title	School/Sponsoring Entity

4 MCAR §1.41535 Instructors B. (4) Continuing Education instructors must have a degree in any area plus two years practical experience in the subject being taught; OR five years practical experience in the subject area being taught; OR a college degree in the subject area being taught; OR have held a broker's license for 3 years, or have 3 yrs. practical experience in the subject area being taught, and have completed at least 60 hours of approved continuing education in the subject area being taught.

College/University			
Name of School	Address	Year of Graduation	Major

Experience Related to Subject Area			
Dates	Place of Employment	Address	Position Held

1. Do you have a real estate license in Minnesota or any other state? If yes, date issued: _____ State _____ Type of License: _____	Yes	No
---	-----	----

► If the answer to any of the following questions is yes, attach a detailed explanation.

2. Have you ever been the subject of any inquiry or investigation by any agency through which you have been licensed or certified?	Yes	No
3. Have you ever had a real estate, securities or insurance license in any state which has been suspended, revoked, cancelled or terminated?		
4. Have you ever been convicted of any criminal offense (felony, gross misdemeanor or misdemeanor) in any State or Federal Court, other than traffic violations?		
5. Have you ever been a defendant in any lawsuit involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty or breach of real estate contract?		
6. Are you currently an officer, partner or owner of a licensed real estate company?		

I certify that the information contained in this application is correct and that I will notify the Commissioner within ten days of any changes in the information contained herein.

Signature of Applicant	Date
------------------------	------

State of \_\_\_\_\_ )  
 ) ss  
 County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_  
 appeared before me, a Notary Public, and being duly sworn says that she/he is the applicant; that he/she has read the foregoing application and accompanying exhibits, and that the contents are true to his/her own knowledge.

NOTARIAL  
 SEAL

Notary Public	
County	My Commission Expires

1 4 MCAR S 1.41560 Notice of Subsequent Offerings of Continuing  
 2 Education Courses. The real estate education notice of  
 3 subsequent offerings of continuing education courses shall be in  
 4 the form in Exhibit 4 MCAR S 1.41560-1.

5 Exhibit 4 MCAR S 1.41560-1



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RE-8

**NOTICE OF SUBSEQUENT OFFERINGS  
 OF CONTINUING EDUCATION COURSES**

This Form is to be used to notify the Commissioner no later than 30 days in advance of the proposed offering of previously approved courses.

Course No.	Course Title		School/Sponsoring Entity	
School Address		City, State, Zip		Phone (area code) ( )
Coordinator's Name		Home Address		City, State, Zip
Course Dates:	From	To	Time	Total Hours
	Course Location			
Submitted by (print or type)			Signature	
Title			Date	

CM-00509-01

1 4 MCAR S 1.41561 Continuing Education Course Verification. The  
 2 real estate education continuing education course verification  
 3 shall be in the form in Exhibit 4 MCAR S 1.41561-1.

4 Exhibit 4 MCAR S 1.41561-1



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 Department of Commerce  
 Securities and Real Estate Division  
 500 Metro Square Building  
 St. Paul, Minnesota 55101  
 (612) 296-9458

RE-9

CONTINUING EDUCATION  
 COURSE VERIFICATION

The information which you furnish on this form will be used to determine whether you have complied with the continuing education requirement of Minnesota Statutes, Chapter 82. You are not legally required to provide this information. However, if you fail to do so, the Department of Commerce will be unable to renew your real estate license. Information contained on this application, other than name and address, will be private pursuant to Minnesota Statute, Chapter 15.

Instructions

1. This form is an on-going record of your continuing education credits for the three year reporting period. Attach additional forms if necessary.
2. Each time you complete a continuing education course, enter the course number, date completed, course title and the number of hours of credit received.
3. When the total number of hours received reaches 45, sign and date the bottom of the form and promptly submit to:

Real Estate Licensing  
 500 Metro Square Building  
 St. Paul, MN 55101

Do not wait until the renewal of your license. Retain a copy for your records.

4. Be sure that all information requested is provided. Incomplete forms will be returned to the licensee.
5. If credit is earned as instructor, place "instructor" next to the course title. Instructors may earn three credit hours for each one hour taught, only the first time a course is taught.

Name (as it appears on your license)	License No.	Name of Company to Which You Are Licensed
Home Address	City, State, Zip	

Course No.	Date Completed	Course Title	Credit Hours
TOTAL			

CERTIFICATION

I certify that I have taken and completed the courses listed above and will furnish to the Securities and Real Estate Division, upon request, evidence of having taken any or all of the courses listed.

Signature	Date
-----------	------



1 4 MCAR S 1.41562 Real Estate Salesperson Automatic Transfer.  
 2 The real estate salesperson automatic transfer shall be in the  
 3 form in Exhibit 4 MCAR S 1.41562-1.

4 Exhibit 4 MCAR S 1.41562-1



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RE-10

**REAL ESTATE SALESPERSON  
 AUTOMATIC TRANSFER**

The data which you furnish on this form will be used to implement the automatic transfer of your real estate salesperson's license. You are not legally required to provide this data. However, if you fail to do so you will be unable to utilize the automatic license transfer provision of Minnesota Statute §82.20, Subd. 9(b). Disclosure of your social security number is voluntary, authorized by Minnesota Statute, Chapter 270A. Your social security number may be used to recapture payments made out of the Recovery Fund. Information contained in this application, other than your name and address, will be private pursuant to Minnesota Statutes, Chapter 15.

This form may be used to effect an automatic transfer of a salesperson's license from one broker to another broker provided:

- a) the applicant's educational requirements are not past due;
- b) this form is completed in its entirety;
- c) the applicant commences his/her association with the broker to whom he is transferring within five days after terminating his association with the broker from whom he/she is transferring;
- d) the appropriate transfer fee is attached (if the applicant transfers between May 1 and June 30, inclusive, of any year he/she must also pay the renewal fee in addition to the transfer fee);
- e) this form and the appropriate fees are received either by certified mail or personal delivery to the Securities and Real Estate Division of the Department of Commerce within 72 hours of execution by the broker to whom the applicant is transferring; (in the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received);
- f) the signature of the previous broker pre-dates the signature of the broker to whom the salesperson is transferring;
- g) the applicant is in compliance with 4 MCAR Section 1.41525 concerning notice to the commissioner of any change of information contained in his/her license application or of any civil judgment, disciplinary action or criminal offense.

"X" one: <input type="checkbox"/> Transfer	\$10.00	<input type="checkbox"/> Transfer and Renewal*	\$25.00
<input type="checkbox"/> Transfer with Subdivided Land	\$20.00	<input type="checkbox"/> Transfer and Renewal with Subdivided Land*	\$35.00

\*Renewal fees are subject to increase due to special assessments for the Real Estate Education, Research and Recovery Fund. If transferring between May 1 and June 30, inclusive, of any year contact the commissioner's office to determine whether a special assessment has been made.

Applicant's Name as it Appears on License	Social Security No.	License No.
Home Address	City, State, Zip	

Broker (company to whom presently licensed)	License No.
Signature of Broker	Date

Broker (company to whom you will be licensed)	License No.
---	-------------

I understand that I, as broker, am responsible for the real estate activities of this salesperson as of the time and date below:

Signature of Broker	Time	Date
---------------------	------	------

I hereby certify that I currently hold a Minnesota Real Estate Salesperson's License and that I am eligible for an immediate transfer; that I am not past due for any educational requirements; and that all information contained herein is true and accurate. Further, I understand that I am unlicensed for any period of time between the signatures of the terminating broker and the broker to whom I am transferring. I understand and acknowledge that if this application is not received by the Securities and Real Estate Division within 72 hours of execution of the broker to whom I am transferring, or that if this application is not completed in its entirety, I am not eligible for an immediate transfer. I further certify that I have not failed to notify the Commissioner within 10 days of any change of information contained in my license application or of any civil judgment, disciplinary action or criminal offense, which notice is required pursuant to 4 MCAR 1.41525. (If this application is submitted to the Commissioner by certified mail, the return receipt shall constitute evidence of delivery.)

Signature of Applicant	Date
------------------------	------

CM-00511-01 APPLICANT MUST RETAIN A PHOTOCOPY OF THIS DOCUMENT AS EXECUTED AND SHALL ALSO PROVIDE THE BROKER FROM WHOM HE IS TRANSFERRING WITH A PHOTOCOPY OF THIS DOCUMENT AS EXECUTED.

1 Repealer. 4 MCAR S 1.41504, 4 MCAR S 1.41508, 4 MCAR S 1.41509,  
2 4 MCAR S 1.41511, the forms following 4 MCAR S 1.41511, and 4  
3 MCAR S 1.41512 are repealed.

4

5 Effective date. Rules 4 MCAR SS 1.41529-1.41548 and 4 MCAR SS  
6 1.41553-1.41561 are effective January 1, 1983.