

SLIDE 1 – COVER PAGE

SLIDE 2 – TOPICS

In this section you will study the following topics:

- I. History and purposes of real estate license laws
- II. License Categories
- III. General Licensure Provisions
- IV. Application Requirements
- V. Sales Associate License Requirements
- VI. Broker License Requirements
- VII. Mutual Recognition Agreements with Other States
- VIII. Information included on the real estate license
- IX. Registration vs. Licensure
- X. License Renewal Education
- XI. Real Estate Services
- XII. Unauthorized Practice of Law

SLIDE 3 – **Learning Objectives** – Page 1

Upon completion of this lesson, you should be able to:

- Identify the qualifications for a sales associate's license
- Describe the application requirements for licensure including nonresident application requirements
- Explain the importance of responding accurately and completely to the background information questions on the licensure application
- Illustrate the background check procedure conducted by the DBPR
- Describe the education requirement for pre- and post-license education and continuing education

SLIDE 4 – **Learning Objectives** – Page 2

Upon completion of this lesson, you should be able to:

- Distinguish among the various license categories
- Identify services of real estate where licensure is required
- Recognize actions that constitute unlicensed activity
- Recognize exemptions from real estate licensure
- Distinguish between registration and licensure
- Explain mutual recognition agreements

SLIDE 5 - **Key Terms**

Here are some key terms we'll encounter in this lesson:

- **Adjudication withheld** – Florida law provides the possibility for a court to withhold adjudication which simply means, “there was no finding of guilt.” It occurs when judges determine that the facts of a case establish that there should be no finding of guilt.
- **Broker** – A general partner, officer, or director of a partnership or corporation which acts, for compensation, as a broker to facilitate real estate transactions on behalf of a third party. [See 475.01(1)(a)]

SLIDE 6

- **Broker associate** - A person who is qualified to be issued a license as a broker but who operates as a sales associate in the employ of another. 475.01(1)(b)
- **Caveat emptor** – In short it means “Buyer beware”. The phrase *caveat emptor* is due to the fact that buyers typically have less information about the property they are trying to buy, while the seller knows more.
- **Compensation** – A valuable consideration directly or indirectly paid or promised, expressly or implied, for payment for services provided.

SLIDE 7

- **Florida resident** – For purposes of 475.180 (1) Florida Statutes, a resident is defined as someone who has resided (regardless of whether the place or base of residence is a recreational vehicle, hotel, rental unit, or any other temporary or permanent situs) in Florida, continuously for a period of 4 calendar months or more, within the preceding one year.
- **License/registration** - A license is a privilege that has been earned by meeting qualifications and passing examination. A license can be revoked. A registration is simply an acceptance of notice regarding name, location and status. All licensees are registered with the DBPR. Owner-employers, brokerage entities, and branch offices are registered but not licensed.

SLIDE 8

- **Nolo contendere / no contest** - A plea by which a defendant in a criminal prosecution accepts conviction as though a guilty plea had been entered but does not admit guilt. In Latin it literally translates to “I do not wish to contend.”
- **Prima facie evidence** - A legal term used to mean that you have enough evidence to prove something by showing basic facts, but that your proof can be refuted.
- **Real estate services** - Any services provided by brokers, sales persons, or appraisers related to the transfer, purchase, sale, listing, or advertising for such services is considered a real estate service. There may be some exemptions.

SLIDE 9

- **Sales associate** - A person who performs any act specified in the definition of “broker,” but who performs such act under the direction, control, or management of another person.
A sales associate renders a professional service and is a professional within the meaning of 95.11(4)(a).
- **Expungement vs. sealing** – Once a record has been expunged by the court, the Office of the State Attorney, the arresting agency and the Sheriff’s Office must physically destroy the records identified under that order.

Sealed records are not normally destroyed. They are marked confidential and the contents must not be distributed to anyone unless the seal has been removed by court action.

SLIDE 10 – History and Purposes of Real Estate License Laws

In this section we’ll take a look at the history of Florida’s real estate license laws and what purpose they serve.

Specifically, we’ll discuss:

1. History of Florida License Law
2. Need for regulation
3. Purpose of regulation
4. Important real estate statutes

SLIDE 11

History of Florida's real estate license law

Like much of America in the early 20th century, the state of Florida was on the verge of a real estate boom.

To protect real estate buyers, the Florida legislature passed Real Estate License Laws in 1923. These have evolved into what is found today in Chapter 475 of the Florida Statutes.

SLIDE 12

The Florida Department of Business and Professional Regulation (DBPR) is the state agency charged with licensing and regulating businesses and professionals throughout the state.

The DBPR has over 1,500 employees and is headquartered in Tallahassee.

DBPR licenses and regulates more than one million businesses and professionals in various professions including real estate brokers and sales associates.

<http://www.myfloridalicense.com/dbpr/>

SLIDE 13

Inside the DBPR is the Division of Real Estate (DRE), the agency tasked with licensing, regulating and testing all parties desiring to perform real estate transaction in the state of Florida.

The DRE also investigates consumer complaints and ensures that personal integrity is maintained at all levels.

SLIDE 14

In 1925 the State of Florida created the first Real Estate Commission (FREC) who has the authority to conduct investigations, and the power to grant, deny, suspend, and revoke licenses. Chapter 475.02, Florida Statutes.

The Commission consists of seven members appointed by the Governor, subject to confirmation by the Senate. Four members must be licensed brokers, each of whom has held an active license for five years preceding appointment.

SLIDE 15

One member must be a licensed broker or a licensed sales associate who has held an active license for two years preceding appointment.

Two members must be persons who are not, and have never been, brokers or sales associates.

At least one member must be 60 years of age or older.

Members of the Commission shall be appointed for four-year terms.

SLIDE 16

Need for Regulation

Without regulation of the real estate industry there would be no buyer protections and the shopping environment would be **Caveat emptor**. Let the buyer beware

SLIDE 17

Purpose of Regulation

Because the buying and selling of real estate involves complex laws and regulations, the Florida Legislation enacted real estate rules and regulations to provide consumer protections.

Sales professionals on both sides of a real estate transaction in Florida must maintain a license that certifies their diverse knowledge of the industry.

SLIDE 18

Important real estate statutes and rules

Florida Real Estate Commission (FREC)

- Florida Statutes Chapter 475 - Part I
- Florida Administrative Code Chapter 61J2

Florida Real Estate Appraisal Board (FREAB)

- Florida Statutes Chapter 475 - Part II
- Florida Administrative Code Chapter 61J1
- Uniform Standards of Professional Appraisal Practice

Department of Business & Professional Regulation (DBPR) General

- Business and Professional Regulation - General Provisions, Chapter 455
- Financial Matters - General Provisions, Chapter 215
- Administrative Procedures Act - Chapter 120
- Organizational Structure - Chapter 20