

REAL ESTATE BOARD  
TENTATIVE AGENDA  
Wednesday, November 13, 2024 -12:00 p.m.  
2nd Floor – Board Room 2  
9960 Mayland Drive  
Richmond, Virginia 23233  
804-367-8526

**Mission:** Our mission is to protect the health, safety and welfare of the public by licensing qualified individuals and businesses enforcing standards of professional conduct for professions and occupations as designated by statute.

**I. CALL TO ORDER**

- A. Emergency Egress
  - B. Determination of Quorum
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**II. APPROVAL OF DRAFT AGENDA**

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**III. APPROVAL OF MINUTES**

- A. Real Estate Board Meeting, September 5, 2024
  - B. Real Estate Board Regulatory Review Committee Meeting, October 16, 2024
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**IV. WELCOME, INTRODUCTIONS, AND RESOLUTIONS**

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**V. PUBLIC COMMENT PERIOD: \*FIVE MINUTE PUBLIC COMMENT, PER PERSON\***

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**VI. FAIR HOUSING REPORT**

- A. Fair Housing Administrator’s Report
  - B. Litigation Update
- 

**VII. FAIR HOUSING CASES**

1. Aaron D’Costa and Marcus Sullivan v. Elizabeth Ann Leonard and Lis Senich  
REB File Number: 2024-01122  
HUD File Number: 03-24-4106-8  
*Appointment-Lysa Senich, complainant*  
*Appointment- John Cancelleri, Attorney for Respondent*
2. Melody Sowers and Dustin Helbert v. SREIT Woodburn I, LLC, SREIT Woodburn II, LLC, SL Nusbaum Realty Corporation and Diana Pineda  
REB File Number: 2024-01179  
HUD File Number: 03-24-4149-8
3. McKinley Holley v. Terrie Newsome, Frye Properties, Inc., and Jamestown Holding Company, LLC  
REB File Number: 2024-01823

HUD File Number: 03-24-4628-8

4. Jennifer Brooke Conway v. Pyle Realty, Inc., Tina Simmons, Dominic Dipierro, III and Aubrey Dipierro  
REB File Number: 2024-01318  
HUD File Number: 03-24-4555-8  
***Appointment- John Cancelleri, Attorney for Respondents***
5. Salifu Kamara v. Franklin Johnston Group Management & Development, LLC, Summerland Heights II LP, Renee Doyle and Ashley Frigerio  
REB File Number: 2024-02603  
HUD File Number: 03-24-4783-8
6. Kyle Sershon v. Tricia Childress, Signature Property Management, LLC. dba Signature Properties and Shellis Square Homeowners Association, Inc.  
REB File Number: 2022-02197  
HUD File Number: 03-22-1151-8  
***{Referred to OAG for Official Consultation}***
7. Lisa Geer and Patricia Jones v. S.L. Nusbaum Company and USACORPVA, LLC  
REB File Number: 2025-00272  
HUD File Number: 03-24-4999-8  
***{Conciliation: Disability}***
8. Jessica West v. Grand Bay Condominium Association, Inc., United Property Associates, Inc., Property Management Associates, LLC and Denise Lentini  
REB File Number: 2019-02838  
HUD File Number: 03-20-4197-8  
***{OAG Consultation}***

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## VIII. REAL ESTATE CASES

### RECOVERY FUND CASE FILES

1. File Number: 2024-02351 Kerwin and Carolyn Secrist (Claimant) v. Katrina M G Wulfeck (Regulant)
2. File Number: 2025-00241 Nicole G. Yancey (Claimant) v. Katrina M G Wulfeck (Regulant)

### DISCIPLINARY CASE FILES

1. File Number: 2024-00415 Patrice Mukenge Muya  
**(Hale)**
2. File Number: 2024-00737 Mohmmad Aaron Hashem, dba Mo A. Hashem  
**(Thronson)**

3. File Number: 2024-01914 Schniece Marie Lambert, dba Schniece Lambert  
(Hale)

#### LICENSING CASE FILES

1. File Number: 2024-01683 Kawan Davante Koonce  
(Jackson-Bailey)
2. File Number: 2024-02272 Thy H. Pham  
(Jackson-Bailey)
3. File Number: 2024-02342 Aty Fwelo Biswese  
(Grimsley)
4. File Number: 2024-02346 Patricia Compton  
(Grimsley)
5. File Number: 2024-02366 Adam Joseph Gizinski  
(Jackson-Bailey)
6. File Number: 2023-02544 Jonathan Vincent Gaines, Jr  
(Jackson-Bailey)
7. File Number: 2024-02547 Jennifer J. Chavez  
(Jackson-Bailey)
8. File Number: 2024-02552 Tabatha Glass  
(Jackson-Bailey)  
*Appointment- Tabatha Glass*
9. File Number: 2024-02554 Zachary Alexander Collins  
(Jackson-Bailey)
10. File Number: 2024- 02557 Julia Ann Smith  
(Grimsley)
11. File Number: 2025-00109 Jared Henley  
(Jackson-Bailey)

#### CONSENT ORDERS

1. File Number: 2024-00998 Agnes Dowdy Anderson
2. File Number: 2024-01396 Erick Danilo Portillo, t/a Erick Portillo
3. File Number: 2024-01906 Jemoni Tyanna Carter
4. File Number: 2024-02047 Johannes C T Kozyn, t/a John Kozyn
5. File Number: 2024-02238 Jamie Michelle Via

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#### IX. EDUCATION

- A. November 12, 2024, Education Committee Report
  - a. Finalize School Application Review

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#### X. NEW BUSINESS

- A. Receivership Request - Dockside Realty of Lake Anna
  - B. Executive Director's Update
  - C. Regulatory Update
    1. Proposed Real Estate Board Regulations
-

**XI. OTHER BUSINESS**

- A. Exam Statistics
    - 1. Remote exam proctoring
  - B. Board Financial Statement
  - C. Board Recovery Fund
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**XII. COMPLETION OF PAPERWORK**

- A. Travel Voucher
  - B. Conflict of Interest Form
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**XIII. ADJOURN**

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**NEXT MEETING SCHEDULED FOR THURSDAY, JANUARY 23, 2025**

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-0362 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

\* Agenda materials made available to the public do not include disciplinary case files or application files pursuant to §54.1-108 of the *Code of Virginia*.

\*\*5-minute public comment, per person, on those items not included on the agenda with the exception of any open disciplinary files. No other public comment will be accepted by the Board during the meeting.

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
And are not to be construed as regulation or official board position  
DRAFT AGENDA

**PERIMETER CENTER CONFERENCE CENTER**  
**EMERGENCY EVACUATION OF BOARD AND TRAINING ROOMS**  
(Script to be read at the beginning of each meeting.)

**PLEASE LISTEN TO THE FOLLOWING INSTRUCTIONS ABOUT EXITING THE PREMISES IN THE EVENT OF AN EMERGENCY.**

In the event of a fire or other emergency requiring the evacuation of the building, alarms will sound. When the alarms sound, leave the room immediately. Follow any instructions given by Security staff

**Board Room 1**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Board Room 2**

Exit the room using one of the doors at the back of the room. (Point) Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

You may also exit the room using the side door, turn **Right** out the door and make an immediate **Left**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Board Rooms 3 and 4**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Training Room 1**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Training Room 2**

Exit the room using one of the doors at the back of the room. Upon exiting the doors, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

## **DETERMINATION OF QUORUM:**

○ The Real Estate Board, consist of nine members, adheres to the requirement that a quorum, defined as the minimum number of members necessary to conduct official business, is constituted by five board members in accordance with [§ 54.1-2104](#).

DRAFT AGENDA  
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DRAFT AGENDA

# **APPROVAL OF DRAFT AGENDA**

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# **APPROVAL OF MINUTES**

DRAFT AGENDA  
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DRAFT AGENDA



REAL ESTATE BOARD  
MINUTES OF MEETING

September 5, 2024

The Real Estate Board met at the Department of Professional and Occupational Regulation, 9960 Mayland Drive, Richmond, Virginia. The members indicated below were present. All members present were qualified to vote, except where a specific reason for disqualification is stated. There are nine (9) members on this Board, in which five (5) constitutes a quorum pursuant to § 54.1-2104.

The following Board members were present:

Joseph 'Kemper' Funkhouser, III, Chair  
Kermit 'Kit' Hale, Vice-Chair  
Pieri Burton  
Aekta Chawla  
Doug Roth  
Anna Thronson

Board members absent from the meeting:

Margaret "Maggie" Davis  
Rene` Fonseca  
Cavelle Mollineaux

DPOR staff present for all or part of the meeting included:

Brian Wolford, Director  
Jeb Wilkinson, Special Assistant to the Director  
Tom Payne, CID Deputy Director  
Stephen Kirschner, LRPD Deputy Director  
Anika Coleman, Executive Director  
Breanne Lindsey, Regulatory Operations Administrator  
Angela Keefe-Thomas, Fair Housing Investigator  
Greg Emerson, Director of Examinations  
John Robertson, Communications & Digital Media Manager  
Gezelle Glasgow, Administrative Coordinator  
Aimee-Leigh Bean, IT Analyst

Board Liaison Alice Kendrick was present.

James "Jim" Flaherty and Joel Taubman from the Office of the Attorney General were present.

Mr. Funkhouser called the meeting to Order at 10:02 A.M.

**CALL TO ORDER**

Ms. Coleman reviewed the emergency evacuation procedures.

**EMERGENCY  
EGRESS**

Mr. Funkhouser determined that a quorum was a present.

**DETERMINATION  
OF QUORUM**

Mr. Funkhouser welcomed guests of the audience and allowed Board members and Board staff to introduce themselves.

**WELCOME,  
INTRODUCTIONS,  
AND  
RESOLUTIONS**

Mr. Funkhouser read the following resolution for consideration by the Board:

**Department of Professional and  
Occupational Regulation**

**Real Estate Board**

Resolution To

***Lawrence E. Marshall, II***

**WHEREAS**, Lawrence “Lem” Marshall, II, has faithfully and diligently served the Real Estate Board for over four decades; and

**WHEREAS**, Lawrence “Lem” Marshall, II, has devoted generously of his time, talent and leadership to the Board; and

**WHEREAS**, Lawrence “Lem” Marshall, II, has endeavored at all times to render decisions with fairness, good judgment, and in the best interest of the Board; and

**WHEREAS**, the Real Estate Board wishes to acknowledge its gratitude and deepest appreciation for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth.

**NOW THEREFORE BE IT RESOLVED**, by the Real Estate Board this fifth day of September 2024 that Lawrence “Lem” Marshall, II be given all honors and respect due him for his outstanding service to the Commonwealth and its citizens and the Real Estate Board; and

**BE IT FURTHER RESOLVED**, that this Resolution be presented to him and be made a part of the official minutes of the Board so that all may know of the high regard in which he is held.

The Board in consensus adopted the resolution as written.

Mr. Hale moved to approve the amended agenda. Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

**APPROVAL OF  
AGENDA**

Mr. Hale moved to approve the minutes from the July 18, 2024, Real Estate Board meeting. Mr. Hale seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

**APPROVAL OF  
MINUTES**

There was no public comment.

**PUBLIC  
COMMENT  
FAIR HOUSING  
REPORT**

Angela Keefe-Thomas, Fair Housing Investigator, updated the Board on the current Fair Housing case load. No action was taken by the Board.

Mr. Taubman informed the Board there was no litigation update.

**LITIGATION  
REPORT  
FAIR HOUSING  
CASES**

In the matter of **ROBERT JONES AND ELIZABETH D. JONES V. T. SHERWIN COOK LLC, DBA REAL PROPERTY MANAGEMENT CAIRN AND MAPLE HILL RENTAL LLC REB FILE NUMBER: 2024-02285**, the Board reviewed the record which consisted of the Final Investigative Report, Supplemental Final Investigative Report, and Case Analysis. Neither party was present to address the Board in person, by counsel, or by any other qualified representatives.

**ROBERT JONES  
AND ELIZABETH  
D. JONES V. T.  
SHERWIN COOK  
LLC, DBA REAL  
PROPERTY  
MANAGEMENT  
CAIRN AND  
MAPLE HILL  
RENTAL LLC  
REB FILE  
NUMBER: 2024-  
02285  
HUD FILE  
NUMBER: 03-24-  
4624-8**

Mr. Hale moved to find no reasonable cause to believe the respondents discriminated against the complainants by discriminating in the terms and conditions and otherwise making housing unavailable based on the complainant's disability. Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

In the matter of **CHELSEA HARRISON V. MAPLEWOOD ASSOCIATES, LLC AND GRADY MANAGEMENT, INC. REB FILE NUMBER: 2020-00262**, the Board reviewed the record which consisted of the Final Investigative Report, Case Analysis, and Official Consultation Memorandum from the Office of the Attorney General. Neither party was present to address the Board in person, by counsel, or by any other qualified representatives.

A motion was made by Mr. Hale to find reasonable cause to believe the respondents discriminated against the complainant by imposing discriminatory terms and conditions based on the Complainant's sex.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

A motion was made by Mr. Hale to find no reasonable cause to believe the respondents discriminated against the complainant by imposing discriminatory terms and conditions based on the Complainant's sex.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

At 10:20 A.M., Mr. Hale moved that the Board meeting be recessed and that the Real Estate Board immediately reconvene in closed meeting for the purpose of consultation with legal counsel pertaining to legal matters within the jurisdiction of the Board as permitted by §2.2-3711.A.8 of the Code of Virginia. The following non-members were in attendance to reasonably aid the consideration of the topic:

Brian Wolford, Jeb Wilkinson, Stephen Kirschner, Tom Payne, Anika Coleman, Angela Keefe-Thomas, Jim Flaherty, and Joel Taubman.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

This motion was made with respect to the matter(s) identified as agenda item(s):  
**CHELSEA HARRISON V. MAPLEWOOD ASSOCIATES, LLC AND GRADY MANAGEMENT, INC.**

**REB FILE NUMBER: 2020-00262**

**HUD FILE NUMBER: 03-19-2993-8**

At 10:41 A.M., the Board members agreed by consensus to adjourn the closed meeting and reconvene in an open meeting.

WHEREAS, the Real Estate Board has convened a closed meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of

**CHELSEA HARRISON V. MAPLEWOOD ASSOCIATES, LLC AND GRADY MANAGEMENT, INC. REB FILE NUMBER: 2020-00262 HUD FILE NUMBER: 03-19-2993-8**

**Closed Session**

**Certification of Closed Meeting**

the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the Code of Virginia requires a certification by this Real Estate Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Real Estate Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Real Estate Board.

VOTE: 6-0

AYES: Burton, Chawla Funkhouser, Hale, Roth, and Thronson

NAYS: None.

ABSENT DURING THE VOTE: None.

ABSENT DURING THE MEETING: Margaret "Maggie" Davis, Rene' Fonseca, and Cavelle Mollineaux

Upon reconvening in an open session, a motion was made by Mr. Hale to rescind his previous motion and find no reasonable cause to believe the respondents discriminated against the complainant by otherwise making the housing unavailable based on the Complainant's sex.

**Reconvene in Open Session**

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

A motion was made by Mr. Hale to rescind his previous motion and find no reasonable cause to believe the respondents discriminated against the complainant by imposing discriminatory terms and conditions based on the Complainant's sex.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

**REAL ESTATE CASES**

**Disciplinary Case Files**

Mr. Hale recused himself for the following case file:  
**File Number 2023-02027 – Janice Myers Hollowell**

**Recusal of Board Member**

In the matter of **File Number 2023-02027 – Janice Myers Hollowell**, the Board reviewed the record which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference (“IFF”), and the Summary. Hollowell was not present to address the Board in person, by counsel, or by any other qualified representatives.

**File Number 2023-02027 – Janice Myers Hollowell**

Ms. Thronson moved to find violations of **18 VAC 135-20-165.4** of the Real Estate Board Regulation (Count 1). Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Roth, and Thronson.

A motion was made by Ms. Thronson to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference to impose the following sanctions:

For violation of Count 1, Hollowell shall pay a monetary penalty of \$750.00.

In addition, I recommend that the Board place Hollowell’s license on probation for a period of ninety (90) days. The terms of the probation shall be: Hollowell shall complete three (3) classroom hours of Board-approved post-license education pertaining to Agency Law. Such course(s) shall be completed in a classroom. Further, Hollowell shall provide evidence acceptable to the Board that Hollowell has successfully completed the course(s) within three (3) months of the effective date of this order. The above-referenced post-license education hours will not count towards any continuing education requirements, if applicable, for renewal, reinstatement, or activation of a license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Roth, and Thronson.

Mr. Hale returned to the meeting.

**Return of Board Member**

In the matter of **File Number 2023-02898 – Aida Hadzirc Merrell**, the Board reviewed the record which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference (“IFF”), and the Summary. Merrell appeared at the Board meeting in person.

**File Number 2023-02898 – Aida Hadzirc Merrell**

Mr. Hale moved to find a violation of **18 VAC 135-20-260.6** of the Real Estate Board Regulations (Count 1). Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

A motion was made by Mr. Hale to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference to impose the following sanctions:

For the violation of Count 1, the Board voted to place Merrell on probation through the end of her current license cycle. The terms of the probation shall be:

- During the probationary period, Merrell and her broker will provide quarterly reports to the Board that Merrell is in compliance with the Board's rules and regulations;
- Merrell shall complete six (6) classroom hours of Board-approved post-license education in Real Estate Law and Regulations;
- Merrell shall complete three (3) classroom hours of Board-approved post-license education in Contract Writing; and Merrell shall provide evidence accepted to the Board that Merrell has successfully completed the course(s) within six (6) months of the effective date of the Board's order.

The above-referenced post-license education hours will not count towards any continuing education requirements, if applicable, for renewal, reinstatement, or activation of a license.

Mr. Burton seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

Mr. Funkhouser transferred the position of Chair to Mr. Hale and recused himself for the following case file:

**File Number 2024-00925 – Corinna Redmond Hanauer, dba Coco Hanauer**

**Recusal of Board  
Member and  
Transfer of Chair**

In the matter of **File Number 2024-00925 – Corinna Redmond Hanauer, dba Coco Hanauer**, the Board reviewed the record which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference (“IFF”), and the Summary. Hanauer appeared at the Board meeting in person.

**File Number 2024-  
00925 – Corinna  
Redmond Hanauer,  
dba Coco Hanauer**

Ms. Thronson moved to find violations of § 54.1-2135.A.1 of the **Code of Virginia** (Count 1). Mr. Burton seconded the motion which was unanimously approved by members: Burton, Chawla, Hale, Roth, and Thronson.

Mr. Burton moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference to find no violation for Count 2. Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Hale, Roth, and Thronson.

A motion was made by Mr. Purton to reject the recommendation contained in the Summary of the Informal Fact-Finding Conference and impose no sanctions.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Hale, Roth, and Thronson.

Mr. Funkhouser returned to the meeting and resumed position of Chair.

**Return of Board  
Member and  
Transfer of Chair**

**PRIMA FACIE  
CASE FILE**

In the matter of **File Number 2024-00332 – Christopher Adam Redifer**, the Board reviewed the record which consisted of the Notice, the Revised of Report Findings, including exhibits, and the Recommendation. Redifer did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-  
00332 – Christopher  
Adam Redifer**

Mr. Hale moved to find violations of **18 VAC 135-20-290.1** of the Real Estate Board Regulation (Count 1). Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

Mr. Hale moved to find violations of **18 VAC 135-20-260.11.h** of the Real Estate Board Regulation (Count 2). Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

Mr. Hale moved to find violations of **18 VAC 135-20-260.11.m** of the Real Estate Board Regulation (Count 3). Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

A motion was made by Mr. Hale to accept the recommendation and impose the following sanctions as a block vote:

For violation of Count 1, Redifer shall pay a monetary penalty of \$1,050.00.

For violation of Count 2, Redifer shall pay a monetary penalty of \$1,250.00.

For violation of Count 3, Redifer shall pay a monetary penalty of \$950.00.

In addition, for the violations Counts 1,2, and 3, Redifer's license be revoked.

Ms. Thronson seconded the motion which was unanimously approved by



members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

**LICENSING CASE  
FILES**

In the matter of **File Number 2024-01688 – Matthew A. Hauyon**, the Board reviewed the record which consisted of the application file, transcript, exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference. Hauyon did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-  
01688 – Matthew A.  
Hauyon**

Mr. Hale moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference (IFF) and Hauyon's application for a Real Estate Salesperson license by examination be denied.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01701– Omar Sharif Holloman**, the Board reviewed the record which consisted of the application file, transcript, exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference. Holloman did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-  
01701– Omar Sharif  
Holloman**

Mr. Hale moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference (IFF) and Holloman's application for a Real Estate Salesperson license by examination be approved contingent upon a two-year probationary period with quarterly reporting by Holloman and his supervising broker.

Mr. Burton seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01705 – Tyrone L. Barfield**, the Board reviewed the record which consisted of the application file, transcript, exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference. Barfield did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-  
01705 – Tyrone L.  
Barfield**

Mr. Hale moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference (IFF) and Barfield's application for a

Real Estate Salesperson by examination be approved contingent upon a two-year probationary period with quarterly reporting by Holloman and his supervising broker.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-02309–David C. Soun**, the Board reviewed the record which consisted of the application file, transcript, exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference. Soun was present and addressed the Board. **File Number 2024-02309–David C. Soun**

Mr. Hale moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference (IFF) and Soun’s application for a Real Estate Salesperson license by examination be approved.

Ms. Thronson seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-02343–Devin O’Neal Varner**, the Board reviewed the record which consisted of the application file, transcript, exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference. Varner, Puneet Bhagi, and Deepa Gill were present and addressed the Board. **File Number 2024-02343–Devin O’Neal Varner,**

Mr. Hale moved to accept the recommendation contained in the Summary of the Informal Fact-Finding Conference (IFF) and Varner’s application for a Real Estate Salesperson license by examination be approved.

Mr. Burton seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

A motion was made by Mr. Hale to take Consent Order items #1, #3-#5 and #7-#11 as a block vote.

**CONSENT  
ORDERS AS A  
BLOCK VOTE**

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-00189– Danny Humphreys**, the Board reviewed the Consent Order as seen and agreed to by Humphreys. Humphreys did not appear at the Board meeting in person, by counsel, or by any other qualified representative. **File Number 2024-00189– Danny Humphreys**

Mr. Hale moved to accept the proposed Consent Order offer wherein Humphreys admits to a violation of **18 VAC 135-20-300.9** (Count 1) of the

Board's Regulations, and agrees to a monetary penalty of \$1,100.00 for the violation contained in Count 1 and \$150.00 for Board costs for a total of \$1,250.00.

In addition, for violation of Count 1, Humphreys agrees to complete at least three (3) classroom hours of Board-approved Post-License education pertaining to Ethics and Standards of Conduct and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-00703 – Ashley Brooke Davis**, the Board reviewed the Consent Order as seen and agreed to by Davis. Davis did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-00703 – Ashley Brooke Davis**

Mr. Hale moved to accept the proposed Consent Order offer wherein Thompson admits to violation of **18 VAC 135-20-180.B.1** (Count 1) of the Board's Regulations and **§ 54.1-2134.A.1** of the **Code of Virginia** (Count 2), and agrees to a monetary penalty of \$600.00 for the violation contained in Count 1 and \$500.00 for the violation contained in Count 2 and \$150.00 for Board costs for a total of \$1,250.00.

In addition, Davis agrees to complete at least three (3) classroom hours of Board-approved Post-License education pertaining to Escrow Requirements and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-00784 – Tamara Lynise Lawrence**, the Board reviewed the Consent Order as seen and agreed to by Lawrence. Lawrence did not appear at the Board meeting in person, by counsel, or by any

**File Number 2024-00784 – Tamara Lynise Lawrence**

other qualified representative.

Mr. Hale moved to accept the proposed Consent Order offer wherein Lawrence admits to a violation of § 54.1-2138.2 of the **Code of Virginia** (Count 1) agrees to a monetary penalty of \$350.00 for the violation contained in Count 1 and \$150.00 for Board costs for a total of \$500.00.

In addition, Lawrence agrees to complete at least six (6) classroom hours of Board-approved Post-License education pertaining to Real Estate Law and Regulations and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-00857 – Elaine Roberto-McPartland, t/a Elaine Roberto**, the Board reviewed the Consent Order as seen and agreed to by Roberto-McPartland. Roberto-McPartland did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-00857 – Elaine Roberto-McPartland, t/a Elaine Roberto**

Mr. Hale moved to accept the proposed Consent Order offer wherein Roberto-McPartland admits to a violation of § 54.1-2138.2 of the **Code of Virginia** (Count 1) and **18 VAC 135-20-310.2** (Count 2) of the Board's Regulations, and agrees to a monetary penalty of \$350.00 for the violation contained in Count 1, a monetary penalty of \$600.00 contained in Count 2, and \$150.00 for Board costs for a total of \$1,100.00.

In addition, Roberto-McPartland agrees to complete at least the number of classroom hours, as specified below, of Board-approved Post-License education and provide proof of attendance and successful completion to the Board within six (6) months of the effective date of this Consent Order. The courses must be completed in the classroom. The courses to be completed are:

- Six (6) hours pertaining to Real Estate Law and Regulations; and
- Six (6) hours pertaining to Contract Writing.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01351 – Fouad Talout**, the Board reviewed the Consent Order as seen and agreed to by Talout. Talout did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01351 – Fouad Talout**

Mr. Hale moved to accept the proposed Consent Order offer wherein Talout admits to two violations of **§54.1-2132.A.4** (Count 1) of the **Code of Virginia** and a violation of **18 VAC 135-20-310.1** (Count 2). Talout agrees to a monetary penalty of \$500.00 for each violation contained in Count 1, \$500.00 for the violation contained in Count 2 and \$150.00 for Board costs for a total of \$1,650.00.

In addition, Talout agrees to complete at least the number of classroom hours, as specified below, of Board-approved Post-License education and provide proof of attendance and successful completion to the Board within six (6) months of the effective date of this Consent Order. The courses must be completed in the classroom. The courses to be completed are:

- Three (3) hours pertaining to Ethics and Standards of Conduct; and,
- Six (6) hours pertaining to Contract Writing.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01380 – Jamie Lynn Criner, t/a Jamie Criner**, the Board reviewed the Consent Order as seen and agreed to by Criner. Criner did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01380 – Jamie Lynn Criner, t/a Jamie Criner,**

Mr. Hale moved to accept the proposed Consent Order offer wherein Criner admits to a violation of **§54.1-2132.A.4** of the **Code of Virginia** (Count 1) and **18 VAC 135-20-310.2** (Count 2) of the Board's regulations. Criner agrees to a monetary penalty of \$500.00 for the violation contained in Count 1, \$500.00 for the violation contained in Count 2 and \$150.00 for Board costs for a total of \$1,150.00.

In addition, Criner agrees to complete at least three (3) classroom hours of Board-approved Post-License education pertaining to Escrow Requirements

and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01427– Danielle Moody Wade**, the Board reviewed the Consent Order as seen and agreed to by Wade. Wade did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01427– Danielle Moody Wade**

Mr. Hale moved to accept the proposed Consent Order offer wherein Saba admits to a violation of **§ 54.1-2135.A.2** (Count 1) of the **Code of Virginia**, and agrees to a monetary penalty of \$250.00 for the violation contained in Count 1 and \$150.00 for Board costs for a total of \$400.00.

In addition, Wade agrees to complete at least six (6) classroom hours of Board-approved Post-License education pertaining to Contract Writing and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01560 – Wanda Kay Harris, t/a Wanda Harris**, the Board reviewed the Consent Order as seen and agreed to by Harris. Harris did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01560 – Wanda Kay Harris, t/a Wanda Harris**

Mr. Hale moved to accept the proposed Consent Order offer wherein Harris admits to a violation of **54.1-2135.A.2 (Count 1) of the Code of Virginia** and agrees to a monetary penalty of \$550.00 for the violation contained in Count 1 and \$150.00 for Board costs for a total of \$700.00.

In addition, Harris agrees to complete at least six (6) classroom hours of Board-

approved Post-License education pertaining to Real Estate Law and Regulations and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

In the matter of **File Number 2024-01673– Joy Ellen Holland, t/a Joy Holland**, the Board reviewed the Consent Order as seen and agreed to by Wade. Wade did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01673– Joy Ellen Holland, t/a Joy Holland**

Mr. Hale moved to accept the proposed Consent Order offer wherein Saba admits to a violation of § 54.1-2135.A.2 (Count 1) of the Code of Virginia, and agrees to a monetary penalty of \$250.00 for the violation contained in Count 1 and \$150.00 for Board costs for a total of \$400.00.

In addition, Wade agrees to complete at least six (6) classroom hours of Board-approved Post-License education pertaining to Contract Writing and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, Roth, and Thronson.

**END OF BLOCK VOTE**

Ms. Thronson recused herself for the following case file:

**File Number 2024-00470 Lauren Hackman Thompson**

In the matter of **File Number 2024-00470 – Lauren Hackman Thompson**, the Board reviewed the Consent Order as seen and agreed to by Thompson. Thompson did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-00470 Lauren Hackman Thompson**

Mr. Hale moved to accept the proposed Consent Order offer wherein

Thompson admits to two violations of **18 VAC 135-20-260.11** (Count 1) of the Board's Regulations and agrees to a monetary penalty of \$1,350.00 for each violation contained in Count 1 and \$150.00 for Board costs for a total of \$2,850.00.

In addition, Thompson agrees to complete at least six (6) classroom hours of Board-approved Post-License education pertaining to Real Estate Law and Regulations and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.

Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Hale, and Roth.

Ms. Thronson returned to the meeting.

**Return of Board Member**

Mr. Hale recused himself for the following case file:

**File Number 2024-01019 – Breanna Michelle Campbell, t/a Bre Campbell**

In the matter of **File Number 2024-01019 – Breanna Michelle Campbell, t/a Bre Campbell**, the Board reviewed the Consent Order as seen and agreed to by Campbell. Campbell did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

**File Number 2024-01019 – Breanna Michelle Campbell, t/a Bre Campbell**

Ms. Thronson moved to accept the proposed Consent Order offer wherein Herrera admits to a violation of **18 VAC 135-20-190.B** (Count 1) of the Board's Regulations, and agrees to a monetary penalty of \$300.00 for the violation contained in Count 1, and \$150.00 for Board costs for a total of \$450.00.

In addition, Campbell agrees to complete at least three (3) classroom hours of Board-approved Post-License education pertaining to Ethics and Standards of Conduct and provide proof of attendance and successful completion within six (6) months of the effective date of this Consent Order. The course(s) must be completed in the classroom.

It is acknowledged that satisfactory completion of the above-referenced Post-License education hours will not count towards any continuing education requirements, if applicable, for renewal or reinstatement of license.



Mr. Roth seconded the motion which was unanimously approved by members: Burton, Chawla, Funkhouser, Roth, and Thronson.

Mr. Hale returned to the meeting.

**Return of Board Member**

Mr. Hale provided a report from the September 4, 2024, Real Estate Education Committee meeting. Ms. Thronson moved to adopt the Real Estate Education Committee report. Mr. Burton seconded the motion which was unanimously approved by members: Burton, Chawla Funkhouser, Hale, Roth, and Thronson.

**EDUCATION**

**NEW BUSINESS**

Ms. Coleman provided the Real Estate Board with the Executive Director's update.

**Executive Director's Update**

Ms. Coleman reminded the Board that the new real estate application fees will effective starting October 1, 2024.

Ms. Coleman provided an update on the regulatory review process. The review process for the Real Estate Board Regulations is ongoing and is expected to be completed within the next two to three months. The review of the Real Estate Board Fair Housing Regulations is currently in the internal review phase with the Fair Housing Office and Real Estate Board staff. After this review, the regulations will be submitted to the committee for revisions, approvals, and then to the Board.

**Regulatory Actions**

**Exempt Actions**

Ms. Coleman informed the Board that the following exempt actions have been finalized and will take effect on November 1, 2024:

- SB 554 Amendment
- HB 917 and SB 358 Amendment
- HB 383 and SB 330 Amendment
- HB 1237 and SB 437 Amendment

**Remote Proctored Exams**

Ms. Coleman and Mr. Emerson informed the Board that the remote proctored exams have been developed and will be available in the coming weeks. Mr. Emerson also updated the Board on where Virginia ranks nationally and provided the following to the Board:

VA Broker exam pass rate 66%

National pass rate 64%

VA Salesperson exam pass rate 57%

**Fair Housing Training**

National pass rate 54%

Ms. Coleman informed the Board there will be a mandatory Fair Housing training during the Board Member Training Conference on October 11, 2024, between 2pm – 4pm.

**Committee  
Vacancies  
Real Estate Fair  
Housing Sub  
Committee**

Ms. Coleman requested two volunteers for the Real Estate Fair Housing Sub Committee. Ms. Coleman informed the Board that the committee usually meets 15-20 minutes before the regular Real Estate Board meeting. Mr. Pieri Burton, Ms. Aekta Chawla, and Mr. Kit Hale, volunteered to serve on the committee.

**Real Estate Board  
Education  
Committee**

Ms. Coleman requested two volunteers for the Real Estate Board Education Committee. Ms. Coleman informed the Board that the committee usually meets the day before the regular Real Estate Board meeting. Mr. Pieri Burton and Ms. Aekta Chawla, volunteered to serve on the committee.

**OTHER BOARD  
BUSINESS**

Aimee-Leigh Bean, IT Analyst, provided EPICx demonstration for the Board.

**EPICx Update**

Mr. Greg Emerson, Director of Examinations, provided the Board statistics report for applicants passing the national and state portion of the exam.

**Exam Statistics**

The Board reviewed the Board financial statement and recovery fund as presented. No action was taken by the Board.

**Board Financial  
Statement and  
Recovery Fund**

Mr. Funkhouser reminded the Board that the Board Member Training Conference will take place October 10-11, 2024, at Great Wolf Lodge.

**Board Member  
Training Conference**

**2025 Board Meeting  
Dates**

The Board reviewed the 2025 Board Meeting dates. No action was taken by the Board.

Mr. Funkhouser reminded the Board to complete the Conflict-of-Interest Statements and Travel Reimbursement Forms.

**COMPLETION OF PAPERWORK**

There being no further business, the Board adjourned at 12:16 PM.

**ADJOURN**

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Joseph 'Kemper' Funkhouser, III, Chair

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Brian P. Wolford, Secretary

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
And are not to be construed as regulation or official board position  
DRAFT AGENDA

**REAL ESTATE BOARD**  
**REGULATORY REVIEW COMMITTEE**  
**MINUTES OF MEETING**

The Real Estate Board Regulatory Review Committee met on Wednesday, October 16, 2024, at the Department of Professional and Occupational Regulation, 9960 Mayland Drive, 2<sup>nd</sup> Floor, Board Room 2, Richmond, Virginia.

The following members were present:

Kermit ‘Kit’ Hale, Vice-Chair  
Lynn Grimsley  
Lawrence E. “Lem” Marshall  
Cavelle Mollineaux  
Sharon Johnson

The following committee members were not present:

Kemper Funkhouser, Chair  
Joe Funkhouser, II  
Erin Kormann

DPOR staff present for all, or part of the meeting included:

Anika Coleman, Executive Director  
Breanne Lindsey, Regulatory Operations Administrator  
Joseph Haughwout, Regulatory Affairs Manager  
Vanessa Degraw, Licensing Operations Administrator  
Gezelle Glasgow, Administrative Coordinator  
Janice Toole, Licensing Specialist  
Ana “Mia” Quimpo, Licensing Specialist  
Donna Divers, Licensing Specialist

A representative from the Office of the Attorney General was not present for the meeting.

Mr. Hale, Vice-Chair, called the Real Estate Board, Regulatory Review Committee meeting to order at 10:05 AM.

**Call to Order**

Ms. Johnson moved to approve the agenda. Mr. Mollineaux seconded the motion which was unanimously approved by the Committee.

**Approval of  
Agenda**

The Committee reviewed the Real Estate Regulations to determine if the regulation is necessary to protect the health, welfare, and safety of the public. The regulation was amended or removed if it does not currently meet those requirements. The Committee reviewed the following regulations: **18 VAC 135-20-362** through **18 VAC 135-20-410**. The Committee also reviewed **18 VAC 135-20-30, 40, and 60**.

After thorough review, Mr. Haughwout asked the Committee to consider adopting the proposed regulations. **Ms. Johnson moved** to adopt the draft proposed regulations. **Mr. Marshall seconded** the motion which was unanimously approved by: Grimsley, Hale, Johnson, Marshall, and Mollineaux.

There was no other business.

There were no public comments.

The next scheduled Regulatory Review Committee meeting is to be determined.

There being no further business, the meeting adjourned at 11:53 AM..

**Discussion and  
Review of  
Regulations**

**Other Business**

**Public Comment**

**Schedule Next  
Regulatory  
Review Committee  
Meeting**

**Adjourn**

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Joseph 'Kemper' Funkhouser, III, Chair

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Brian P. Wolford, Board Secretary

# Public Comment Period

DRAFT AGENDA  
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DRAFT AGENDA

**FAIR HOUSING CASES FOR NOVEMBER 13, 2024 REB AGENDA**

1. **Aaron D’Costa and Marcus Sullivan v. Elizabeth Ann Leonard and Lisa Senich**  
REB File Number: 2024-01122  
HUD File Number: 03-24-4106-8
2. **Melody Sowers and Dustin Helbert v. SREIT Woodburn I, LLC, SREIT Woodburn II, LLC, SL Nusbaum Realty Corporation and Diana Pineda**  
REB File Number: 2024-01179  
HUD File Number: 03-24-4149-8
3. **McKinley Holley v. Terrie Newsome, Frye Properties, Inc., and Jamestown Holding Company, LLC**  
REB File Number: 2024-01823  
HUD File Number: 03-24-4628-8
4. **Jennifer Brooke Conway v. Pyle Realty, Inc., Tina Simmons, Dominic Dipierro, III and Aubrey Dipierro**  
REB File Number: 2024-01318  
HUD File Number: 03-24-4555-8
5. **Salifu Kamara v. Franklin Johnston Group Management & Development, LLC, Summerland Heights II LP, Renee Doyle and Ashley Frigerio**  
REB File Number: 2024-02603  
HUD File Number: 03-24-4783-8
6. **Kyle Sershon v. Tricia Childress, Signature Property Management, LLC. dba Signature Properties and Shellis Square Homeowners Association, Inc.**  
REB File Number: 2022-02197  
HUD File Number: 03-22-1151-8  
*{Referred to OAG for Official Consultation}*
7. **Lisa Geer and Patricia Jones v. S.L. Nusbaum Company and USACORPVA, LLC**  
REB File Number: 2025-00272  
HUD File Number: 03-24-4999-8  
*{Conciliation: Disability}*
8. **Jessica West v. Grand Bay Condominium Association, Inc., United Property Associates, Inc., Property Management Associates, LLC and Denise Lentini**  
REB File Number: 2019-02838

**HUD File Number: 03-20-4197-8**  
**{OAG Consultation}**

DRAFT AGENDA  
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DRAFT AGENDA



# Litigation report

DRAFT AGENDA

Materials contained in this agenda are proposed only for discussion

And are not to be construed as legal advice or official board position

DRAFT AGENDA

# **NEW BUSINESS:**

DRAFT AGENDA  
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DRAFT AGENDA

1 **Project 7813 - NOIRA**

2 **Real Estate Board**

3 **General Review of Virginia Real Estate Board Licensing Regulations**

4 Chapter 20

5 Virginia Real Estate Board Licensing Regulations

6 Part I

7 General

8 **18VAC135-20-10. Definitions.**

9 The following words and terms when used in this chapter shall have the following meanings  
10 unless a different meaning is provided or is plainly required by the context shall have the following  
11 meanings:

12 "Accredited university, college, community college, or other school or educational institution,"  
13 means (i) institutions of higher learning approved by the Virginia State Council of Higher  
14 Education; (ii) those institutions listed in the Transfer Credit Practices of Designated Educational  
15 Institutions, published by the American Association of Collegiate Registrars and Admissions  
16 Officers; or (iii) any state-accredited secondary school that offers adult distributive education  
17 courses.

18 "Active" means any broker or salesperson, who is in good standing, who is under the  
19 supervision of a principal or supervising broker of a firm or sole proprietor and who is performing  
20 those activities defined in §§ 54.1-2100 and 54.1-2104 of the Code of Virginia.

21 "Actively engaged" means active licensure with a licensed real estate firm or sole  
22 proprietorship in performing those activities as defined in §§ 54.1-2100 and 54.1-2104 of the

Commented [JH1]: Stylistic change effective 11/1/24.

Commented [JH2]: Relocated from 18VAC135-20-350 and revised.

Commented [JH3]: Technical change effective 11/1/24.

Commented [JH4]: Technical change effective 11/1/24.

23 Code of Virginia for an average of at least 40 hours per week. This requirement may be waived  
24 at the discretion of the board in accordance with § 54.1-2105 of the Code of Virginia.

25 "~~Actively engaged in the brokerage business~~" means anyone who holds an active real estate  
26 license.

27 "Advertising" means all communication disseminated through any medium to consumers for  
28 any purpose related to licensed real estate activity.

**Commented [JH5]:** Relocated from 18VAC135-20-190 and revised per committee.

29 "Affiliated licensee" means any broker, salesperson, business entity, or real estate team that  
30 has an active license.

**Commented [JH6]:** Added per committee.

31 "Application deposit" means the same as the term is defined in § 55.1-1200 of the Code of  
32 Virginia.

**Commented [BL7]:** Added per committee.

33 "Another state" means the same as the term is defined in § 54.1-205 of the Code of Virginia.

**Commented [JH8]:** Change effective 11/1/24.

34 "Associate broker" means any individual licensee of the board holding a broker's license other  
35 than one who has been designated as the principal broker.

36 "Board" means the Real Estate Board.

37 "Branch office" means the same as the term is defined in § 54.1-2100 of the Code of Virginia.

**Commented [JH9]:** Change effective 11/1/24.

38 "Class hour or clock hour" means 50 minutes of instruction.

**Commented [JH10]:** Relocated from 18VAC135-20-350.

39 "Client" means a person who has entered into a brokerage relationship with a licensee as  
40 defined by § 54.1-2130 of the Code of Virginia.

41 "Contact information" means telephone number, email address, or web address of the firm or  
42 branch office, or a digital link thereto when used in digital advertising.

**Commented [JH11]:** Relocated from 18VAC135-20-190 and revised. Committee to discuss further.

43 "Cooperating broker" means the broker representing the client on the other side of the existing  
44 or contemplated real estate transaction.

**Commented [JH12]:** Added per committee.

45 "Firm" means any ~~sole proprietorship (nonbroker owner), partnership, association, limited~~  
46 ~~liability company, or corporation, other than a sole proprietorship (principal broker owner),~~  
47 business entity or sole proprietorship (nonbroker owner) that transacts real estate business which  
48 is required by 18VAC135-20-20 B to obtain a separate brokerage firm license. ~~The firm's licensed~~  
49 ~~name may be any assumed or fictitious name properly filed with the board.~~

50 "Inactive status" means any broker or salesperson who is not under the supervision of a  
51 principal broker or supervising broker, ~~who is not active with a firm or sole proprietorship,~~ and who  
52 is not performing any of the activities defined in ~~§§ § 54.1-2100 and 54.1-2104~~ of the Code of  
53 Virginia.

**Commented [JH13]:** Technical change effective 11/1/24.

54 "Independent contractor" means a licensee who acts for or represents a client other than as  
55 a standard agent and whose duties and obligations are governed by a written contract between  
56 the licensee and the client.

57 "Licensee" means real estate brokers and salespersons as defined in Chapter 21 (§ 54.1-  
58 2100 et seq.) of Title 54.1 of the Code of Virginia or real estate firms.

59 "Moral turpitude" means, but is not limited to, lying, cheating, or stealing.

60 "MLS" means Multiple Listing Service.

61 "Neighboring state" means the same as the term is defined in § 54.1-205 of the Code of  
62 Virginia.

**Commented [JH14]:** Change effective 11/1/24.

63 "Place of business" means the same as the term is defined in § 54.1-2100 of the Code of  
64 Virginia.

**Commented [JH15]:** Change effective 11/1/24.

65 "Principal broker" means the individual broker ~~who shall be~~ designated by each firm to ~~assure~~  
66 ~~ensure~~ compliance with Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and  
67 this chapter, and to receive communications and notices from the board ~~that may affect the firm~~  
68 ~~or any licensee active with the firm~~ regarding such compliance. In the case of a sole

**Commented [JH16]:** Stylistic change effective 11/1/24.

69 proprietorship, the licensed broker who is the sole proprietor shall have the responsibilities of is  
70 the principal broker. The principal broker shall have responsibility for the activities of the firm and  
71 all its licensees. The principal broker shall have signatory authority on all escrow accounts  
72 maintained by the firm.

73 "Principal to a transaction" means a party to a real estate transaction including ~~without~~  
74 ~~limitation~~ a seller or buyer, landlord or tenant, optionor or optionee, ~~or~~ licensor or licensee,  
75 ~~assignor, or assignee~~. For the purposes of this chapter, the listing or selling broker, or both, are  
76 not by virtue of their brokerage relationship, principals to the transaction.

**Commented [JH17]:** Stylistic change effective 11/1/24.

**Commented [JH18]:** Technical change effective 11/1/24.

77 "Proprietary school" means (i) a privately owned school, (ii) a real estate professional  
78 association, or (iii) a related entity, which is not under the authority of the Department of  
79 Education, but approved by the board to teach real estate courses.

**Commented [JH19]:** Relocated from 18VAC135-20-350.

80 "Provider" means an (i) accredited university, college, community college; (ii) a high school  
81 offering adult distributive education courses; or (iii) a proprietary school.

**Commented [JH20]:** Relocated from 18VAC135-20-350.

82 "Sole proprietor" means any individual, ~~not a corporation, limited liability company,~~  
83 ~~partnership, or association,~~ who is trading under the individual's name or under an assumed or  
84 fictitious name pursuant to the provisions of Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code  
85 of Virginia.

86 "Standard agent" means a licensee who acts for or represents a client in an agency  
87 relationship. A standard agent shall have the obligations as provided in Article 3 (§ 54.1-2130 et  
88 seq.) of Chapter 21 of Title 54.1 of the Code of Virginia.

89 "Supervising broker" means (i) the individual broker who shall be designated by the principal  
90 broker to supervise the provision of real estate brokerage services by the associate brokers and  
91 salespersons assigned to branch offices or real estate teams or (ii) the broker, who may be the

92 principal broker, designated by the principal broker to supervise a designated agent as stated in  
 93 § 54.1-2130 of the Code of Virginia.

94 **18VAC135-20-13. General fee requirements.**

95 A. All fees are nonrefundable. The date of receipt by the board or its agent is the date that  
 96 will be used to determine whether a fee is on time.

97 B. The fee for examination is subject to contracted charges to the board by an outside vendor.  
 98 These contracts are competitively negotiated and bargained for in compliance with the Virginia  
 99 Public Procurement Act (§ 2.2-4300 et seq. of the Code of Virginia). Fees may be adjusted and  
 100 charged to the candidate in accordance with these contracts.

101 **18VAC135-20-15. Fee schedule.**

**Commented [JH21]:** Consolidates fees in sections -80, -120, -140, and -370. Reflects fees effective 10/1/24.

| <u>Fee Type</u>   | <u>Fee Amount</u> |          | <u>Recovery Fund Assessment* (if applicable)</u> | <u>Total Amount Due</u> | <u>When fee is due</u>                                      |
|---|-------------------|----------|--|-------------------------|---|
| <u>Salesperson by education and examination</u>                   | <u>\$210</u>      | <u>±</u> | <u>\$20</u>                                      | <u>\$230</u>            | <u>With initial application for salesperson license</u>     |
| <u>Salesperson by reciprocity</u>                                 | <u>\$210</u>      | <u>±</u> | <u>\$20</u>                                      | <u>\$230</u>            | <u>With initial application for salesperson license</u>     |
| <u>Salesperson renewal</u>  | <u>\$100</u>      |          |  | <u>\$100</u>            | <u>At renewal</u>   |
| <u>Salesperson reinstatement</u>                                  | <u>\$155</u>      |          |  | <u>\$155</u>            | <u>At reinstatement</u>                                     |
| <u>Salesperson or broker license as a business entity</u>         | <u>\$265</u>      | <u>±</u> | <u>\$20</u>                                      | <u>\$285</u>            | <u>With initial application for business entity license</u> |
| <u>Salesperson or broker license as a business entity renewal</u> | <u>\$135</u>      |          |  | <u>\$135</u>            | <u>At renewal</u>   |

|   |              |          |             |              |   |
|---|--------------|----------|-------------|--------------|---|
| <u>Salesperson or broker license as a business entity reinstatement</u> | <u>\$205</u> |          |             | <u>\$205</u> | <u>With reinstatement application</u>                 |
| <u>Broker by education and examination</u>                              | <u>\$265</u> | <u>±</u> | <u>\$20</u> | <u>\$285</u> | <u>With initial application for broker license</u>    |
| <u>Broker by reciprocity</u>  | <u>\$265</u> | <u>±</u> | <u>\$20</u> | <u>\$285</u> | <u>With initial application for broker license</u>    |
| <u>Broker renewal</u>   | <u>\$120</u> |          |             | <u>\$120</u> | <u>At renewal</u>                                     |
| <u>Broker reinstatement</u>   | <u>\$180</u> |          |             | <u>\$180</u> | <u>At reinstatement</u>                               |
| <u>Broker concurrent license</u>  | <u>\$195</u> |          |             | <u>\$195</u> | <u>With application for concurrent broker license</u> |
| <u>Concurrent broker renewal</u>  | <u>\$80</u>  |          |             | <u>\$80</u>  | <u>At renewal</u>                                     |
| <u>Concurrent broker reinstatement</u>                                  | <u>\$180</u> |          |             | <u>\$180</u> | <u>At reinstatement</u>                               |
| <u>Firm license</u>   | <u>\$350</u> | <u>±</u> | <u>\$20</u> | <u>\$370</u> | <u>With initial application for firm license</u>      |
| <u>Firm renewal</u>   | <u>\$240</u> |          |             | <u>\$240</u> | <u>At renewal</u>                                     |
| <u>Firm reinstatement</u>   | <u>\$370</u> |          |             | <u>\$370</u> | <u>At reinstatement</u>                               |
| <u>Branch office license</u>  | <u>\$265</u> |          |             | <u>\$265</u> | <u>With application for branch office license</u>     |
| <u>Branch office renewal</u>  | <u>\$135</u> |          |             | <u>\$135</u> | <u>At renewal</u>                                     |
| <u>Branch office reinstatement</u>                                      | <u>\$205</u> |          |             | <u>\$205</u> | <u>With reinstatement application</u>                 |
| <u>Transfer application</u>   | <u>\$90</u>  |          |             | <u>\$90</u>  | <u>With application for transfer</u>                  |
| <u>Activation application</u>   | <u>\$90</u>  |          |             | <u>\$90</u>  | <u>With application for activation</u>                |



|   |              |  |  |              |   |
|---|--------------|--|--|--------------|---|
| <u>Exchange to salesperson license</u>                    | <u>\$120</u> |  |  | <u>\$120</u> | <u>With application to exchange to a salesperson license</u>                    |
| <u>Upgrade to broker</u>                                  | <u>\$120</u> |  |  | <u>\$120</u> | <u>With application to upgrade to a broker license</u>                          |
| <u>Proprietary school certificate</u>                     | <u>\$265</u> |  |  | <u>\$265</u> | <u>With initial application for proprietary school certificate</u>              |
| <u>Proprietary school renewal</u>                         | <u>\$135</u> |  |  | <u>\$135</u> | <u>With renewal application</u>   |
| <u>Proprietary school reinstatement</u>                   | <u>\$205</u> |  |  | <u>\$205</u> | <u>With reinstatement application</u>   |
| <u>Prelicense education instructor certificate</u>        | <u>\$265</u> |  |  | <u>\$265</u> | <u>With initial application for prelicense education instructor certificate</u> |
| <u>Prelicense education instructor renewal</u>            | <u>\$115</u> |  |  | <u>\$115</u> | <u>With renewal application</u>   |
| <u>Prelicense education instructor reinstatement</u>      | <u>\$170</u> |  |  | <u>\$170</u> | <u>With reinstatement application</u>   |
| * In accordance with § 54.1-2113 of the Code of Virginia. |              |  |  |              |   |

102

103

Part II

104

Entry

105 **18VAC135-20-20. Necessity Requirements for firm license (Refer to § 54.1-2106.1 of the**  
 106 **Code of Virginia.)**

107 A. Sole proprietor (principal broker owner). A real estate broker's license shall be issued to an  
 108 individual trading under an assumed or fictitious name, that is, a name other than the individual's  
 109 full name, only after the individual signs and acknowledges a certificate provided by the board

110 ~~that sets forth the name under which the business is to be organized and conducted, the address~~  
111 ~~of the individual's residence, and the address of the individual's place of business. The board will~~  
112 ~~consider the application of an individual only after the individual is authorized to conduct business~~  
113 ~~in accordance with Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code of Virginia.~~

**Commented [JH22]:** This requirement is no longer necessary b/c individuals no longer need to register fictitious name with circuit court.

114 1. In accordance with § 54.1-2106.1 of the Code of Virginia, broker owned sole  
115 proprietorships are not required to hold a firm license. An individual operating under a  
116 fictitious or assumed name, a name other than the individual's full name, must provide  
117 proof that the name is properly registered with the State Corporation Commission pursuant  
118 to Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code of Virginia and must provide the  
119 address for the individual's residence and address for the individual's place of business.

120 B. Sole proprietor (nonbroker owner), partnership, association, limited liability company, or  
121 corporation. ~~Every sole proprietor (nonbroker owner), partnership, association, limited liability~~  
122 ~~company, or corporation must secure a real estate license for its firm, before transacting real estate~~  
123 ~~business. This license is separate and distinct from the individual broker license required of each~~  
124 ~~partner, associate, manager of a limited liability company, and officer of a corporation who is~~  
125 ~~active in the firm's brokerage business. Each applicant for such license shall disclose, and the~~  
126 ~~license shall be issued to, the name under which the applicant intends to do or does business~~  
127 ~~and holds itself out to the public. Each applicant shall also disclose the business address of the~~  
128 ~~firm. The board will consider the application of any partnership, association, corporation, or limited~~  
129 ~~liability company only after the entity is authorized to conduct business in accordance with~~  
130 ~~Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code of Virginia.~~

131 1. Every firm must secure a firm license before transacting real estate business. This  
132 license is separate and distinct from the licenses required of the individuals or business  
133 entities who are active in the firm's brokerage business.

134 2. Each applicant must disclose, and the license will be issued to, the name under which  
135 the applicant holds itself out to the public. Firms must register any trade or fictitious names  
136 with the State Corporation Commission in accordance with Chapter 5 of Title 59.1 (§ 59.1-  
137 69 et seq.) of the Code of Virginia.

138 3. Each applicant must ~~also~~ disclose the address of the place of business for the firm.

139 4. Firms must be organized as business entities under the laws of the Commonwealth of  
140 Virginia or otherwise authorized to transact business in Virginia.

141 C. Each real estate firm is required to have a principal broker whose license ~~is in good standing~~  
142 ~~with the board in order to transact real estate business~~ active.

143 D. Branch office license in accordance with § 54.1-2106.1 of the Code of Virginia. If a real  
144 ~~estate principal~~ broker maintains more than one place of business within the state, the principal  
145 broker must secure a branch office license ~~shall be issued~~ for each additional place of business  
146 maintained ~~other than the broker's primary place of business noted on the firm license application.~~  
147 ~~Application for the license shall be made on forms provided by the board and shall reveal the~~  
148 ~~name of the firm, the location of the branch office, and the name of the supervising broker for that~~  
149 ~~branch office. The branch office license shall be maintained at the branch office location.~~

150 1. No branch office license shall be required for:

151 4. a. A location that the principal broker or those employed by or affiliated as an independent  
152 contractor with the principal broker does not own, lease, or maintain exclusive access to,  
153 maintenance of, and control of, unless it is held out to the public as a location where such persons  
154 or entities are regularly engaging in the activities of a real estate broker or salesperson;

155 2. b. A motor vehicle or watercraft;

156 3. c. A place that is solely devoted to advertising real estate matters of a general nature or to  
157 making a real estate broker's business name generally known, such as a trade show or expo;

Commented [JH23]: Includes changes effective 11/1/24.

158 4. d. A residence, unless it is held out to the public as a location where the principal broker or  
159 those employed by or affiliated as an independent contractor with the principal broker is regularly  
160 engaging in the activities of a real estate broker or salesperson;

161 5. e. A post office box, mail drop location, or other similar facility; or

162 6. f. A public location, such as a coffee shop or restaurant.

163 2. Each application must disclose the name of the firm, the location of the branch office, and  
164 the name of the supervising broker for that branch office.

165 3. The branch office license must be maintained at the branch office location.

166 **18VAC135-20-30. Qualifications for individual licensure.**

167 Every applicant to the ~~Real Estate Board~~ board for an individual ~~salesperson's or broker's~~  
168 salesperson or broker license shall must have the following qualifications:

169 1. ~~The applicant shall have a good reputation for honesty, truthfulness, and fair dealing,~~  
170 ~~and be competent to transact the business of a real estate broker or a real estate~~  
171 ~~salesperson in such a manner as to safeguard the interests of the public~~ The applicant  
172 must be at least 18 years old.

173 2. ~~The applicant shall meet the current educational requirements by achieving a passing~~  
174 ~~grade in all required courses of § 54.1-2105 of the Code of Virginia prior to the time the~~  
175 ~~applicant sits for the licensing examination and applies for licensure~~ The applicant must  
176 have a high school diploma or equivalent.

177 3. ~~The applicant shall be in good standing as a licensed real estate broker or salesperson~~  
178 ~~in every jurisdiction where licensed and the applicant shall not have had a license as a~~  
179 ~~real estate broker or real estate salesperson which was suspended, revoked or~~  
180 ~~surrendered in connection with a disciplinary action or which has been the subject of~~

**Commented [JH24]:** Revised per committee.  
Consolidates provisions from sections -40 and -60.  
Contains general requirements applicable to all individual applicants.

181 ~~discipline in any jurisdiction prior to applying for licensure in Virginia. The applicant shall~~  
182 ~~be in compliance with all the terms of all board orders, including but not limited to paying~~  
183 ~~imposed monetary penalties and costs, plus any accrued interest and other fees, and~~  
184 ~~completing imposed education.~~ The applicant must report any action taken by any board  
185 or administrative body in any jurisdiction against a professional or occupational license,  
186 certification, or registration issued to the applicant, to include any suspension, revocation,  
187 or surrender of a license, certification, or registration, imposition of a monetary penalty, or  
188 requirement to take remedial education or other corrective action. The board, in its  
189 discretion, may deny licensure to any applicant for any prior action taken by any board or  
190 administrative body in any jurisdiction. The applicant has the right to request further review  
191 of any such action by the board under the Administrative Process Act (§ 2.2-4000 et seq.  
192 of the Code of Virginia).

193 4. In accordance with § 54.1-204 of the Code of Virginia, each applicant shall ~~shall~~ must submit  
194 to fingerprinting and shall disclose the following information:

195 a. All misdemeanor convictions involving moral turpitude, sexual offense, non-  
196 marijuana drug distribution, or ~~physical injury battery~~ within five years of the date of  
197 the application; and

198 b. All felony convictions during his lifetime.

199 ~~Any plea of nolo contendere shall be considered a conviction for purposes of this~~  
200 ~~subsection. The record of a conviction received from a court shall be accepted as~~  
201 ~~prima facie evidence of a conviction or finding of guilt.~~ The board, in its discretion, may  
202 deny licensure to any applicant in accordance with § 54.1-204 of the Code of Virginia.

203 ~~5. The applicant shall be at least 18 years old.~~

204 ~~6. The applicant shall have a high school diploma or its equivalent.~~

205 ~~7. The applicant, within 12 months prior to submitting a complete application for a license,~~  
206 ~~shall have passed a written examination provided by the board or by a testing service~~  
207 ~~acting on behalf of the board.~~

208 ~~8. The applicant shall follow all procedures established with regard to conduct at the~~  
209 ~~examination. Failure to comply with all procedures established with regard to conduct at~~  
210 ~~the examination may be grounds for denial of application.~~

211 5. The applicant must sign a statement verifying that the applicant has read and  
212 understands the provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title  
213 54.1 of the Code of Virginia.

214 6. Applicants for licensure who do not meet the requirements set forth in subdivisions 3  
215 and 4 of this section may be approved for licensure following consideration by the board.

216 **18VAC135-20-35. Additional qualifications for individual licensure.**

217 A. In addition to the requirements in 18VAC135-20-30, an applicant for an individual license as a  
218 real estate salesperson, real estate broker, or as an applicant by reciprocity must meet the  
219 requirements established in this section as applicable.

220 B. Applicants for initial licensure must achieve a passing grade in all courses required by § 54.1-  
221 2105 of the Code of Virginia applicable to the license being sought prior to sitting for the licensing  
222 examination and applying for licensure.

223 C. Applicants for licensure as a real estate broker must have been actively engaged as defined  
224 in 18VAC135-20-10 as a real estate salesperson for a period of 36 of the 48 months immediately  
225 preceding application.

226 1. The applicant's experience must be verified by the principal or supervising broker for  
227 whom the applicant worked at the time of obtaining that experience.

**Commented [JH25]:** New section that provides for specific qualifications for individuals.

228 D. Applicants for initial licensure, within 12 months prior to submitting a complete application for  
229 a license, must have passed a written examination provided by the board or by a testing service  
230 acting on behalf of the board.

231 1. The applicant must follow all procedures established with regard to conduct at the  
232 examination. Failure to comply with all such procedures established with regard to  
233 conduct at the examination may be grounds for denial of application.

234 E. Applicants for licensure as a real estate salesperson or real estate broker by reciprocity must  
235 meet the following requirements as applicable to the license sought:

236 1. Applicants must, within 12 months prior to submitting a complete application for a  
237 license, must have passed a written examination provided by the board or a testing service  
238 acting on behalf of the board covering real estate license law and regulations of the board.

239 2. Applicants must have received the salesperson or broker license by virtue of having  
240 passed in the jurisdiction of licensure a written examination deemed to be substantially  
241 equivalent to the Virginia examination.

242 3. An applicant for a salesperson license must have met educational requirements that  
243 are substantially equivalent to those required in Virginia.

244 4. An applicant for a broker license must have met educational requirements that are  
245 substantially equivalent to those required in Virginia, and the applicant must have been  
246 actively engaged as defined by 18VAC135-20-10 for 36 of the preceding 48 months. The  
247 broker applicant's experience must be verified by an individual who has direct knowledge  
248 of the applicant's activities as defined in § 54.1-2100 of the Code of Virginia.

249 F. In accordance with § 54.1-2105 of the Code of Virginia, the board, at its discretion, may waive  
250 the education and experience requirements of this section.

251 **18VAC135-20-40. Additional qualifications for brokers. (Repealed)**

Commented [BL26]: Additional qualifications for brokers merged into section -30 and new section -35

252 An applicant for an individual license as a real estate broker shall meet the following  
253 requirements in addition to those set forth in 18VAC135-20-30:

254 1. The applicant shall meet the current educational requirements of § 54.1-2105 of the  
255 Code of Virginia.

256 2. The applicant shall have been actively engaged as defined in 18VAC135-20-10 as a  
257 real estate salesperson for a period of 36 of the 48 months immediately preceding  
258 application. This requirement may be waived at the discretion of the board in accordance  
259 with § 54.1-2105 of the Code of Virginia.

260 3. The applicant's experience must be verified by the principal or supervising broker for  
261 whom the licensee worked at the time of obtaining that experience.

262 **18VAC135-20-45. Additional qualifications for salesperson's or broker's salesperson or**  
263 **broker license as a business entity.**

264 An In addition to the applicable requirements in 18VAC135-20-30 and 18VAC135-20-35, an  
265 applicant for a salesperson's salesperson or broker license as a business entity shall must meet  
266 the following requirements in addition to those set forth in 18VAC135-20-30:

267 1. Every owner or officer who actively participates in the real estate business shall must  
268 hold a license as a salesperson or broker. The business entity license does not replace  
269 the individual license. More than one licensee may be a participant of the business entity.

270 2. When one licensee is the owner or officer, the business entity shall must be named in  
271 accordance with § 54.1-2106.1 C of the Code of Virginia.

Commented [BL27]: Removed per committee.

272 3. The board will consider the application of any partnership, association, corporation or  
273 limited liability company only after the entity is authorized to do business in accordance



274 ~~with §§ 59.1-69 through 59.1-76 of the Code of Virginia 2.~~ Business entities must be  
275 organized under the laws of the Commonwealth of Virginia or otherwise authorized to  
276 transact business in Virginia and must register any trade or fictitious names with the State  
277 Corporation Commission in accordance with Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of  
278 the Code of Virginia.

279 **18VAC135-20-50. Concurrent licenses.**

280 ~~Concurrent licenses shall be issued by the board to brokers active in more than one firm upon~~  
281 ~~receipt of a concurrent license form and written statements verifying that written notice of the~~  
282 ~~applicant's concurrent licensure status has been provided to the principal broker of each firm with~~  
283 ~~which the applicant is and will be associated. Payment is required for each license. A concurrent~~  
284 ~~license will not be issued to an individual applying to be associated with a firm if that individual~~  
285 ~~has an expired license associated with the same firm and the expired license may be reinstated.~~

286 A. In order to be active as a broker in more than one firm at the same time, brokers must  
287 obtain concurrent licenses by submitting the concurrent license application, which must be  
288 approved by principal broker of each firm.

289 B. Payment of the fee specified in 18VAC135-20-15 is required for each concurrent license.

290 **18VAC135-20-55. Exchange to salesperson's salesperson license.**

291 ~~A broker who wants seeking to exchange his license(s) the broker's license for that of a~~  
292 ~~salesperson must submit a complete application to the board with appropriate fee specified in~~  
293 ~~18VAC135-20-15. When exchanging the license(s) a license, the licensee agrees his the current~~  
294 ~~broker's license(s) broker license ceases to exist, and if he the licensee chooses to become~~  
295 ~~licensed as a broker again, he the licensee must pass the current broker examination and must~~  
296 ~~meet the current education and experience requirements in effect at the time of application.~~

297 ~~18VAC135-20-60. Qualifications for licensure by reciprocity. (Repealed.)~~

298 An individual who is currently licensed as a real estate salesperson or broker in another  
299 jurisdiction may obtain a Virginia real estate license by meeting the following requirements:

300 1. The applicant shall be at least 18 years of age.

301 2. The applicant shall have a high school diploma or its equivalent.

302 3. The applicant shall have received the salesperson's or broker's license by virtue of having  
303 passed in the jurisdiction of licensure a written examination deemed to be substantially equivalent  
304 to the Virginia examination.

305 4. The applicant shall sign a statement verifying that he ~~the~~ applicant has read and  
306 understands the provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of  
307 the Code of Virginia.

308 5. The applicant, within 12 months prior to submitting a complete application for a license,  
309 shall have passed a written examination provided by the board or by a testing service acting on  
310 behalf of the board covering Virginia real estate license law and regulations of the Real Estate  
311 Board.

312 6. The applicant shall follow all procedures established with regard to conduct at the  
313 examination. Failure to comply with all procedures established by the board with regard to conduct  
314 at the examination may be grounds for denial of application.

315 7. The applicant shall be in good standing as a licensed real estate broker or salesperson in  
316 every jurisdiction where licensed and the applicant shall not have had a license as a real estate  
317 broker or real estate salesperson which ~~that~~ was suspended, revoked, or surrendered in  
318 connection with a disciplinary action or which ~~that~~ has been the subject of discipline in any  
319 jurisdiction prior to applying for licensure in Virginia. The applicant shall be in compliance with all

Commented [JH28]: Reflects text of section effective 11/1/24.

Commented [JH29]: Reciprocity qualifications merged into section -30 and new section -35.

320 the terms of all board orders, including but not limited to paying imposed monetary penalties and  
321 costs, plus any accrued interest and other fees, and completing imposed education.

322 ~~8. At the time of application for a salesperson's license, the applicant must have met~~  
323 ~~educational requirements that are substantially equivalent to those required in Virginia. At the time~~  
324 ~~of application for a broker's license, the applicant must have met educational requirements that~~  
325 ~~are substantially equivalent to those required in Virginia, and the applicant must have been~~  
326 ~~actively engaged as defined by 18VAC135-20-10 for 36 of the preceding 48 months. The broker~~  
327 ~~applicant's experience must be verified by an individual who has direct knowledge of the~~  
328 ~~applicant's activities as defined in §§ § 54.1-2100 and 54.1-2101 of the Code of Virginia. These~~  
329 ~~requirements may be waived at the discretion of the board in accordance with § 54.1-2105 of the~~  
330 ~~Code of Virginia.~~

331 ~~9. The applicant shall have a good reputation for honesty, truthfulness, and fair dealing, and~~  
332 ~~be competent to transact the business of a real estate salesperson or broker in such a manner~~  
333 ~~as to safeguard the interests of the public.~~

334 ~~10. In accordance with § 54.1-204 of the Code of Virginia, each applicant shall submit to~~  
335 ~~fingerprinting and shall disclose the following information:~~

336 ~~a. All misdemeanor convictions involving moral turpitude, sexual offense, non-marijuana drug~~  
337 ~~distribution, or physical injury within five years of the date of the application; and~~

338 ~~b. All felony convictions during his the applicant's lifetime.~~

339 ~~Any plea of nolo contendere shall be considered a conviction for purposes of this subsection.~~  
340 ~~The record of a conviction received from a court shall be accepted as prima facie evidence of a~~  
341 ~~conviction or finding of guilt. The board, in its discretion, may deny licensure to any applicant in~~  
342 ~~accordance with § 54.1-204 of the Code of Virginia.~~

343 41. Applicants for licensure who do not meet the requirements set forth in subdivisions 7 and  
344 40 of this section may be approved for licensure following consideration by the board.

345 **18VAC135-20-65. Universal license recognition.**

Commented [JH30]: Reflects amendment effective 11/1/24.

346 A. Licensed in a neighboring state. The board will issue a salesperson or broker license under  
347 universal license recognition to an individual who meets the following qualifications:

348 1. The individual holds a current and valid license with a similar scope of practice in a  
349 neighboring state;

350 2. The individual's other license is in good standing with no reported pending complaints;

351 3. The individual has met the requirements set in subdivision 4 of 18VAC135-20-30;

352 4. The individual has not been subject to professional discipline involving harm to the  
353 public or license probation, suspension, or revocation;

354 5. The individual pays the reciprocity application fee as listed in ~~18VAC135-20-80~~  
355 18VAC135-20-15; and

356 6. The individual successfully passes the Virginia Real Estate Exam.

357 ~~A.~~ B. Licensed in another state. The board will issue a salesperson or broker license under  
358 universal license recognition to an individual who meets the following qualifications:

359 1. The individual holds a current and valid license with a similar scope of practice in  
360 another state, territory, possession, or jurisdiction of the United States for at least three  
361 years;

362 2. The individual was licensed in the other state after having passed a state required exam  
363 and met education, training, or experience requirements to obtain the license;

364 3. The individual's other license is in good standing with no reported pending complaints;

365 4. The individual has met the requirements set in subdivision 4 of 18VAC135-20-30;

366 5. The individual has not been subject to professional discipline involving harm to the  
367 public or license probation, suspension, or revocation;

368 6. The individual pays the reciprocity application fee as listed in ~~48VAC135-20-80~~  
369 18VAC135-20-15; and

370 7. The individual successfully passes the Virginia Real Estate Exam.

371 ~~B.~~ C. Experience in a state that does not require licensure. The board will hold an individual  
372 to have met all experience, training, and education requirements if the applicant has three years  
373 of experience in a state that does not require licensure.

374 1. To be exam eligible under universal license recognition an individual must have:

375 a. Demonstrated at least three years of experience as a salesperson or broker in  
376 another state that does not issue an occupational or professional license for that  
377 respective profession;

378 b. Met the requirements set in subdivision 4 of ~~18VAC135-20-30~~;

379 c. Not been subject to professional discipline involving harm to the public or license  
380 probation, suspension, or revocation; and

381 d. Paid the applicable application fee as listed in ~~48VAC135-20-80~~ 18VAC135-20-15.

382 2. Under this subsection, individuals are required to pass all exams required of initial  
383 applicants for the license under ~~18VAC135-20-30~~ 18VAC135-20-35.

384 **18VAC135-20-70. Activation or transfer of license.**

385 A. Any inactive licensee may activate that license with a licensed real estate firm or sole  
386 proprietorship by completing an activate form prescribed by the board. ~~A licensee who submits~~  
387 ~~an activate application to the board shall not conduct business with the real estate firm or sole~~  
388 ~~proprietorship set forth in the application until the application is processed and the license is~~

389 issued by the board. Continuing education pursuant to § 54.1-2105.03 of the Code of Virginia  
390 shall be completed within two years prior to activation of a license when the license has been  
391 inactive for more than 30 days. Any licensee who has not been active with a licensed real estate  
392 firm or sole proprietorship for a period of greater than three years shall be required to meet the  
393 existing prelicense educational requirements.

394 1. A licensee who submits an activate application to the board must not conduct licensed  
395 activity with the real estate firm or sole proprietorship set forth in the application until the  
396 license is issued by the board.

397 2. Continuing education pursuant to § 54.1-2105.03 of the Code of Virginia must be  
398 completed within two years prior to activation of a license when the license has been  
399 inactive for more than 30 days.

400 3. Any licensee who has not been active with a licensed real estate firm or sole  
401 proprietorship for a period of greater than three years will be required to meet the existing  
402 prelicense educational requirements.

403 B. Any licensee may transfer from one licensed real estate firm or sole proprietorship to  
404 another by completing and submitting to the board a transfer application and the fee as set forth  
405 in 48VAC135-20-80 18VAC135-20-15. The transfer application shall include the signature of the  
406 new principal broker or supervising broker with signature authority who will be responsible for the  
407 licensee's real estate activities and shall be effective upon the principal broker or supervising  
408 broker's execution of the transfer application.

409 1. The transfer application must include the signature of the new principal broker or  
410 supervising broker with signature authority who will be responsible for the licensee's real  
411 estate activities.

412 2. The transfer will be effective upon the new principal broker or supervising broker's  
413 execution of the transfer application.

414 ~~18VAC135-20-80. Application fees. (Repealed.)~~

Commented [JH31]: Fee provisions relocated to new sections -13 and -15.

415 A. ~~All application fees for licenses are nonrefundable and the date of receipt by the board or~~  
416 ~~its agent is the date that will be used to determine whether it is on time.~~

417 B. ~~Application fees are as follows:~~

|   |                  |
|---|------------------|
| <del>Salesperson by education and examination</del>               | <del>\$150</del> |
| <del>Salesperson by reciprocity</del>                             | <del>\$150</del> |
| <del>Salesperson's or broker's license as a business entity</del> | <del>\$100</del> |
| <del>Broker by education and examination</del>                    | <del>\$100</del> |
| <del>Broker by reciprocity</del>                                  | <del>\$100</del> |
| <del>Broker concurrent license</del>                              | <del>\$140</del> |
| <del>Firm license</del>   | <del>\$250</del> |
| <del>Branch office license</del>                                  | <del>\$100</del> |
| <del>Transfer application</del>                                   | <del>\$60</del>  |
| <del>Activate application</del>                                   | <del>\$60</del>  |

418 C. ~~The fee for examination or reexamination is subject to contracted charges to the board by~~  
419 ~~an outside vendor. These contracts are competitively negotiated and bargained for in compliance~~  
420 ~~with the Virginia Public Procurement Act (§ 2.2-4300 et seq. of the Code of Virginia). Fees may~~  
421 ~~be adjusted and charged to the candidate in accordance with these contracts.~~

422 Part III

423 Renewal of License

424 **18VAC135-20-90. Renewal required.**

425 Licenses issued under this chapter for salespersons, brokers, and firms ~~shall~~ will expire two  
426 years from the last day of the month in which they were issued, as indicated on the license, except  
427 concurrent broker licenses which ~~shall~~ will expire on the same date as the original broker license.

428 **18VAC135-20-95. Post-license education requirements for salespersons.**

429 A. In accordance with § 54.1-2105.01 A of the Code of Virginia, a salesperson who is  
430 renewing a license for the first time is required to have completed 30 hours of post-license  
431 education as outlined in subsection B of this section within the first year of licensure regardless  
432 of whether the salesperson's license is active or inactive. Failure to complete the 30-hour post-  
433 licensure curriculum within one year from the last day of the month in which his license was issued  
434 will result in the license being placed on inactive status by the board until the curriculum has been  
435 completed.

436 B. A salesperson within the first year of licensure must complete the following education:

- 437 1. Two hours of fair housing, Americans with Disabilities Act, and civil rights;
- 438 2. Six hours of real estate law and regulations;
- 439 3. Three hours of ethics and standards of conduct;
- 440 4. Two hours of current industry issues and trends;
- 441 5. Three hours of agency law;
- 442 6. Six hours of contract writing;
- 443 7. Three hours of risk management;
- 444 8. Three hours of escrow requirements; and
- 445 9. Two hours of real estate-related finance.

446 **18VAC135-20-101. Qualification for renewal; continuing education requirements.**

447 ~~As a condition of renewal, and pursuant to § 54.1-2105.03 of the Code of Virginia, all active~~  
448 ~~salespersons, resident or nonresident, except those called to active duty in the Armed Forces of~~  
449 ~~the United States, shall be required to satisfactorily complete a course of not less than a total of~~  
450 ~~16 classroom, correspondence, or other distance learning instruction hours during each licensing~~

**Commented [JH32]:** Provisions regarding post-license education for first renewal of salespersons relocated from section -101 and revised.

**Commented [JH33]:** Reflects amendment effective 11/1/24.



451 term, except for salespersons who are renewing for the first time and are required to complete 30  
452 hours of post-license education regardless of whether their the licenses are active or inactive. All  
453 active brokers, resident or nonresident, except those called to active duty in the Armed Forces of  
454 the United States, shall be required to satisfactorily complete a course of not less than a total of  
455 24 classroom, correspondence, or other distance learning instruction hours during each licensing  
456 term. Active licensees called to active duty in the Armed Forces of the United States may complete  
457 these courses within six months of their release from active duty. Inactive brokers and  
458 salespersons are not required to complete the continuing education course as a condition of  
459 renewal (see 18VAC135-20-70, Activation or transfer of license).

460 1. Providers shall be those as defined in 18VAC135-20-350;

461 2. For salespersons, eight 11 of the required 16 hours shall include two hours in fair housing  
462 laws; three hours in ethics and standards of conduct; two hours in real estate agency; two hours  
463 in real estate contracts; and a minimum of one hour each two hours in legal updates and  
464 emerging trends, to include flood zone areas and the National Flood Insurance Program, real  
465 estate agency, and real estate contracts. For brokers, 16 19 of the 24 required hours shall include  
466 eight hours in supervision and management of real estate agents and the management of real  
467 estate brokerage firms, two hours of which shall include an overview of the broker supervision  
468 requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of  
469 Virginia; two hours in fair housing laws; three hours in ethics and standards of conduct; two hours  
470 in real estate agency; two hours in real estate contracts; and a minimum of one hour each two  
471 hours in legal updates and emerging trends, to include flood zone areas and the National Flood  
472 Insurance Program, real estate agency, and real estate contracts. If the licensee submits a  
473 notarized affidavit to the board that certifies that he the licensee does not practice residential real  
474 estate brokerage, residential management, or residential leasing and shall not do so during the  
475 licensing term, training in fair housing shall not be required; instead, such licensee shall receive

476 ~~training in other applicable federal and state discrimination laws and regulations. The~~  
477 ~~remaining elective hours shall be on subjects from the following list:~~

- 478 ~~a. Property rights;~~
- 479 ~~b. Contracts;~~
- 480 ~~c. Deeds;~~
- 481 ~~d. Mortgages and deeds of trust;~~
- 482 ~~e. Types of mortgages;~~
- 483 ~~f. Leases;~~
- 484 ~~g. Liens;~~
- 485 ~~h. Real property and title insurance;~~
- 486 ~~i. Investment;~~
- 487 ~~j. Taxes in real estate;~~
- 488 ~~k. Real estate financing;~~
- 489 ~~l. Brokerage and agency contract responsibilities;~~
- 490 ~~m. Real property management;~~
- 491 ~~n. Search, examination, and registration of title;~~
- 492 ~~o. Title closing;~~
- 493 ~~p. Appraisal of real property;~~
- 494 ~~q. Planning subdivision developments and condominiums;~~
- 495 ~~r. Regulatory statutes;~~
- 496 ~~s. Housing legislation;~~

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
and are not to be construed as regulation or official board position

- 497 t. Fair housing;
- 498 u. Real Estate Board regulations;
- 499 v. Land use;
- 500 w. Business law;
- 501 x. Real estate economics;
- 502 y. Real estate investments;
- 503 z. Federal real estate law;
- 504 aa. Commercial real estate;
- 505 bb. Americans With with Disabilities Act;
- 506 cc. Environmental issues impacting real estate;
- 507 dd. Building codes and design;
- 508 ee. Local laws and zoning;
- 509 ff. Escrow requirements;
- 510 gg. Ethics and standards of conduct; and
- 511 hh. Common interest ownership.
- 512 3. Salespersons holding licenses in other jurisdictions must complete eight 11 hours that shall
- 513 include fair housing laws and legal updates and emerging trends, to include flood zone areas and
- 514 the National Flood Insurance Program, ethics and standards of conduct, real estate agency, and
- 515 real estate contracts and two hours in fair housing laws; three hours in ethics and standards of
- 516 conduct; two hours in real estate agency; two hours in real estate contracts; and two hours of
- 517 legal updates and emerging trends, to include flood zone areas and the National Flood Insurance
- 518 Program. Such salespersons may substitute education completed in their the

DRAFT AGENDA  
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519 ~~salesperson's jurisdiction for the remaining elective hours required by subdivision 2 of this~~  
520 ~~section. Brokers holding licenses in other jurisdictions must complete 16 10 hours that shall~~  
521 ~~include supervision and management of real estate agents and the management of real estate~~  
522 ~~brokerage firms, two hours of which shall include an overview of the broker supervision~~  
523 ~~requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of~~  
524 ~~Virginia; fair housing laws; legal updates and emerging trends, to include flood zone areas and~~  
525 ~~the National Flood Insurance Program; ethics and standards of conduct; and real estate agency~~  
526 ~~and real estate contracts and eight hours in supervision and management of real estate agents~~  
527 ~~and the management of real estate brokerage firms, two hours of which shall include an overview~~  
528 ~~of the broker supervision requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.)~~  
529 ~~of Title 54.1 of the Code of Virginia; two hours in fair housing laws; three hours in ethics and~~  
530 ~~standards of conduct; two hours in real estate agency; two hours in real estate contracts; and two~~  
531 ~~hours in legal updates and emerging trends, to include flood zone areas and the National Flood~~  
532 ~~Insurance Program. Such brokers may substitute education completed in their the~~  
533 ~~broker's jurisdiction for the remaining elective hours required by subdivision 2 of this section.~~

534 4. The board may approve additional subjects at its discretion and in accordance with § 54.1-  
535 2105.03 of the Code of Virginia.

536 5. Credit for continuing education course completion is given for each class hour/clock hour  
537 as defined in 18VAC135-20-350.

538 6. Licensees are responsible for retaining for three years and providing proof of continuing  
539 education. Proof of course completion shall be made on a form prescribed by the board. Failure  
540 to provide documentation of completion as directed by the board may result in the license not  
541 being renewed, disciplinary action pursuant to this chapter, or both.

542 7. Instructors who are also licensees of the board may earn continuing education credit for  
543 teaching continuing education courses.

544 ~~8. Any continuing education credits completed by the licensee in excess of that required in~~  
545 ~~the current license term that are obtained in the six months immediately prior to the license~~  
546 ~~expiration date shall carry over into the next two-year renewal period.~~

547 A. Continuing Education Requirements at Renewal.

548 1. Subsequent Salesperson Renewals. As a condition of renewal, and pursuant to § 54.1-  
549 2105.03 of the Code of Virginia, all active salespersons are required to satisfactorily  
550 complete a course of not less than a total of 16 classroom, correspondence, or other  
551 distance learning instruction hours during each licensing term. For salespersons, 11 of the  
552 required 16 hours must include:

553 a. Two hours in fair housing laws;

554 b. Three hours in ethics and standards of conduct;

555 c. Two hours of real estate agency;

556 d. Two hours of real estate contracts including contract principles, contract forms,  
557 and escrow deposits and accounts; and

558 e. Two hours in legal updates and emerging trends, to include flood zone areas and  
559 the National Flood Insurance Program.

560 The remaining elective hours must be obtained in subject areas listed in subsection B of  
561 this section.

562 2. Broker Renewals. All active brokers are required to satisfactorily complete a course of  
563 not less than a total of 24 classroom, correspondence, or other distance learning  
564 instruction hours during each licensing term. For brokers, 19 of the 24 required hours must  
565 include:

566 a. Eight hours in supervision and management of real estate agents and the  
567 management of real estate brokerage firms including oversight of contracts and  
568 agency, two hours of which must include an overview of the broker supervision  
569 requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of  
570 the Code of Virginia;

571 b. Two hours in fair housing laws;

572 c. Three hours in ethics and standards of conduct;

573 d. Two hours in real estate agency;

574 e. Two hours of real estate contracts, including contract principles, contract forms, and  
575 escrow deposits and accounts; and

576 f. Two hours in legal updates and emerging trends, to include flood zone areas and  
577 the National Flood Insurance Program.

578 The remaining elective hours must be obtained in subject areas listed in subsection B of  
579 this section.

580 3. Armed Forces of the United States Renewals. If an active licensee is called to active  
581 duty or deployed in the Armed Forces of the United States, such licensee may complete  
582 these courses within six months of the licensee's release from active duty or deployment.

583 4. Inactive Licenses. Inactive brokers and salespersons are not required to complete the  
584 continuing education course as a condition of renewal.

585 5. If the licensee submits a notarized affidavit to the board that certifies that the licensee  
586 does not practice residential real estate brokerage, residential management, or residential  
587 leasing and will not do so during the licensing term, training in fair housing is not be

588 required; instead such licensee must receive training in other applicable federal and state  
589 discrimination laws and regulations.

590 B. Any elective hours not specified in subsection A of this section must be on subjects from  
591 the following list:

592 1. Property rights;

593 2. Contracts;

594 3. Deeds;

595 4. Financing and types of mortgages and deeds of trust;

596 5. Leases;

597 7. Liens;

598 8. Real property and title insurance;

599 9. Taxes in real estate;

600 10. Closing disclosures;

601 11. Brokerage and agency contract responsibilities;

602 12. Real property management;

603 13. Search, examination and registration of title;

604 14. Title closing;

605 15. Appraisal of real property;

606 16. Planning subdivision developments and condominiums;

607 17. Fair housing;

608 18. Real estate statutes and board regulations;

- 609 19. Business law;
- 610 20. Real estate markets and economics;
- 611 21. Real estate investments;
- 612 22. Federal real estate law;
- 613 23. Commercial real estate;
- 614 24. Americans with Disabilities Act;
- 615 25. Environmental issues, sustainability, and energy efficiency;
- 616 26. Building codes and design;
- 617 27. Land use, zoning, and local laws;
- 618 28. Escrow accounts and deposits;
- 619 29. Ethics and standards of conduct;
- 620 30. Common interest communities, including the Resale Disclosure Act (Chapter 23.1 of
- 621 Title 55.1 of the Code of Virginia);
- 622 31. Cyber security and data protection; and
- 623 32. Social responsibility in real estate, including affordable housing, multicultural market,
- 624 gentrification, diversity, multigenerational, and cultural competency.

625 C. Salespersons and Brokers holding active licenses in multiple jurisdictions.

- 626 1. Salespersons holding licenses in multiple jurisdictions must complete 16 hours of
- 627 continuing education, 11 of which are mandatory board-approved courses, that must
- 628 include two hours in fair housing laws; three hours in ethics and standards of conduct; two
- 629 hours in real estate agency; two hours in real estate contracts; and two hours of legal
- 630 updates and emerging trends, to include flood zone areas and the National Flood

**Commented [JH34]: POSSIBLE ALTERNATIVE LANGUAGE:**

C. Salespersons and brokers licensed in multiple jurisdictions must complete the continuing education requirements specified in subdivisions A 1 and A 2 of this section, as applicable to the license, in order to renew licensure; however, such salespersons and brokers may substitute education completed in their jurisdiction for the remaining elective hours required by subsection B of this section.



631 Insurance Program. Such salespersons may substitute education completed in their  
632 jurisdiction for the remaining five elective hours required by subsection B of this section.

633 2. Brokers holding licenses in multiple jurisdictions must complete 24 hours of continuing  
634 education, 19 of which are mandatory board-approved courses that must include eight  
635 hours in supervision and management of real estate agents and the management of real  
636 estate brokerage firms, two hours of which shall include an overview of the broker  
637 supervision requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title  
638 54.1 of the Code of Virginia; two hours in fair housing laws; three hours in ethics and  
639 standards of conduct; two hours in real estate agency; two hours in real estate contracts;  
640 and two hours in legal updates and emerging trends, to include flood zone areas and the  
641 National Flood Insurance Program. Such brokers may substitute education completed in  
642 their jurisdiction for the remaining five elective hours required by subsection B of this  
643 section.

644 D. In its discretion, and in accordance with § 54.1-2105.03 of the Code of Virginia, the board  
645 may approve additional subjects toward fulfillment of the elective continuing education hours  
646 required by this section.

647 E. Credit for continuing education course completion is given for each class hour or clock  
648 hour.

649 F. Licensees are responsible for retaining for three years and providing proof of continuing  
650 education to the board or its duly authorized agents upon request. Failure to provide  
651 documentation of completion as directed by the board may result in the license not being renewed  
652 or disciplinary action pursuant to this chapter.

653 G. Instructors who are also licensees of the board may earn continuing education credit for  
654 teaching continuing education courses.

655 H. Any continuing education credits completed by a licensee in excess of that required in the  
656 current license term that are obtained in the six months immediately prior to the license expiration  
657 date will carry over into the next two-year renewal period.

658 **18VAC135-20-110. Procedures for renewal.**

659 A. Prior to the expiration date of the license, the board will send a renewal notice to the  
660 licensee.

661 B. Prior to the expiration date shown on of the license, each licensee desiring to renew the  
662 license shall must return to the board the renewal application forms notice and the appropriate  
663 fee as outlined specified in 18VAC135-20-120 18VAC135-20-15. Failure to receive notices from  
664 the board regarding license renewal does not relieve the licensee of the obligation to renew.

665 C. Failure to receive notices from the board regarding license renewal does not relieve the  
666 licensee of the obligation to renew.

667 ~~18VAC135-20-120. Fees for renewal. (Repealed.)~~

**Commented [JH35]:** Fee provisions relocated to new sections -13 and -15.

668 ~~A. All fees for renewals are nonrefundable, and the date of receipt by the board or its agent is~~  
669 ~~the date that will be used to determine whether it is on time.~~

670 ~~B. Renewal fees are as follows:~~

|  |       |
|--|-------|
| - Salesperson  | \$65  |
| - Salesperson's or broker's license as a business entity | \$90  |
| - Broker   | \$80  |
| - Concurrent broker                                      | \$80  |
| - Firm   | \$160 |
| - Branch office  | \$90  |

671

672 **18VAC135-20-130. Board discretion to deny renewal. (Repealed.)**

673 The board may deny renewal of a license for (i) the same reasons as it may refuse initial  
674 licensure or discipline a current licensee; (ii) failure to meet the terms of an agreement for  
675 licensure or other board order; or (iii) failure to fully pay monetary penalties and costs imposed by  
676 the board, plus any accrued interest.

677

Part IV

678

Reinstatement

679 **18VAC135-20-140. Failure to renew; reinstatement required.**

**Commented [JH36]:** Includes technical changes effective 11/1/24.

680 A. All applicants for reinstatement must meet ~~all~~ the applicable continuing education  
681 requirements set forth in 18VAC135-20-101. Applicants for reinstatement who want to activate  
682 ~~their~~ a license must have completed the continuing education requirement ~~in order~~ to reinstate  
683 and activate the license. Applicants for reinstatement of an inactive license are not required to  
684 complete the continuing education requirement for license reinstatement.

685 B. If the requirements for renewal of a license, including receipt of the fee by the board, are  
686 not completed by the licensee within 30 days of the expiration date noted on the license, ~~a~~ the  
687 applicable reinstatement fee specified in 18VAC135-20-15 is required ~~as follows~~:

|  |       |
|--|-------|
| Salesperson  | \$100 |
| Salesperson's or broker's license as a business entity | \$135 |
| Broker   | \$120 |
| Concurrent Broker                                      | \$120 |
| Firm   | \$245 |
| Branch Office  | \$135 |

**Commented [JH37]:** Fee provisions relocated to new section -15.

688 C. A license may be reinstated for up to one year following the expiration date with payment  
689 of the reinstatement fee. When a license is reinstated, the licensee will continue to have the same

690 license number and will be assigned an expiration date two years from the previous expiration  
691 date of the license. After one year, the license may not be reinstated under any circumstances  
692 and the applicant must meet all current educational and examination requirements and apply as  
693 a new applicant.

694 D. ~~A licensee~~ An individual, business entity, or firm may not perform activities defined in ~~§§ §~~  
695 ~~54.1-2100 and 54.1-2104~~ of the Code of Virginia with an expired license. Any real estate activity  
696 conducted subsequent to the expiration date may constitute unlicensed activity and be subject to  
697 prosecution under Chapter 1 (§ 54.1-100 et seq.) of Title 54.1 of the Code of Virginia.

698 **18VAC135-20-145. Status of licensee during the period prior to reinstatement.**

699 A licensee who reinstates a license will be regarded as having been continuously licensed  
700 without interruption and will remain under the disciplinary authority of the board during this entire  
701 period and will be held accountable for activities during this period.

702 **18VAC135-20-150. Board discretion to deny renewal or reinstatement.**

703 The board may deny renewal or reinstatement of a license for (i) the same reasons as it may  
704 refuse initial licensure or discipline a current licensee; (ii) failure to meet the terms of an agreement  
705 for licensure or other board order; or (iii) failure to fully pay monetary penalties and costs imposed  
706 by the board, plus any accrued interest.

707 Part V

708 Standards of Practice and Conduct

709 **18VAC135-20-155. Grounds for disciplinary action.**

710 A. The board has the power to ~~fine~~ impose a monetary penalty against any licensee or  
711 certificate holder and to suspend or revoke any license or certificate issued under the provisions  
712 of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia and this chapter in

**Commented [JH38]:** Includes technical changes effective 11/1/24.

713 accordance with subdivision A 7 of § 54.1-201 and § 54.1-202 of the Code of Virginia and the  
714 provisions of the Administrative Process Act, ~~Chapter 40~~ (§ 2.2-4000 et seq.) ~~of Title 2.2~~ of the  
715 Code of Virginia], where the licensee or certificate holder has been found to have violated or  
716 cooperated with others in violating any provision of Chapters 1 (§ 54.1-100 et seq.), 2 (§ 54.1-200  
717 et seq.), 3 (§ 54.1-300 et seq.), and 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia,  
718 Chapter 10 (§ 55.1-1000 et seq.) of Title 55.1 of the Code of Virginia, or any regulation of the  
719 board. ~~Any licensee failing to comply with the provisions of Chapter 21 (§ 54.1-2100 et seq.) of~~  
720 ~~Title 54.1 of the Code of Virginia or the regulations of the Real Estate Board in performing any~~  
721 ~~acts covered by §§ § 54.1-2100 and 54.1-2101 of the Code of Virginia may be charged with a~~  
722 ~~violation, regardless of whether those acts are in the licensee's personal capacity or in his the~~  
723 ~~licensee's capacity as a real estate licensee.~~

724 B. Any licensee failing to comply with the provisions of Chapter 21 (§ 54.1-2100 et seq.) of  
725 Title 54.1 of the Code of Virginia or the regulations of the board in performing any acts covered  
726 by § 54.1-2100 of the Code of Virginia may be charged with a violation, regardless of whether  
727 those acts are in the licensee's personal capacity or in the licensee's capacity as a real estate  
728 licensee.

729 **18VAC135-20-160. Place of business.**

730 ~~A. Within the meaning and intent of § 54.1-2110 of the Code of Virginia, a place of business~~  
731 ~~shall be an office where:~~

732 ~~1. The principal broker, either through his own efforts or through the efforts of his employees~~  
733 ~~or associates, regularly transacts the business of a real estate broker as defined in § 54.1-2100~~  
734 ~~of the Code of Virginia; and~~

735 ~~2. The principal broker and his employees or associates can receive business calls and direct~~  
736 ~~business calls to be made.~~

**Commented [JH39]:** Includes amendments effective 11/1/24.

737 ~~B. A. No place of business shall be in a residence unless it is separate and distinct from the~~  
738 ~~living quarters of the residence with its own entrance and is accessible by the public.~~

739 ~~C. B. Every principal broker shall have readily available to the public in the main primary place~~  
740 ~~of business the firm license, the principal broker license, and the license of every salesperson~~  
741 ~~and broker active with the firm. The Each branch office license and a roster of every salesperson~~  
742 ~~or broker assigned to the branch office shall be posted in a conspicuous place in each branch~~  
743 ~~office shall have readily available to the public the branch office license and a roster of every~~  
744 ~~salesperson or broker assigned to that branch office.~~

745 A. Every principal broker must have the following readily available to the public in the primary  
746 place of business:

747 1. The firm license;

748 2. The principal broker license; and

749 3. The license of every salesperson and broker active with the firm.

750 B. Each branch office must have readily available to the public the branch office license and  
751 a roster of every salesperson or broker assigned to that branch office.

752 **18VAC135-20-165. Duties of supervising broker.**

753 ~~Each place of business, each branch office, and each real estate team shall be supervised by~~  
754 ~~a supervising broker. The supervising broker shall exercise reasonable and adequate supervision~~  
755 ~~of the provision of real estate brokerage services by associate brokers and salespersons assigned~~  
756 ~~to the branch office or real estate team. The supervising broker may designate another broker to~~  
757 ~~assist in administering the provisions required by this section, but such designation does not~~  
758 ~~relieve the supervising broker of responsibility for the supervision of the acts of all licensees~~  
759 ~~assigned to the branch office or real estate team. Factors to be considered in determining whether~~  
760 ~~the supervision is reasonable and adequate include the following:~~

761 ~~1. The availability of the supervising broker to all licensees under the supervision of the~~  
762 ~~broker to review and approve all documents, including leases, contracts affecting the firm's~~  
763 ~~clients, brokerage agreements, and advertising;~~

764 ~~2. The availability of training and written procedures and policies that provide, without~~  
765 ~~limitation, clear guidance in the following areas:~~

766 ~~a. Proper handling of escrow deposits;~~

767 ~~b. Compliance with federal and state fair housing laws and regulations if the firm~~  
768 ~~engages in residential brokerage, residential leasing, or residential property~~  
769 ~~management;~~

770 ~~c. Advertising;~~

771 ~~d. Negotiating and drafting of contracts, leases, and brokerage agreements;~~

772 ~~e. Use of unlicensed individuals;~~

773 ~~f. Agency or independent contractor relationships;~~

774 ~~g. Distribution of information on new or changed statutory or regulatory requirements;~~

775 ~~h. Disclosure of matters relating to the condition of the property; and~~

776 ~~i. Such other matters as necessary to assure the competence of licensees to comply~~  
777 ~~with this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of~~  
778 ~~Virginia.~~

779 ~~3. The availability of the supervising broker in a timely manner to supervise the~~  
780 ~~management of the brokerage services;~~

781 ~~4. The supervising broker ensures the brokerage services are carried out competently and~~  
782 ~~in accordance with the provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of~~  
783 ~~Title 54.1 of the Code of Virginia;~~

784 ~~5. The supervising broker undertakes reasonable steps to ensure compliance by all~~  
785 ~~licensees assigned to the branch office, including ensuring the licensees have an active,~~  
786 ~~current license;~~

787 ~~6. The supervising broker undertakes reasonable steps to ensure only licensees~~  
788 ~~undertake activities requiring a license, including:~~

789 ~~a. Show property;~~

790 ~~b. Hold an open house;~~

791 ~~c. Answer questions on listings, title, financing, closing, contracts, brokerage~~  
792 ~~agreements, and legal documents;~~

793 ~~d. Discuss, explain, interpret, or negotiate a contract, listing, lease agreement, or~~  
794 ~~property management agreement with anyone outside the firm; and~~

795 ~~e. Negotiate or agree to any commission, commission split, management fee, or~~  
796 ~~referral fee.~~

797 ~~7. The supervising broker shall provide adequate supervision over the unlicensed~~  
798 ~~employees or assistants under the supervision of a broker as they perform the following~~  
799 ~~permitted activities:~~

800 ~~a. Perform general clerical duties, including answering the phones, responding by~~  
801 ~~electronic media, and providing information shown on the listing;~~

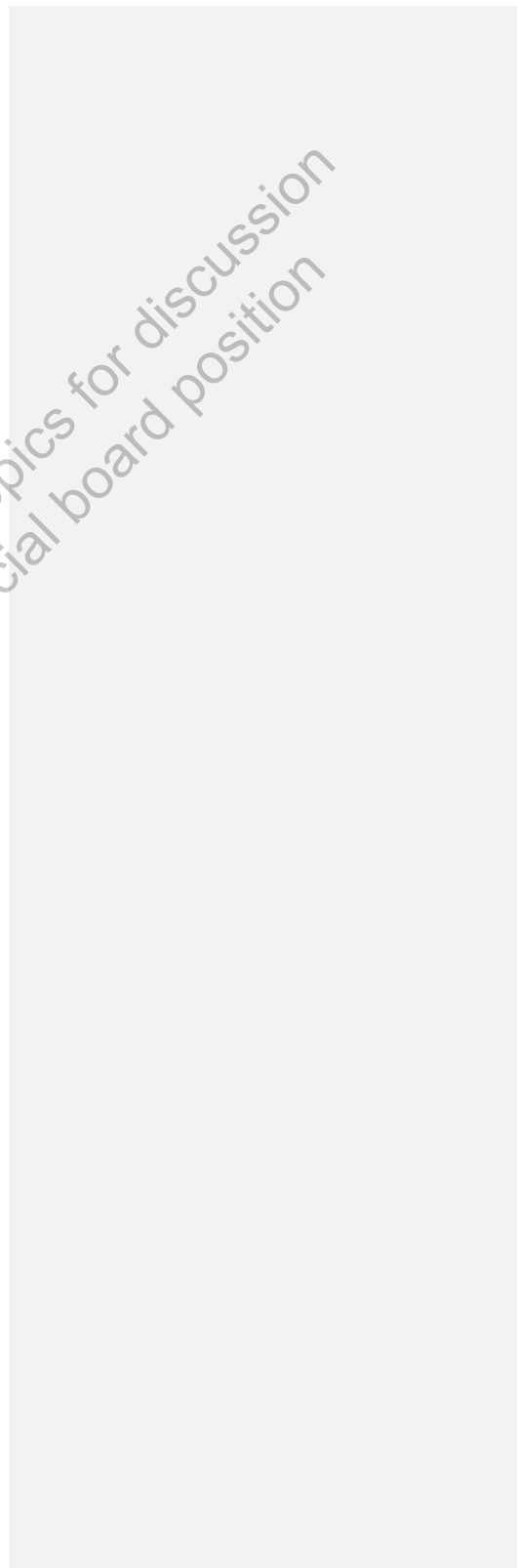
802 ~~b. Submit listings and changes to MLS;~~

803 ~~c. Follow up on loan commitments after contracts have been ratified;~~

804 ~~d. Have keys made for listings;~~

805 ~~e. Compute commission checks;~~

806 ~~f. Place signs on properties;~~





- 807 g. Act as a courier service;
- 808 h. Schedule appointments;
- 809 i. Record and deposit earnest money deposits, security deposits, and advance rents;
- 810 j. Prepare contract forms for approval of the licensee and supervising broker;
- 811 k. Prepare promotional materials and advertisements for approval of the licensee and
- 812 supervising broker;
- 813 l. Assemble closing documents;
- 814 m. Obtain required public information from governmental entities;
- 815 n. Monitor license and personnel files;
- 816 o. Order routine repairs as directed by licensee;
- 817 p. Receive compensation for their work at a predetermined rate that is not contingent
- 818 upon the occurrence of a real estate transaction; and
- 819 q. Perform any other activities undertaken in the regular course of business for which
- 820 a license is not required.
- 821 8. If a supervising broker is located more than 50 miles from the place of business or the
- 822 branch office and there are licensees who regularly conduct business assigned to the
- 823 branch office or at the place of business, the supervising broker must certify in writing on
- 824 a quarterly basis on a form provided by the board that the supervising broker complied
- 825 with the requirements of this section;
- 826 9. The supervising broker must maintain the records required in this section for three
- 827 years. The records must be furnished to the board's agent upon request;

828 ~~10. The supervising broker ensures that affiliated real estate teams or business entities~~  
829 ~~are operating in accordance with the provisions of this chapter and Chapter 21 (§ 54.1-~~  
830 ~~2400 et seq.) of Title 54.1 of the Code of Virginia; and~~

831 ~~11. The supervising broker ensures that all brokerage agreements include the name and~~  
832 ~~contact information of the supervising broker.~~

833 In addition to the duties of supervising brokers set forth in § 54.1-2110.1 of the Code of  
834 Virginia, supervising brokers must:

835 1. Provide timely supervision of brokerage services.

836 2. Undertake reasonable steps to ensure only licensees undertake activities requiring a  
837 license, including:

838 a. Showing property;

839 b. Holding an open house;

840 c. Answering questions on listings, title, financing, closing, contracts, brokerage  
841 agreements, and legal documents;

842 d. Discussing, explaining, interpreting, or negotiating a contract, listing, lease  
843 agreement, or property management agreement with anyone outside the firm; and

844 e. Negotiating or agreeing to any commission, commission split, management fee, or  
845 referral fee.

846 3. Provide adequate supervision over all unlicensed individuals or entities associated with  
847 the firm or its licensees. Such unlicensed individuals or entities may perform the following  
848 activities:

849 a. Performing general clerical duties, including answering the phones, responding by  
850 electronic media, and providing information shown on the listing;

- 851 b. Submitting listings and changes to MLS;
- 852 c. Following up on loan commitments after contracts have been ratified;
- 853 d. Having keys made for listings;
- 854 e. Computing commission checks;
- 855 f. Placing signs on properties;
- 856 g. Acting as a courier service;
- 857 h. Scheduling appointments;
- 858 i. Recording and depositing escrow funds;
- 859 j. Preparing contract forms for approval of the licensee and supervising broker;
- 860 k. Preparing promotional materials and advertisements for approval of the licensee
- 861 and supervising broker;
- 862 l. Assembling closing documents;
- 863 m. Obtaining required public information from governmental entities;
- 864 n. Monitoring license and personnel files;
- 865 o. Ordering routine repairs as directed by licensee; and
- 866 p. Performing any other activities undertaken in the regular course of business for
- 867 which a license is not required.
- 868 4. Respond in a timely manner to inquiries from the public, cooperating brokers, and
- 869 licensees affiliated with the supervising broker's firm regarding existing or contemplated
- 870 transactions.
- 871 **18VAC135-20-170. Maintenance of licenses.**
- 872 A. Name and address.

873 1. Salespersons and individual brokers ~~shall~~ must at all times keep the board informed of  
874 their current name and home address. Changes of name and address must be reported  
875 to the board in writing within 30 calendar days of such change. The board ~~shall~~ must not  
876 be responsible for the licensee's failure to receive notices, communications and  
877 correspondence caused by the licensee's failure to promptly notify the board of any  
878 change of address. ~~A licensee may use a professional name other than a legal name if~~  
879 ~~that professional name is filed with the board prior to its use. The professional name shall~~  
880 ~~include the licensee's first or last name and shall not include any titles.~~

881 2. A licensee may use a professional name other than a legal name if that professional  
882 name is filed with the board prior to its use. An individual may use a professional name,  
883 which must include the first or last name and must not include any titles.

884 ~~2.~~ 3. Salespersons and brokers ~~shall~~ will be issued a license only to the place of business  
885 of the sole proprietorship or firm with which the salesperson or broker is active.

886 ~~3.~~ 4. Principal brokers must at all times keep the board informed of their current firm ~~and,~~  
887 branch office, and business entity name and addresses and changes of name and address  
888 must be reported to the board in writing within 30 calendar days of such change. A physical  
889 address is required. ~~A post office box will not be accepted.~~

890 B. Discharge or termination of active status.

891 1. When any salesperson or broker is discharged or in any way terminates ~~his~~ active status  
892 with a sole proprietorship or firm, it ~~shall be~~ is the duty of the sole proprietor or principal  
893 broker to ~~return the license to notify~~ the board ~~so that it is received~~ with the licensee name,  
894 license number, and date of termination within 10 calendar days of the date of termination  
895 or being notified of the status change. ~~The sole proprietor or principal broker shall indicate~~  
896 ~~on the license the date of termination, and shall sign the license before returning it.~~

897 2. When any principal broker is discharged or in any way terminates his active status with  
898 a firm, it shall be is the duty of the firm to notify the board ~~and return the license to the~~  
899 ~~board within three business days of termination or being notified of the status change.~~ The  
900 firm shall indicate on the license the date of termination, and shall sign the license before  
901 ~~returning it~~ with the licensee name, license number, and date of termination within 10  
902 calendar days of the date of termination. See § 54.1-2109 of the Code of Virginia for  
903 termination relating to the death or disability of the principal broker.

904 C. When a firm or business entity is no longer authorized to conduct business in the  
905 Commonwealth, the board has the authority to terminate said license until such time as the firm  
906 or business entity provides evidence that it is again authorized to conduct business in the  
907 Commonwealth.

908 **18VAC135-20-180. Maintenance and management of escrow accounts.**

909 **A. Maintenance of escrow accounts.**

910 1. If money is to be held in escrow, each firm or sole proprietorship shall maintain in the  
911 name by which it is licensed one or more federally insured separate escrow accounts in a  
912 federally insured depository into which all down payments, earnest money deposits,  
913 money received upon final settlement, application deposits as defined by § 55.1-1200 of  
914 the Code of Virginia, rental payments, rental security deposits, money advanced by a  
915 buyer or seller for the payment of expenses in connection with the closing of real estate  
916 transactions, money advanced by the broker's client or expended on behalf of the client,  
917 or other escrow funds received by the broker or his associates on behalf of his client or  
918 any other person shall be deposited unless all principals to the transaction have agreed  
919 otherwise in writing. The balance in the escrow accounts shall be sufficient at all times to  
920 account for all funds that are designated to be held by the firm or sole proprietorship. The  
921 principal broker shall be held responsible for these accounts, including having signatory

922 authority on these accounts. The supervising broker and any other licensee with escrow  
923 account authority may be held responsible for these accounts. All such accounts, checks,  
924 and bank statements shall be labeled "escrow" and the accounts shall be designated as  
925 "escrow" accounts with the financial institution where such accounts are established.

926 2. Funds to be deposited in the escrow account may include moneys that shall ultimately  
927 belong to the licensee, but such moneys shall be separately identified in the escrow  
928 account records and shall be paid to the firm by a check drawn on the escrow account  
929 when the funds become due to the licensee. Funds in an escrow account shall not be paid  
930 directly to the licensees of the firm. The fact that an escrow account contains money that  
931 may ultimately belong to the licensee does not constitute "commingling of funds" as set  
932 forth by subdivision C-2 of this section, provided that there are periodic withdrawals of said  
933 funds at intervals of not more than six months and that the licensee can at all times  
934 accurately identify the total funds in that account that belong to the licensee and the firm.

935 3. If escrow funds are used to purchase a certificate of deposit, the pledging or  
936 hypothecation of such certificate, or the absence of the original certificate from the direct  
937 control of the principal or supervising broker, shall constitute commingling as prohibited  
938 by subdivision C-2 of this section.

939 4. Lease transactions: application deposits. Any application deposit as defined by § 55.1-  
940 4200 of the Code of Virginia paid by a prospective tenant for the purpose of being  
941 considered as a tenant for a dwelling unit to a licensee acting on behalf of a landlord client  
942 shall be placed in escrow by the end of the fifth business banking day following approval  
943 of the rental application by the landlord unless all principals to the lease transaction have  
944 agreed otherwise in writing.

945 B. Disbursement of funds from escrow accounts.

946 1. a. Purchase transactions. Upon the ratification of a contract, an earnest money deposit  
947 received by the principal broker or supervising broker or his associates that is to be held  
948 in the firm's escrow account shall be placed in such escrow account by the end of the fifth  
949 business banking day following ratification, unless otherwise agreed to in writing by the  
950 principals to the transaction, and shall remain in that account until the transaction has  
951 been consummated or terminated. If a principal broker or supervising broker, or an agent  
952 of such principal broker or supervising broker, receives an earnest money deposit that will  
953 not be held in the firm's escrow account, the principal broker or supervising broker shall  
954 ensure that the earnest money deposit is delivered to the escrow agent named in the  
955 contract by the end of the fifth business banking day following receipt of the deposit, unless  
956 otherwise agreed to in writing by the principals to the transaction. In the event that the  
957 transaction is not consummated, the principal broker or supervising broker shall hold such  
958 funds in escrow until (i) all principals to the transaction have agreed in a written agreement  
959 as to their disposition, upon which the funds shall be returned to the agreed upon principal  
960 as provided in such written agreement; (ii) a court of competent jurisdiction orders such  
961 disbursement of the funds; (iii) the funds are successfully interpleaded into a court of  
962 competent jurisdiction pursuant to this section; or (iv) the broker releases the funds to the  
963 principal to the transaction who is entitled to receive them in accordance with the clear  
964 and explicit terms of the contract that established the earnest money deposit. At the option  
965 of a broker, written notice may be sent by the broker that release of such funds shall be  
966 made unless a written protest is received from the principal who is not receiving the funds  
967 by such broker within 15 calendar days of the date of such notice. Notice of a disbursement  
968 shall be given to the parties to the transaction in accordance with the contract, but if the  
969 contract does not specify a method of delivery, one of the following methods complies with  
970 this section: (i) hand delivery; (ii) United States mail, postage prepaid, provided that the  
971 sender retains sufficient proof of mailing, which may be either a United States postal

972 ~~certificate of mailing or a certificate of service prepared by the sender confirming such~~  
973 ~~mailing; (iii) electronic means, provided that the sender retains sufficient proof of the~~  
974 ~~electronic delivery, which may be an electronic receipt of delivery, a confirmation that the~~  
975 ~~notice was sent by facsimile, or a certificate of service prepared by the sender confirming~~  
976 ~~the electronic delivery; or (iv) overnight delivery using a commercial service or the United~~  
977 ~~States Postal Service. Except as provided in the clear and explicit terms of the contract,~~  
978 ~~no broker shall be required to make a determination as to the party entitled to receive the~~  
979 ~~earnest money deposit. A broker who complies with this section shall be immune from~~  
980 ~~liability to any of the parties to the contract.~~

981 ~~A principal broker or supervising broker holding escrow funds for a principal to the~~  
982 ~~transaction may seek to have a court of competent jurisdiction take custody of disputed or~~  
983 ~~unclaimed escrow funds via an interpleader action pursuant to § 16.1-77 of the Code of~~  
984 ~~Virginia.~~

985 ~~If a principal broker, supervising broker, or an agent of such licensee is holding escrow~~  
986 ~~funds for the owner of real property and such property is foreclosed upon by a lender, the~~  
987 ~~principal broker, supervising broker, or agent shall have the right to file an interpleader~~  
988 ~~action pursuant to § 16.1-77 of the Code of Virginia and otherwise comply with the~~  
989 ~~provisions of § 54.1-2108.1 of the Code of Virginia.~~

990 ~~If a single family residential dwelling unit is foreclosed upon, and at the date of the~~  
991 ~~foreclosure sale there is a real estate purchase contract to buy such property and such~~  
992 ~~contract provides that the earnest money deposit held in escrow by a firm or sole~~  
993 ~~proprietorship shall be paid to a principal to the contract in the event of a termination of~~  
994 ~~the real estate purchase contract, the foreclosure shall be deemed a termination of the~~  
995 ~~real estate purchase contract, and the principal broker, supervising broker, or agent of the~~  
996 ~~licensee may, absent any default on the part of the purchaser, disburse the earnest money~~



997 deposit to the purchaser pursuant to such provisions of the real estate purchase contract  
998 without further consent from or notice to the principals.

999 ~~b. Lease transactions: security deposits. Any security deposit held by a firm or sole  
1000 proprietorship shall be placed in an escrow account by the end of the fifth business  
1001 banking day following receipt, unless otherwise agreed to in writing by the principals  
1002 to the transaction. Each such security deposit shall be treated in accordance with the  
1003 security deposit provisions of the Virginia Residential Landlord and Tenant Act,  
1004 Chapter 12 (§ 55.1-1200 et seq.) of Title 55.1 of the Code of Virginia, unless exempted  
1005 therefrom, in which case the terms of the lease or other applicable law shall control.  
1006 Notwithstanding anything in this section to the contrary, unless the landlord has  
1007 otherwise become entitled to receive the security deposit or a portion thereof, the  
1008 security deposit shall not be removed from an escrow account required by the lease  
1009 without the written consent of the tenant. If a single family residential dwelling unit is  
1010 foreclosed upon and there is a tenant in the dwelling unit on the date of the foreclosure  
1011 sale and the landlord is holding a security deposit of the tenant, the landlord shall  
1012 handle the security deposit in accordance with applicable law, which requires the  
1013 holder of the landlord's interest in the dwelling unit at the time of termination of tenancy  
1014 to return any security deposit and any accrued interest that is duly owed to the tenant,  
1015 whether or not such security deposit is transferred with the landlord's interest by law  
1016 or equity, and regardless of any contractual agreements between the original landlord  
1017 and his successors in interest. Nothing in this section shall be construed to prevent  
1018 the landlord from making lawful deductions from the security deposit in accordance  
1019 with applicable law.~~

1020 ~~c. Lease transactions: rent or escrow fund advances. Unless otherwise agreed in  
1021 writing by all principals to the transaction, all rent and other money paid to the licensee~~

1022 in connection with the lease shall be placed in an escrow account by the end of the  
1023 fifth business banking day following receipt, regardless of when received, and remain  
1024 in that account until paid in accordance with the terms of the lease and the property  
1025 management agreement, as applicable, except prepaid rent, which shall be treated in  
1026 accordance with the prepaid rent provision of the Virginia Residential Landlord and  
1027 Tenant Act, Chapter 12 (§ 55.1-1200 et seq.) of Title 55.1 of the Code of Virginia.

1028 d. Lease transactions: rent payments. If there is in effect at the date of the foreclosure  
1029 sale a tenant in a residential dwelling unit foreclosed upon and the rent is paid to a  
1030 licensee acting on behalf of the landlord pursuant to a properly executed property  
1031 management agreement, the licensee may collect the rent in accordance with § 54.1-  
1032 2108.1 A 4 of the Code of Virginia.

1033 2. a. Purchase transactions. Unless otherwise agreed in writing by all principals to the  
1034 transaction, a licensee shall not be entitled to any part of the earnest money deposit or to  
1035 any other money paid to the licensee in connection with any real estate transaction as part  
1036 of the licensee's commission until the transaction has been consummated.

1037 b. Lease transactions. Unless otherwise agreed in writing by the principals to the lease  
1038 or property management agreement, as applicable, a licensee shall not be entitled to  
1039 any part of the security deposit or to any other money paid to the licensee in connection  
1040 with any real estate lease as part of the licensee's commission except in accordance  
1041 with the terms of the lease or the property management agreement, as applicable.  
1042 Notwithstanding anything in this section to the contrary, unless the landlord has  
1043 otherwise become entitled to receive the security deposit or a portion thereof, the  
1044 security deposit shall not be removed from an escrow account required by the lease  
1045 without the written consent of the tenant. Except in the event of a foreclosure, if a  
1046 licensee elects to terminate the property management agreement with the landlord,

1047 the licensee may transfer any funds held in escrow on behalf of the landlord in  
1048 accordance with § 54.1-2108.1 B 5 of the Code of Virginia. If a single family residential  
1049 dwelling unit is foreclosed upon, and at the date of the foreclosure sale there is a  
1050 written property management agreement between a licensee and a landlord, the  
1051 property management agreement shall continue in accordance with § 54.1-2108.1 A  
1052 5 of the Code of Virginia.

1053 3. On funds placed in an account bearing interest, written disclosure in the contract of sale  
1054 or lease at the time of contract or lease writing shall be made to the principals to the  
1055 transaction regarding the disbursement of interest.

1056 4. A licensee shall not disburse or cause to be disbursed moneys from an escrow or  
1057 property management escrow account unless sufficient money is on deposit in that  
1058 account to the credit of the individual client or property involved.

1059 5. Unless otherwise agreed in writing by all principals to the transaction, expenses  
1060 incidental to closing a transaction (e.g., fees for appraisal, insurance, credit report) shall  
1061 not be deducted from a deposit or down payment.

1062 C. Actions including improper maintenance of escrow funds include:

1063 1. Accepting any note, nonnegotiable instrument, or anything of value not readily  
1064 negotiable, as a deposit on a contract, offer to purchase, or lease without acknowledging  
1065 its acceptance in the agreement;

1066 2. Commingling the funds of any person by a principal or supervising broker or his  
1067 employees or associates or any licensee with his own funds, or those of his corporation,  
1068 firm, or association;

1069 3. Failure to deposit escrow funds in an account designated to receive only such funds as  
1070 required by subdivision A 1 of this section;

1071 4. Failure to have sufficient balances in an escrow account at all times for all funds that  
1072 are designated to be held by the firm or sole proprietorship as required by this chapter;  
1073 and

1074 5. Failing as principal broker to report to the board within three business days instances  
1075 where the principal broker reasonably believes the improper conduct of a licensee,  
1076 independent contractor, or employee has caused noncompliance with this section.

1077 A. Maintenance of escrow accounts.

Commented [JH40]: Proposed changes by Kormann?

1078 1. General escrow account requirements. If money is to be held in escrow, each firm or  
1079 sole proprietorship must maintain one or more federally insured escrow accounts into  
1080 which all funds received in connection with a real estate transaction must be deposited.

1081 a. The escrow account must be in the name by which the firm or sole proprietorship  
1082 is licensed.

1083 b. The principal broker will be held responsible for these accounts, including having  
1084 signatory authority on these accounts.

1085 c. The supervising broker and any other licensee with escrow account authority may  
1086 be held responsible for these accounts.

1087 d. All such accounts, checks and bank statements must be labeled "escrow" and the  
1088 accounts must be designated as "escrow" accounts with the financial institution where  
1089 such accounts are established.

1090 e. The balance in the escrow accounts must be sufficient at all times to account for all  
1091 funds that are designated to be held by the firm or sole proprietorship.

1092 2. Escrow deposits.

1093 a. All down payments, earnest money deposits, money received upon final settlement,  
1094 application deposits, rental payments, rental security deposits, money advanced by a  
1095 buyer or seller for the payment of expenses in connection with the closing of real estate  
1096 transactions, money advanced by the broker's client or any other person must be  
1097 deposited into an escrow account, in accordance with relevant law, unless all principals to  
1098 the transaction have agreed otherwise in writing.

1099 b. Funds to be deposited in the escrow account may include moneys that will ultimately  
1100 belong to the licensee in the escrow account, provided such money is separately identified  
1101 in the escrow account records and paid to the firm from the escrow account when funds  
1102 become due to the licensee. Funds in an escrow account must not be paid directly to the  
1103 licensees of the firm.

1104 c. The fact that an escrow account contains money which may ultimately belong to the  
1105 licensee does not constitute "commingling of funds" as set forth by subdivision D 2 of this  
1106 section, provided that there are periodic withdrawals of said funds at intervals of not more  
1107 than six months, and that the licensee can at all times accurately identify the total funds in  
1108 that account which belong to the licensee and the firm.

1109 B. Handling and disbursement of funds from escrow accounts.

1110 1. Purchase transactions.

1111 a. Upon the ratification of a contract, an earnest money deposit received by the  
1112 principal broker or supervising broker or his associates must be deposited, handled,  
1113 and disbursed in accordance with § 54.1-2108.2 of the Code of Virginia.

1114 b. Unless otherwise agreed in writing by all principals to the transaction, a licensee  
1115 shall not be entitled to any part of the earnest money deposit or to any other money

1116 paid to the licensee in connection with any real estate transaction as part of the  
1117 licensee's commission until the transaction has been consummated.

1118 2. Lease transactions:

1119 a. Any application deposit, security deposit, rent, or other money paid to the licensee  
1120 acting on behalf of a landlord client in connection with the lease must be deposited in  
1121 an escrow account in accordance with § 54.1-2108.1 of the Code of Virginia.

1122 b. Security deposits must be treated in accordance with the security deposit provisions  
1123 of the Virginia Residential Landlord and Tenant Act, Chapter 12 (§ 55.1-1200 et seq.)  
1124 of Title 55.1 of the Code of Virginia, unless exempted therefrom, in which case the  
1125 terms of the lease or other applicable law will control.

1126 c. Prepaid rent must be treated in accordance with the prepaid rent provisions of the  
1127 Virginia Residential Landlord and Tenant Act, Chapter 12 (§ 55.1-1200 et seq.) of Title  
1128 55.1 of the Code of Virginia.

1129 d. Escrow funds must remain in an escrow account until disbursed in accordance with  
1130 the terms of the lease, the property management agreement, or the applicable  
1131 statutory provisions.

1132 e. Unless otherwise agreed in writing by the principals to the lease or property  
1133 management agreement, as applicable, a licensee will not be entitled to any part of  
1134 the security deposit or to any other money paid to the licensee in connection with any  
1135 real estate lease as part of the licensee's commission except in accordance with the  
1136 terms of the lease or the property management agreement, as applicable.

1137 f. Except in the event of a foreclosure, if a licensee elects to terminate the property  
1138 management agreement with the landlord, the licensee may transfer any funds held

1139 in escrow on behalf of the landlord in accordance with § 54.1-2108.1 B 5 of the Code  
1140 of Virginia.

1141 3. On funds placed in an account bearing interest, written disclosure in the contract of  
1142 purchase or lease at the time of contract or lease writing must be made to the principals  
1143 to the transaction regarding the disbursement of interest.

1144 4. A licensee must not disburse or cause to be disbursed moneys from an escrow account  
1145 unless sufficient money is on deposit in that account to the credit of the individual client or  
1146 property involved.

1147 5. Unless otherwise agreed in writing by all principals to the transaction, expenses  
1148 incidental to closing a transaction (e.g., fees for appraisal, insurance, credit report) must  
1149 not be deducted from a deposit or down payment.

1150 C. Escrow and Foreclosure.

1151 1. Purchase transactions. If a principal broker or supervising broker is holding escrow funds  
1152 for the owner of real property and such property is foreclosed upon, the principal broker or  
1153 supervising broker must comply with the provisions of §§ 54.1-2108.1 A 1 and A 2 of the Code  
1154 of Virginia.

1155 2. Lease transactions.

1156 a. Security deposits. If a single-family residential dwelling unit is foreclosed upon and there  
1157 is a tenant in the dwelling unit on the date of the foreclosure sale and the landlord is holding  
1158 a security deposit of the tenant, the landlord shall handle the security deposit in  
1159 accordance with § 55.1-2108.1 A 3 of the Code of Virginia.

1160 b. Rent payments. If there is in effect at the date of the foreclosure sale a tenant in a  
1161 residential dwelling unit foreclosed upon and the rent is paid to a licensee acting on behalf

1162 of the landlord pursuant to a properly executed property management agreement, the  
1163 licensee may collect the rent in accordance with § 54.1-2108.1 A 4 of the Code of Virginia.

1164 c. If a single-family residential dwelling unit is foreclosed upon, and at the date of the  
1165 foreclosure sale there is a written property management agreement between a licensee  
1166 and a landlord, the property management agreement must continue in accordance with §  
1167 54.1-2108. 1 A 5 of the Code of Virginia.

1168 D. Improper maintenance of escrow funds includes:

1169 1. Accepting any note, nonnegotiable instrument, or anything of value not readily  
1170 negotiable, as a deposit on a contract, offer to purchase, or lease without acknowledging  
1171 its acceptance in the agreement;

1172 2. Commingling the funds of any person by a principal or supervising broker or the broker's  
1173 employees or associates or any licensee with the broker's own funds, or those of the  
1174 broker's corporation, firm, or association. If escrow funds are used to purchase a certificate  
1175 of deposit, the pledging or hypothecation of such certificate, or the absence of the original  
1176 certificate from the direct control of the principal or supervising broker, will constitute  
1177 commingling;

1178 3. Failing to deposit escrow funds in an account designated to receive only such funds as  
1179 required by subdivision A 1 of this section; and

1180 4. Failing to have sufficient balances in an escrow account at all times for all funds that  
1181 are designated to be held by the firm or sole proprietorship as required by this chapter.

1182 **18VAC135-20-185. Maintenance and management of financial records.**

1183 ~~A. A complete record of financial transactions conducted under authority of the principal~~  
1184 ~~broker's Virginia license shall be maintained in the principal broker's place of business, or in a~~  
1185 ~~designated branch office. When the principal broker's office is located outside of Virginia and the~~



1186 firm has a branch office in Virginia, a copy of these records shall be maintained in the Virginia  
1187 office. These records shall show, in addition to any other requirements of the regulations, the  
1188 following information: from whom money was received; the date of receipt; the place of deposit;  
1189 the date of deposit; and, after the transaction has been completed, the final disposition of the  
1190 funds. The principal broker must maintain financial records regarding any real estate transactions  
1191 under the authority of the broker's license. Such records must be readily accessible from the  
1192 broker's place of business. The records must contain:

- 1193 1. From whom the money was received;
- 1194 2. The date of receipt;
- 1195 3. The place of deposit;
- 1196 4. The date of deposit;
- 1197 5. The final disposition of funds; and
- 1198 6. Any other information required in this chapter.

1199 When a principal broker's office is located outside of Virginia and the firm has a branch office  
1200 in Virginia, a copy of these records must be readily accessible in the Virginia office.

1201 B. The principal broker ~~shall~~ must maintain a bookkeeping or recordkeeping system which  
1202 ~~shall~~ must accurately and clearly disclose full compliance with the requirements outlined in this  
1203 section. Accounting records which are in sufficient detail to provide necessary information to  
1204 determine such compliance ~~shall~~ must be maintained.

1205 C. ~~Actions constituting improper recordkeeping by a principal broker or supervising broker~~  
1206 ~~include:~~

- 1207 ~~1. Failing to retain for a period of three years from the date of execution, each brokerage~~  
1208 ~~agreement, each disclosure and consent to dual agency or dual representation, and each~~

1209 ~~disclosure and consent to designated agency or designated representation. Each~~  
1210 ~~disclosure of a brokerage relationship to an unrepresented party shall be retained for three~~  
1211 ~~years from the date provided to the party;~~

1212 ~~2. Failing to retain for a period of three years from the date of closing or from ratification,~~  
1213 ~~if the transaction fails to close, a complete and legible copy of each executed contract of~~  
1214 ~~sale, any executed release from contract, any executed lease agreement, any executed~~  
1215 ~~property management agreement, and each settlement statement related to a real estate~~  
1216 ~~transaction, in the broker's control or possession unless prohibited by law;~~

1217 ~~3. Failing to maintain a complete and accurate record of such receipts and their~~  
1218 ~~disbursements for moneys received on behalf of others for a period of three years from~~  
1219 ~~the date of the closing or termination of the sales transaction or termination of a lease or~~  
1220 ~~conclusion of the licensee's involvement in the lease; and~~

1221 ~~4. Failing to maintain any records required by this section for three years.~~

1222 A principal broker or supervising broker must maintain and retain the following records:

1223 1. Each brokerage agreement must be retained for three years from the date of execution,  
1224 disclosure and consent to dual agency or dual representation, and disclosure and consent  
1225 to designated agency or designated representation must be retained for three years from  
1226 the date of execution.

1227 2. All documents pertaining to a transaction including but not limited to, a complete and  
1228 legible copy of each executed contract of sale, any executed release from contract, any  
1229 executed lease agreement, any executed property management agreement, and each  
1230 settlement statement related to a real estate transaction, unrepresented party in disclosure  
1231 in the broker's control or possession unless prohibited by law. Such records must be

1232 retained for three years from the date of closing or from ratification if the transaction fails  
1233 to close.

1234 3. A complete and accurate record of such receipts and their disbursements for moneys  
1235 received on behalf of others. Such records must be retained for a period of three years  
1236 from the date of the closing or termination of the sales transaction or termination of a lease  
1237 or conclusion of the licensee's involvement in the lease.

1238 **18VAC135-20-190. Advertising by licensees.**

1239 A. Definitions. The following definitions apply unless a different meaning is plainly required by  
1240 the context:

1241 "Advertising" means all forms of representation, promotion and solicitation disseminated in  
1242 any manner and by any means of communication to consumers for any purpose related to  
1243 licensed real estate activity.

1244 "Contact information" means telephone number or web address.

1245 "Disclosure" in the context of electronic media advertising means (i) advertising by the firm  
1246 that contains the firm's licensed name and the city and state in which the firm's main office or  
1247 branch office is located or (ii) advertising by an affiliated licensee that contains the licensee's  
1248 name, the name of the firm with which the licensee is active, and the city and state in which the  
1249 licensee's place of business is located, and this disclosure shall be viewable on the main page or  
1250 no more than one click away from the main page. "Disclosure" in the context of all other  
1251 advertising means (i) advertising by the firm that contains the firm's licensed name or (ii)  
1252 advertising by an affiliated licensee that contains the licensee's name and the name of the firm  
1253 with which the licensee is active.

1254 "Viewable page" means a page that may or may not scroll beyond the borders of the screen  
1255 and includes the use of framed pages.

**Commented [JH41]:** Applicable definitions moved to 18VAC135-20-10.

1256 ~~B. A.~~ All advertising must be under the direct supervision of the principal broker or supervising  
1257 broker, in the name of the firm and, when applicable, comply with the disclosure required by §  
1258 54.1-2138.1 of the Code of Virginia. The firm's licensed name must be clearly and legibly  
1259 displayed on all advertising.

1260 ~~C. Electronic media advertising.~~

1261 ~~1. Any electronic media advertising undertaken for the purpose of any licensed activity is~~  
1262 ~~subject to the provisions of this chapter.~~

1263 ~~2. All electronic media advertising that can be viewed or experienced as a separate unit~~  
1264 ~~(i.e., email messages and web pages) must contain disclosure that shall be viewable on~~  
1265 ~~the main page or is no more than one click away from the main page.~~

1266 ~~3. All electronic media listings advertised must be kept current and consistent as follows:~~

1267 ~~a. Electronic media listing information must be consistent with the property description~~  
1268 ~~and actual status of the listing. The licensee shall update in a timely manner material~~  
1269 ~~changes to the listing status authorized by the seller or property description when the~~  
1270 ~~licensee controls the electronic media site.~~

1271 ~~b. The licensee shall make timely written requests for updates reflecting material~~  
1272 ~~changes to the listing status or property descriptions when a third party electronic~~  
1273 ~~media listing service controls the website displaying the listing information.~~

1274 ~~D. Other advertising.~~

1275 ~~1. For sale and for lease signs placed on the property shall include but not be limited to~~  
1276 ~~the firm's name and the firm's primary or branch office telephone number.~~

1277 ~~2. Business cards shall include but not be limited to the licensee's name, the firm name,~~  
1278 ~~and contact information.~~

1279 ~~E. The following activities shall be prohibited:~~

1280 ~~1. Implying that property listed by a licensee's firm and advertised by the firm or licensee~~  
1281 ~~is for sale, exchange, rent or lease by the owner or by an unlicensed person;~~

1282 ~~2. Failing to include a notice in all advertising that the owner is a real estate licensee if the~~  
1283 ~~licensee owns or has any ownership interest in the property advertised;~~

1284 ~~3. Failing to include the firm's licensed name on any sign displayed outside each place of~~  
1285 ~~business;~~

1286 ~~4. Failing to obtain the written consent of the seller, landlord, optionor or licensor prior to~~  
1287 ~~advertising a specific identifiable property; and~~

1288 ~~5. Failing to identify the type of services offered when advertising by general description~~  
1289 ~~a property not listed by the party making the advertisement.~~

1290 B. Advertising Disclosure.

1291 1. All advertising by a firm or affiliated licensee must contain a clear, legible, and  
1292 conspicuous advertising disclosure, which must include (1) the firm's name and (2) the  
1293 office contact information. The office contact information and any additional required  
1294 information will be specified by the principal or supervising broker in the firm's written  
1295 policies.

1296 2. All advertising by an affiliated licensee must be done under the policies of a principal or  
1297 supervising broker.

1298 3. Any property information provided in any advertising must be consistent with the  
1299 property condition and its current contract status.

1300 4. All advertising must be updated in a timely manner whenever there is a material change  
1301 to the listing status or property descriptions. If a third party controls the advertising, a  
1302 licensee must make a written request in a timely manner for changes to be made.

1303 **18VAC135-20-220. Disclosure of brokerage relationships.**

1304 A. Purchase transactions.

1305 1. ~~Unless disclosure has been previously made by a licensee, a~~ A licensee shall must  
1306 disclose whom the licensee represents to an actual or prospective buyer or seller who is  
1307 not the client of the licensee and who is not represented by another licensee and with  
1308 whom the licensee has substantive discussions about a specific property or properties,  
1309 ~~the person whom the licensee represents pursuant to a brokerage agreement, as that~~  
1310 ~~term is defined in § 54.1-2130 pursuant to § 54.1-2138 A~~ of the Code of Virginia.

1311 2. Except as otherwise provided in subdivision 3 of this subsection, such disclosure ~~shall~~  
1312 must be made in writing at the earliest practical time, but in no event later than the time  
1313 specific real estate assistance is first provided. Any disclosure complying with the  
1314 provisions of § 54.1-2138 A of the Code of Virginia ~~shall~~ will be deemed in compliance  
1315 with this disclosure requirement.

1316 3. A licensee acting as a dual or designated agent or as a dual or designated  
1317 representative ~~shall~~ must obtain the written consent of all clients to the transaction at the  
1318 earliest practical time. Such consent ~~shall~~ will be presumed to have been given by a client  
1319 who signs a disclosure complying with the provisions of §§ 54.1-2139, 54.1-2139.01, and  
1320 54.1-2139.1 of the Code of Virginia. Such disclosure ~~shall~~ must be given to, and consent  
1321 obtained from, (i) the buyer not later than the time an offer to purchase is presented to the  
1322 licensee who will present the offer to the listing agent or seller, and (ii) the seller not later  
1323 than the time the offer to purchase is presented to the seller.

1324 4. Any disclosure required by this subsection may be given in combination with other  
1325 disclosures or information, but, if so, the disclosure must be conspicuous, printed in bold  
1326 lettering, all capitals, underlined, or within a separate box or as otherwise provided by §  
1327 54.1-2138 of the Code of Virginia.

1328 B. Lease transactions.

1329 1. Unless disclosure has been previously made by a licensee, a licensee ~~shall~~ must  
1330 disclose to an actual or prospective landlord or tenant who is not the client of the licensee  
1331 and who is not represented by another licensee, that the licensee has a brokerage  
1332 relationship with another party ~~or parties~~ to the transaction. Such disclosure ~~shall~~ must be  
1333 in writing and included in the application for lease or the lease itself, whichever occurs  
1334 first. If the terms of the lease do not provide for such disclosure, the disclosure ~~shall~~ must  
1335 be made in writing not later than the signing of the lease.

1336 2. This disclosure requirement ~~shall~~ will not apply to lessors or lessees in single or multi-  
1337 family residential units for lease terms of less than two months.

1338 **18VAC135-20-225. Audits.**

1339 ~~A. Procedures for voluntary compliance, self audit, or third party audit; broker immunity.~~

1340 ~~1. A principal broker or supervising broker may conduct, or may have another person~~  
1341 ~~conduct, an audit of the practices, policies, and procedures of his firm or sole~~  
1342 ~~proprietorship in accordance with § 54.1-2111.1 of the Code of Virginia. The methods and~~  
1343 ~~findings of the audit shall be documented as described in this subsection.~~

1344 ~~2. A principal broker or supervising broker shall notify the board in writing within 30 days~~  
1345 ~~following the conclusion of a self audit, or within 30 days from the receipt of the final report~~  
1346 ~~of a third party audit, of any matter he believes to constitute noncompliance with the~~  
1347 ~~provisions of Real Estate Board regulations or law. The principal broker or supervising~~

1348 broker shall also submit (i) a statement that such noncompliance has been remediated or  
1349 (ii) a plan to correct such noncompliance within 90 days. Failure to comply with these  
1350 requirements may result in loss of immunity from regulatory enforcement action.

1351 3. A principal broker or supervising broker shall sign and date any report made pursuant  
1352 to subdivision 2 of this subsection. Such report, properly submitted, shall provide immunity  
1353 from enforcement against the principal broker or supervising broker by the board for the  
1354 matters reported therein.

1355 4. Immunity from enforcement action provided by this section shall not apply if the  
1356 noncompliance with provisions of Real Estate Board regulations or law by the principal  
1357 broker or supervising broker was intentional or was the result of gross negligence by the  
1358 principal broker or supervising broker.

1359 5. Immunity from enforcement action provided by this section shall apply only to the  
1360 principal broker and supervising broker who conduct an audit and submit a voluntary  
1361 compliance plan in accordance with this section and shall not extend to any other broker  
1362 or salesperson who may not be in compliance with Real Estate Board regulations or law.

1363 6. Failure to complete the voluntary compliance program within 90 days from the date of  
1364 plan submission shall result in the loss of immunity from regulatory enforcement action.  
1365 Repeated instances of a violation found as a result of an audit that was subject to the  
1366 voluntary compliance program may be deemed by the board to constitute a failure to  
1367 complete the prior voluntary compliance program.

1368 B. Procedures for mandatory audit.

1369 1. A principal broker or supervising broker shall conduct or have a third party conduct an  
1370 audit at least once during each license term in accordance with § 54.1-2106.2 of the Code  
1371 of Virginia. Such audit shall be documented on a form developed by the board.



1372 ~~2. In conducting an audit of practices, policies, and procedures of the firm or sole~~  
1373 ~~proprietorship, the principal broker or supervising broker or a third party shall examine and~~  
1374 ~~document all matters regarding the compliance by the firm or sole proprietorship with law~~  
1375 ~~and regulation regarding:~~

1376 ~~a. Proper handling of escrow deposits and maintenance of a complete record of~~  
1377 ~~financial transactions;~~

1378 ~~b. Compliance with federal and state fair housing laws and regulations if the firm or~~  
1379 ~~sole proprietorship engages in residential brokerage, residential leasing, or residential~~  
1380 ~~property management;~~

1381 ~~c. Advertising in all forms and media;~~

1382 ~~d. Negotiation and drafting of contracts, leases, and brokerage agreements;~~

1383 ~~e. Use of unlicensed individuals;~~

1384 ~~f. Agency or independent contractor relationships;~~

1385 ~~g. Distribution of information on new or changed statutory or regulatory requirements;~~

1386 ~~h. Proper documentation of required disclosures; and~~

1387 ~~i. Such other matters as necessary to assure the competence of licensees to comply~~  
1388 ~~with this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of~~  
1389 ~~Virginia.~~

1390 ~~3. If at the conclusion of a mandatory audit the principal broker or supervising broker or~~  
1391 ~~third party believes there is noncompliance with the provisions of the Real Estate Board~~  
1392 ~~regulations or law, the principal broker or supervising broker may avail himself of the~~  
1393 ~~procedures for voluntary compliance described in subsection A of this section.~~

1394 Upon request by any investigator, or by another agent of the board, a broker shall cooperate  
1395 in the provision of records and documents pursuant to 18VAC135-20-240 within 10 days of receipt  
1396 of the request, and for other requests by the board and its agents pursuant to 18VAC135-20-250,  
1397 within 21 days of receipt.

1398 A. Procedures for mandatory audit.

1399 1. A principal broker or supervising broker must conduct or have a third party conduct an  
1400 audit within 90 days prior to the expiration of the firm license. Such audit must be  
1401 documented on a form developed by the board.

1402 2. In conducting an audit of practices, policies, and procedures of the firm or sole  
1403 proprietorship, the principal broker or supervising broker or a third party must examine  
1404 and document all matters regarding the compliance by the firm or sole proprietorship with  
1405 law and regulation regarding:

1406 a. Proper handling of escrow deposits and maintenance of a complete record of  
1407 financial transactions;

1408 b. Compliance with federal and state fair housing laws and regulations if the firm or  
1409 sole proprietorship engages in residential brokerage, residential leasing, or residential  
1410 property management;

1411 c. Advertising in all forms and media;

1412 d. Negotiation and drafting of contracts, leases, and brokerage agreements;

1413 e. Use of unlicensed individuals;

1414 f. Agency or independent contractor relationships;

1415 g. Distribution of information on new or changed statutory or regulatory requirements;

1416 h. Proper documentation of required disclosures; and

1417 i. Such other matters as necessary to assure the competence of licensees to comply  
1418 with this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of  
1419 Virginia.

1420 3. If at the conclusion of a mandatory audit the principal broker or supervising broker or  
1421 third party believes there is noncompliance with the provisions of board regulations or law,  
1422 the principal broker or supervising broker may use the procedures for voluntary  
1423 compliance described in subsection B of this section.

1424 B. Procedures for voluntary compliance, self-audit, or third-party audit; broker immunity.

1425 1. A broker will have immunity from board discipline for matters self-reported when the  
1426 following conditions are met:

1427 a. A principal broker or supervising broker has conducted, or had another person  
1428 conduct, an audit of the practices, policies, and procedures of the firm or sole  
1429 proprietorship in accordance with § 54.1-2111.1 of the Code of Virginia.

1430 b. The principal broker or supervising broker has signed the report conducted in  
1431 accordance with this subsection.

1432 c. A principal broker or supervising broker notifies the board in writing within 30 days  
1433 following the conclusion of a self-audit, or within 30 days from the receipt of the final  
1434 report of a third-party audit, of any matter the principal broker or supervising broker  
1435 believes to constitute noncompliance with the provisions of board regulations or law  
1436 and submits (i) a statement that such noncompliance has been remediated or (ii) a  
1437 plan to correct such noncompliance within 90 days.

1438 2. Immunity from enforcement action provided by this section will not apply if the  
1439 noncompliance with provisions of board regulations or law by the principal broker or

1440 supervising broker was intentional or was the result of gross negligence by the principal  
1441 broker or supervising broker.

1442 3. Immunity from enforcement action provided by this section will apply only to the principal  
1443 broker and supervising broker who conducts an audit and submits a voluntary compliance  
1444 plan in accordance with this section and will not extend to any other broker or salesperson  
1445 who may not be in compliance with board regulations or law.

1446 4. Failure to complete the voluntary compliance program within 90 days from the date of  
1447 plan submission will result in the loss of immunity from regulatory enforcement action.  
1448 Repeated instances of a violation found as a result of a subsequent audit that was subject  
1449 to the voluntary compliance program may be deemed by the board to constitute a failure  
1450 to complete the prior voluntary compliance program.

1451 **18VAC135-20-240. Provision of records information to the board.**

1452 A. Unless otherwise specified by the board, or as set forth in § 54.1-2108 of the Code of  
1453 Virginia, a licensee of the Real Estate Board shall board must produce to the board or any of its  
1454 agents within 10 days of the request evidence of signature cards or bank records, any document,  
1455 book, or record concerning any real estate transaction in which the licensee was involved, or for  
1456 which the licensee is required to maintain records for inspection and copying by the board or its  
1457 agents. The board may extend such time frame upon a showing of extenuating circumstances  
1458 prohibiting delivery within such 10-day period.

1459 B. A licensee must respond to any other inquiry by the board or its agents within 21 days.

1460 **~~18VAC135-20-250. Response to any inquiry of the board. (Repealed.)~~**

1461 ~~A licensee must respond to an inquiry by the board, other than requested under 18VAC135-~~  
1462 ~~20-240, or its agents within 21 days.~~

**Commented [JH42]:** Provisions merged into section - 240.

1463 **18VAC135-20-260. Prohibited acts.**

1464 The following are prohibited acts:

1465 1. ~~Furnishing substantially inaccurate or incomplete information to the board in obtaining,~~  
1466 ~~renewing, reinstating, or maintaining a license~~ Obtaining or attempting to obtain, renew,  
1467 reinstate, or maintain a license or certification by false or fraudulent representation;

1468 2. Holding more than one license as a real estate broker or salesperson in Virginia except  
1469 as provided in this chapter;

1470 ~~3. As a currently licensed real estate salesperson current licensee, sitting for the licensing~~  
1471 ~~examination for a salesperson's license already obtained or on behalf of another;~~

1472 4. As a currently licensed real estate broker, sitting for a real estate licensing examination;

1473 ~~5.~~ 4. Signing an experience verification form without direct supervision or actual  
1474 knowledge of the applicant's activities as defined in ~~§§ § 54.1-2100 and 54.1-2104~~ of the  
1475 Code of Virginia or unreasonably refusing to sign an experience verification form;

1476 ~~6.~~ 5. Having been convicted or found guilty regardless of the manner of adjudication in  
1477 any jurisdiction of the United States of a misdemeanor involving moral turpitude, sexual  
1478 offense, non-marijuana drug distribution, or ~~physical injury~~ battery, or any felony, there  
1479 being no appeal pending therefrom or the time for appeal having elapsed. Review of  
1480 convictions shall be subject to the requirements of § 54.1-204 of the Code of Virginia. ~~Any~~  
1481 ~~plea of nolo contendere shall be considered a conviction for the purposes of this~~  
1482 ~~subdivision;~~

1483 ~~7.~~ 6. Failing to inform the board in writing within 30 days of ~~pleading guilty or nolo~~  
1484 ~~contendere or being convicted or found guilty regardless of adjudication~~ of any convictions  
1485 as ~~stated~~ described in ~~subdivision 6~~ subdivision 5 of this section;

**Commented [JH43]:** Merged into the "improper, fraudulent, dishonest conduct" prohibited act.

**Commented [JH44]:** Technical change effective 11/1/24.

1486 ~~8- 7.~~ Having had a license as a real estate broker or real estate salesperson a professional  
1487 or occupational license that was suspended, revoked, or surrendered in connection with  
1488 a disciplinary action or that has been the subject of discipline in any jurisdiction;

1489 ~~9- 8.~~ Failing to inform the board in writing within 30 days of a disciplinary action as stated  
1490 described in ~~subdivision 8~~ subdivision 7 of this section;

1491 ~~10- 9.~~ Having been found in a court or an administrative body of competent jurisdiction to  
1492 have violated the Virginia Fair Housing Act, the Fair Housing Laws of any jurisdiction of  
1493 the United States, including ~~without limitation~~ Title VIII of the Civil Rights Act of 1968 (82  
1494 Stat. 73), or the Civil Rights Act of 1866 (14 Stat. 27), there being no appeal therefrom or  
1495 the time for appeal having elapsed;

1496 10. Knowingly providing false, misleading, or incomplete information to an inquiry by the  
1497 board or any of its agents;

1498 ~~11. Knowingly assisting or colluding, or cooperating with another to violate any provisions~~  
1499 ~~of Chapter 21 (§ § 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or this chapter;~~  
1500 Violating, inducing another to violate, cooperating with another to violate, or combining or  
1501 conspiring with or acting as agent, partner, or associate for another to violate any of the  
1502 provisions of Chapter 1 (§ 54.1-100 et seq.), 2 (§ 54.1-200 et seq.), 3 (§ 54.1-300 et seq.)  
1503 or 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, or any of the regulations  
1504 of the board;

1505 ~~11. Actions constituting failing~~ 12. Failing to act as a real estate broker or salesperson in  
1506 such a manner as to safeguard the interests of the public, ~~including but not limited to which~~  
1507 includes the following:

Commented [JH45]: Stylistic change effective 11/1/24.

Commented [JH46]: Stylistic change effective 11/1/24.

1508 a. A principal broker or supervising broker failing to ensure proper supervision and  
1509 accountability over the firm's day-to-day financial dealings, escrow account ~~or~~  
1510 ~~accounts~~, and daily operations;

Commented [JH47]: Stylistic change effective 11/1/24.

1511 b. A broker failing to disburse funds from an escrow account according to the  
1512 regulations or failing to properly retain documents relating to the basis for disbursal;

1513 c. A broker failing to ensure the licensees for whom the broker has oversight  
1514 responsibility hold active licenses while practicing real estate;

1515 ~~d. A broker failing to provide accurate and timely reports to the board about a licensee's~~  
1516 ~~compliance with the board's laws and regulations;~~

1517 ~~e. d.~~ A broker failing to have signatory authority on all accounts;

1518 ~~f. e.~~ A broker failing to account for or remit any moneys coming into a licensee's the  
1519 broker's possession that belong to another;

1520 ~~g. f.~~ A licensee failing to submit to the broker in a timely manner, all ~~earnest money~~  
1521 ~~deposits~~ escrow money, contracts, listing brokerage and other representation  
1522 agreements, deeds of lease, or leasing agreements, disclosures, and any other  
1523 documents for which the broker has oversight responsibility;

1524 ~~h. g.~~ A licensee negotiating leases for a third party through an unlicensed firm or  
1525 ~~without a principal broker~~ performing regulated activities for any third party, except for  
1526 entities in which the licensee has an ownership interest, outside the licensee's  
1527 brokerage firm or sole proprietorship;

1528 ~~i. h.~~ A licensee operating an unlicensed firm or acting as a principal broker;

1529 ~~j. i.~~ A licensee practicing real estate with an inactive or expired license;

1530 ~~k. j.~~ A licensee knowingly providing the broker with an earnest money deposit check  
1531 from an account with insufficient funds;

1532 ~~l. k.~~ A licensee ~~allowing unsupervised~~ providing access to a ~~home property~~ without the  
1533 owner's authorization; and

1534 ~~m.~~ A licensee ~~failing to inform the broker of a transaction; and~~

1535 ~~n. i.~~ A licensee submitting unauthorized altered copies of a contract ~~or contracts~~ to the  
1536 broker; and.

**Commented [JH48]:** Stylistic change effective 11/1/24.

1537 ~~42. Actions constituting engaging~~ 13. Engaging in improper, fraudulent, or dishonest  
1538 conduct, ~~including but not limited to~~ which includes the following:

**Commented [JH49]:** Stylistic change effective 11/1/24.

1539 a. A licensee attempting to divert commission from the firm or sole proprietorship and  
1540 direct payment to a licensee or an unlicensed individual who is not a party to the  
1541 transaction;

1542 b. A licensee fabricating or altering any document with the intent to mislead;

1543 c. A licensee signing any documents on a client's behalf without first obtaining ~~a client's~~  
1544 the proper written permission or legal authorization to sign said documents on ~~his the~~  
1545 client's behalf;

**Commented [JH50]:** Stylistic change effective 11/1/24.

1546 d. A licensee making an earnest money escrow deposit payable to ~~himself the licensee~~  
1547 or negotiating the check without written authority;

1548 e. A licensee knowingly misrepresenting ownership of a property;

1549 f. A licensee submitting copies of the same earnest money deposit check for inclusion  
1550 with multiple offers;

1551 g. A licensee entering into agreements to be compensated for real estate services  
1552 while ~~his the licensee's~~ license is inactive without an active license;

**Commented [JH51]:** Stylistic change effective 11/1/24.



1553 h. A licensee representing in offers ~~he the licensee~~ received ~~the an~~ earnest money  
1554 deposit when ~~he the licensee~~ has not received such deposit or ~~he~~ knows the ~~check~~  
1555 payment is worthless; and  
1556 i. A licensee misrepresenting who is holding ~~the earnest money~~ an escrow deposit.  
1557 j. A licensee sitting for an examination for a license the licensee already obtained or  
1558 taking an examination on behalf of another.

Commented [JH52]: Stylistic change effective 11/1/24.

Commented [JH53]: Stylistic change effective 11/1/24.

1559 **18VAC135-20-270. Conflict of interest.**

1560 Actions constituting a conflict of interest include:

- 1561 1. Being active with a real estate broker other than the licensee's principal broker, without  
1562 the written consent of the principal broker; and  
1563 2. Acting for more than one client in a transaction governed by the provisions of §§ 54.1-  
1564 2139, 54.1-2139.01, and 54.1-2139.1 of the Code of Virginia without first obtaining the  
1565 written consent of all clients; ~~and~~  
1566 ~~3. Performing regulated activities as a standard agent, limited service agent, or~~  
1567 ~~independent contractor for any client outside the licensee's brokerage firm(s) or sole~~  
1568 ~~proprietorship(s).~~

1569 **18VAC135-20-280. ~~Improper brokerage commission~~ Improper financial transactions and**  
1570 **dealings.**

1571 A. Actions resulting in an ~~improper brokerage commission~~ Improper financial transactions and  
1572 dealings include:

- 1573 1. Offering to pay, paying, or providing or paying a transaction based fee, fees, or other  
1574 valuable consideration to any person not licensed in this or any jurisdiction for services  
1575 that require a real estate license;

1576 2. Accepting a commission, fee, compensation, or other valuable consideration, as a real  
1577 estate salesperson or associate broker, for any licensed real estate ~~services~~ activity from  
1578 any person or entity except the licensee's principal broker or supervising broker at the time  
1579 ~~of the transaction~~ the licensed real estate activity was performed without the prior written  
1580 consent of the licensee's principal broker;

1581 3. Receiving financial benefit from the use of any information about the property, the  
1582 ~~transaction~~ licensed real estate activity, or the parties to the transaction, when the  
1583 information is gained as a result of the performance of ~~acts specified in Chapter 21 (§~~  
1584 ~~54.1-2100 et seq.) of Title 54.1 of the Code of Virginia~~ licensed real estate activity without  
1585 the prior written consent of the licensee's principal broker, the clients, and, when  
1586 applicable, the parties to the transaction;

1587 4. ~~Receiving financial benefit from any person other than the licensee's principal broker at~~  
1588 ~~the time of the transaction, for the performance of any of the acts specified in Chapter 21~~  
1589 ~~(§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia without the prior written consent~~  
1590 ~~of the licensee's principal broker;~~

1591 ~~5. 4.~~ Receiving financial benefit or other valuable consideration for any work or service  
1592 related to a transaction without the prior written acknowledgment of the person paying for  
1593 such work or service; and

1594 ~~6. 5.~~ Making a listing contract or lease which provides for a "net" return to the ~~seller/lessor~~  
1595 seller or lessor, leaving the licensee free to sell or lease the property at any price he can  
1596 obtain in excess of the "net" price named by the ~~seller/lessor~~ seller or lessor.

1597 B. Actions constituting improper dealing include offering real property for sale or for lease  
1598 without the knowledge and consent of the owner or the owner's authorized representative.

1599 or on any terms other than those authorized by the owner or the owner's authorized  
1600 representative.

1601 **18VAC135-20-290. ~~Improper dealing.~~ (Repealed)**

1602 ~~Actions constituting improper dealing include:~~

1603 ~~1. Offering real property for sale or for lease without the knowledge and consent of the~~  
1604 ~~owner or the owner's authorized representative, or on any terms other than those~~  
1605 ~~authorized by the owner or the owner's authorized representative;~~

1606 ~~2. Placing a sign on any property without the consent of the owner of the property or the~~  
1607 ~~owner's authorized representative; and~~

1608 ~~3. Causing any advertisement for sale, rent, or lease to appear in any format or medium~~  
1609 ~~without including in the advertisement the name of the firm or sole proprietorship.~~

1610 ~~Actions constituting improper dealing includes offering real property for sale or for lease~~  
1611 ~~without the knowledge and consent of the owner or the owner's authorized representative,~~  
1612 ~~or on any terms other than those authorized by the owner or the owner's authorized~~  
1613 ~~representative.~~

1614 **18VAC135-20-300. ~~Misrepresentation/omission~~ Misrepresentation or omission.**

1615 ~~Actions constituting misrepresentation or omission, or both, include:~~

1616 ~~1. Using "bait and switch" tactics by advertising or offering real property for sale or rent~~  
1617 ~~with the intent not to sell or rent at the price or terms advertised, unless the advertisement~~  
1618 ~~or offer clearly states that the property advertised is limited in specific quantity or for a~~  
1619 ~~specified time period and the licensee did in fact have at least that quantity for sale or rent~~  
1620 ~~at that price or terms at the time of advertising, including listing status and condition of~~  
1621 ~~property.~~

1622 2. Failure by a licensee representing a seller or landlord as a standard agent to disclose  
1623 in a timely manner to a prospective purchaser or tenant all material adverse facts  
1624 pertaining to the physical condition of the property which are actually known by the  
1625 licensee;

1626 3. Failing as a licensee to tender promptly to the ~~buyer and seller~~ client or unrepresented  
1627 party every written offer, every written counteroffer, and every written rejection to  
1628 purchase, option or lease obtained on the property involved;

1629 4. ~~Failure by~~ Failing as a licensee ~~acting as an agent~~ to disclose in a timely manner to the  
1630 licensee's client all material facts related to the property or concerning the transaction  
1631 when the failure to so disclose would constitute failure by the licensee to exercise ordinary  
1632 care ~~as defined in the brokerage agreement~~;

1633 5. Failing to provide in a timely manner to all principals to the transaction written notice of  
1634 any material changes to the transaction;

1635 ~~5. 6. Notwithstanding the provisions of subdivision 4 of this section, a~~ A licensee when  
1636 acting as a dual agent or dual representative, ~~shall~~ must not disclose to one client  
1637 represented in the dual representation confidential information relating to the transaction  
1638 obtained during the representation of another client in the same dual representation unless  
1639 otherwise provided by law;

1640 ~~6. 7.~~ Failing to include the complete terms and conditions of the real estate transaction,  
1641 including ~~but not limited to~~ any lease, property management agreement or offer to  
1642 purchase;

1643 ~~7. 8.~~ Failing to include in any application, lease, or offer to purchase identification of all  
1644 those holding any deposits;

1645 ~~8- 9.~~ Knowingly making any false statement or report, or willfully misstating the value of  
1646 any land, property, or security for the purpose of influencing in any way the action of any  
1647 lender upon:

1648 a. Applications, advance discounts, purchase agreements, repurchase agreements,  
1649 commitments or loans;

1650 b. Changes in terms or extensions of time for any of the items listed in ~~this subdivision~~  
1651 ~~8~~ subdivision 9 a of this section whether by renewal, deferment of action, or other  
1652 means without the prior written consent of the principals to the transaction;

1653 c. Acceptance, release, or substitution of security for any of the items listed in  
1654 ~~subdivision 8 a~~ subdivision 9 a of this section without the prior written consent of the  
1655 principals to the transaction;

1656 ~~9- 10.~~ Knowingly making any material misrepresentation; and

1657 ~~10- 11.~~ Making a false promise through agents, salespersons, advertising, or other means.

1658 **18VAC135-20-310. Improper delivery of instruments.**

1659 Actions constituting improper delivery of instruments include:

1660 1. Failing to make prompt delivery to each principal to a transaction, complete and legible  
1661 copies of any written disclosures required by §§ 54.1-2138, 54.1-2139, 54.1-2139.01, and  
1662 54.1-2139.1 of the Code of Virginia, listings, lease, offers to purchase, counteroffers,  
1663 addenda and ratified agreements, and other documentation required by the agreement;

1664 ~~2. Failing to provide in a timely manner to all principals to the transaction written notice of~~  
1665 ~~any material changes to the transaction;~~

1666 ~~3- 2.~~ Failing to deliver to the seller and buyer, at the time a real estate transaction is  
1667 completed, a complete and accurate statement of receipts and disbursements of moneys

1668 received by the licensee, duly signed and certified by the principal or supervising broker  
1669 or ~~his~~ the broker's authorized agent; provided, however, if the transaction is closed by a  
1670 settlement agent other than the licensee or ~~his~~ the licensee's broker, and if the  
1671 disbursement of moneys received by the licensee is disclosed on the applicable settlement  
1672 statement, the licensee ~~shall~~ will not be required to provide the separate statement of  
1673 receipts and disbursements; and

1674 4. 3. Refusing or failing without just cause to surrender to the rightful owner, upon demand,  
1675 any document or instrument which the licensee possesses.

1676 **18VAC135-20-330. Principal and supervising broker's responsibility for acts of licensees**  
1677 **and employees.**

1678 Any unlawful act or violation of any of the provisions of Chapter 21 (§ 54.1-2100 et seq.) of  
1679 Title 54.1 or of Chapter 5.1 (§ 36-96.1 et seq.) of Title 36 of the Code of Virginia or of the  
1680 regulations of the board by any real estate salesperson, employee, partner or affiliate of a principal  
1681 broker, supervising broker, or both, may not be cause for disciplinary action against the principal  
1682 broker, supervising broker, or both, unless it appears to the satisfaction of the board that the  
1683 principal broker, supervising broker, or both, knew or should have known of the unlawful act or  
1684 violation and failed to take reasonable action under the circumstances to remedy the situation.

1685 **18VAC135-20-340. Effect of disciplinary action on subordinate licensees.**

1686 Action by the board resulting in the revocation, suspension, or denial of renewal of the license  
1687 of any principal broker or sole proprietor ~~shall~~ will automatically result in an order that the licenses  
1688 of any and all individuals active with the affected firm be returned to the board until such time as  
1689 they are reissued upon the written request of a sole proprietor or principal broker pursuant to  
1690 18VAC135-20-170 B.

1691 **18VAC135-20-345. Effect of disciplinary action on certificates, approvals, and concurrent**  
1692 **licenses.**

1693 The board ~~shall~~ will suspend, revoke or deny renewal of existing concurrent broker licenses  
1694 when the board suspends, revokes or denies renewal of another broker's license held by the  
1695 same individual. The board will suspend, revoke, or deny renewal of existing instructor certificates  
1696 and instructor approval when the board suspends, revokes, or denies renewal of a license held  
1697 by the same individual.

1698 Part VI

1699 Schools

1700 **~~18VAC135-20-350. Definitions. (Repealed.)~~**

1701 ~~The following words and terms when used in this part, unless a different meaning is provided~~  
1702 ~~or is plainly required by the context, shall have the following meanings:~~

1703 ~~"Accredited university, college, community college, or other school or educational institution,"~~  
1704 ~~as used in § 54.1-2105 B 1 a of the Code of Virginia, means those accredited institutions of higher~~  
1705 ~~learning approved by the Virginia Council of Higher Education or listed in the Transfer Credit~~  
1706 ~~Practices of Designated Educational Institutions, published by the American Association of~~  
1707 ~~Collegiate Registrars and Admissions Officers.~~

1708 ~~"Class hour/clock hour" means 50 minutes.~~

1709 ~~"Equivalent course" means any course encompassing the basic educational curriculum of~~  
1710 ~~Virginia courses and approved by the board.~~

1711 ~~"Proprietary school" means (i) a privately owned school, (ii) a real estate professional~~  
1712 ~~association, or (iii) a related entity, which is not under the authority of the Department of~~  
1713 ~~Education, but approved by the Real Estate Board to teach real estate courses.~~

1714 ~~"Provider" means an accredited university, college, community college or high school offering~~  
1715 ~~adult distributive education courses, or a proprietary school.~~

**Commented [JH54]:** Definitions merged into section - 10.

1716 ~~18VAC135-20-360. Proprietary school standards, instructor qualifications and course~~  
1717 ~~requirements~~ **Certification of proprietary schools.**

**Commented [JH55]:** Provisions related to certification of instructors, approval of courses, and other course standards relocated to new sections.

1718 ~~A. Every applicant to the Real Estate Board board for a proprietary school certificate shall~~  
1719 ~~must meet the standards provided in subsection A of § 54.1-2105.02 of the Code of Virginia by~~  
1720 ~~submitting a CPA-certified (i) letter attesting to the applicant's net worth or (ii) a balance sheet or~~  
1721 ~~financial statement certified to be accurate by the applicant. Such applicant shall must show a~~  
1722 ~~minimum net worth of \$2,000.~~

1723 ~~B. Every applicant to the Real Estate Board for certification as an instructor for prelicense~~  
1724 ~~education must meet two of the qualifications outlined in subdivisions 1 through 6 of this~~  
1725 ~~subsection:~~

**Commented [JH56]:** Includes technical and stylistic changes effective 11/1/24.

1726 ~~1. A baccalaureate degree, an active Virginia real estate broker's license, and two consecutive~~  
1727 ~~years of discipline free active real estate experience immediately prior to application;~~

1728 ~~2. An active Virginia real estate broker's license and five consecutive years of discipline free~~  
1729 ~~active real estate experience immediately prior to application;~~

1730 ~~3. A professional designation such as, but not limited to, Accredited Land Consultant (ALC),~~  
1731 ~~Certified Residential Specialist (CRS), Certified Commercial Investment Member (CCIM),~~  
1732 ~~Certified Property Manager (CPM), Certified Residential Broker (CRB), Counselor Real Estate~~  
1733 ~~(CRE), Member Appraisal Institute (MAI), Society Industrial Office Realtors (SIOR), Senior~~  
1734 ~~Residential Appraiser (SRA), or Senior Real Estate Property Appraiser (SRPA);~~

1735 ~~4. A fully designated membership of the Real Estate Educators Association holding the~~  
1736 ~~Designated Real Estate Instructor (DREI) designation;~~



1737       5. Possession of a valid teaching credential or certificate issued by the Commonwealth of  
1738 Virginia, or any other state with qualifications that are equal to or exceed Virginia teacher  
1739 qualifications, or at least five years of teaching experience in an accredited public, private, or  
1740 parochial school, or an accredited junior college, college, or university; and

1741       6. An attorney member of the Virginia State Bar who is engaged in the field of real estate  
1742 related law.

1743       7. The board shall also consider evaluations from previous education courses the applicant  
1744 has instructed and recommendations of course providers, coordinators, administrators, and  
1745 institutions that have employed the applicant.

1746       8. The board may waive the requirements of subdivisions 1 through 6 of this subsection upon  
1747 review of proof of experience in related fields of real estate. The board has discretion to deny an  
1748 applicant who has been the subject of a disciplinary action.

1749       C. Every applicant to the Real Estate Board for approval as an instructor for continuing  
1750 education and post license education shall have expertise in a specific field of real estate with at  
1751 least three years of active experience and will teach only in the area of their the  
1752 applicant's expertise. Such applicants will be required to furnish proof of their expertise, possibly  
1753 including but not limited to educational transcripts, professional certificates, letters of reference (a  
1754 maximum of three), a resume, or any other type of documentation that will verify the applicant's  
1755 expertise.

1756       D. Prelicense courses must be acceptable to the board, be taught by a certified prelicense  
1757 instructor, and are required to have a monitored, final written examination. Online distance  
1758 learning courses must include a timer requiring licensees to be actively engaged online learning  
1759 course content for at least 50 minutes to receive one hour of credit. Those schools which propose  
1760 to offer prelicensing courses (Principles and Practices of Real Estate, Real Estate Brokerage,

1761 ~~Real Estate Finance, Real Estate Law or Real Estate Appraisal, etc.) must submit a request, in~~  
1762 ~~writing, to the board prior to offering the course(s) courses and supply the following information:~~

1763 ~~1. Course content. All Principles and Practices of Real Estate courses must include the 25~~  
1764 ~~topic areas specified in 18VAC135-20-400. All requests to offer broker courses must include a~~  
1765 ~~course syllabus acceptable to the board;~~

1766 ~~2. Name of the course's text and any research materials used for study assignments;~~

1767 ~~3. Description of any research assignments;~~

1768 ~~4. Copies of test or quizzes;~~

1769 ~~5. Information explaining how the "Principles" course will require 60 hours of study, or how~~  
1770 ~~each broker related broker related course will require 45 hours of study, in compliance with §~~  
1771 ~~54.1-2105 of the Code of Virginia; and~~

1772 ~~6. Information about recordkeeping for the type of course delivery.~~

1773 ~~E. Providers of continuing education and post license education courses shall submit all~~  
1774 ~~subjects to the board for approval prior to initially offering the course. Correspondence and other~~  
1775 ~~distance learning courses offered by an approved provider must include appropriate testing~~  
1776 ~~procedures to verify completion of the course, including requiring licensees who complete~~  
1777 ~~correspondence or other distance learning courses to file a notarized affidavit certifying~~  
1778 ~~compliance with the course requirements with the education provider or with the licensee's own~~  
1779 ~~records. Online distance learning courses must include a timer requiring licensees to be actively~~  
1780 ~~engaged online learning course content for at least 50 minutes to receive one hour of credit. The~~  
1781 ~~board shall approve courses and the number of hours approved for each course based on the~~  
1782 ~~relevance of the subject to the performance of the duties set forth in §§ 54.1-2100 and 54.1-~~  
1783 ~~2101 of the Code of Virginia.~~

1784 F. Approval of prelicense, continuing education, and post license education courses shall  
1785 expire on December 31 three years from the year in which the approval was issued, as indicated  
1786 on the approval document.

1787 G. All schools must establish and maintain a record for each student. The record shall include:  
1788 the student's name and address, the course name and clock hours attended, the course syllabus  
1789 or outline, the name or names of the instructor, the date of successful completion, and the board's  
1790 course code. Records shall be available for inspection during normal business hours by  
1791 authorized representatives of the board. Schools must maintain all student and class records for  
1792 a minimum of five years.

1793 H. All schools must provide each student with a certificate of course completion or other  
1794 documentation that the student may use as proof of course completion. Such documentation shall  
1795 contain the student's name, school name, course name, course approval number, course  
1796 completion date, hours of credit completed, and a statement that the course is "Approved by the  
1797 Real Estate Board."

1798 I. All providers of continuing education or post license education courses shall electronically  
1799 transmit course completion data to the board in an approved format within five business days of  
1800 the completion of each individual course. The transmittal will include each student's name, license  
1801 number, or social security number; the date of successful completion of the course; the school's  
1802 code; and the board's code.

1803 **18VAC135-20-361. Certification of instructors.**

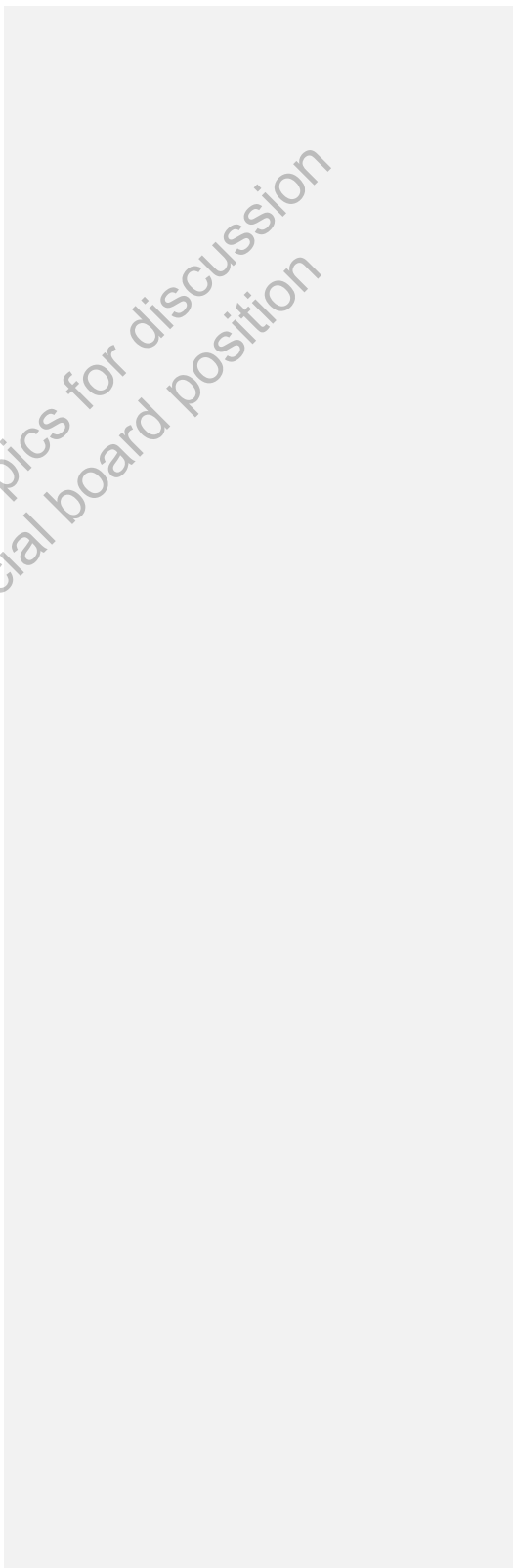
1804 A. Every applicant to the board for certification as an instructor for pre-license education must  
1805 meet two of the qualifications outlined in subdivisions 1 through 7 of this subsection:

|    | <u>Prerequisite Credential</u>           | <u>Education</u>                      | <u>Experience</u>   |
|----|--|---------------------------------------|---|
| 1. | <u>Active real estate broker license</u> | <u>Baccalaureate degree or higher</u> | <u>Two consecutive years of active real estate experience</u> |

|    |  |            |   |
|----|--|------------|---|
|    |  |            | <u>immediately prior to application.</u>  |
| 2. | <u>Active real estate broker license</u>   | <u>N/A</u> | <u>Five consecutive years of active real estate experience immediately prior to application.</u>  |
| 3. | <u>A professional designation that has been approved by the board.</u>   | <u>N/A</u> | <u>N/A</u>  |
| 4. | <u>Fully designated membership of the Real Estate Educators Association holding the Designated Real Estate Instructor (DREI) designation.</u>                                | <u>N/A</u> | <u>N/A</u>  |
| 5. | <u>Valid teaching credential issued by the Commonwealth of Virginia, or any other state with qualifications that are equal to or exceed Virginia teacher qualifications.</u> | <u>N/A</u> | <u>N/A</u>  |
| 6. | <u>N/A</u>   | <u>N/A</u> | <u>At least five years of teaching experience in the real estate field or at an accredited university, college, community college, or other school or educational institution, or their equivalent.</u> |
| 7. | <u>Attorney member of the Virginia State Bar who is engaged in the field of real estate-related law.</u>   | <u>N/A</u> | <u>N/A</u>  |

1806 The board may waive the requirements of subdivisions 1 through 7 of subsection A upon  
 1807 review of proof of substantially equivalent qualifications.

1808 B. Every applicant to the board for certification as an instructor for continuing education and  
 1809 post-license education must have expertise in a specific field of real estate with at least three



1810 years of active experience in that field in the five years immediately preceding the date of  
1811 application and must teach only in the area of such applicant's expertise. Such applicants must  
1812 furnish proof of expertise.

1813 C. The board has discretion to deny an applicant who has been the subject of a disciplinary  
1814 action.

1815 **18VAC135-20-362. Approval of courses.**

1816 A. Pre-license courses must be acceptable to the board, be taught by a certified pre-license  
1817 instructor, and are required to have a monitored, final written assessment. All courses offered by  
1818 an approved provider must include a mechanism designed to ensure reasonably that licensees  
1819 are actively engaged for each class hour. Schools applying for approval to offer pre-license  
1820 education courses must submit an application on a form prescribed by the board and gain  
1821 approval by the board prior to initially offering the course and supply the following information:

1822 1. Course syllabus:

1823 a. All Principles and Practices of Real Estate courses must include the topic areas  
1824 specified in 18VAC135-20-400.

1825 b. All requests to offer broker courses must include a course syllabus acceptable to  
1826 the board.

1827 2. Name of the course text and any research materials used for study assignments;

1828 3. Description of any research assignments;

1829 4. Copies of proficiency assessments, tests, or quizzes; and

1830 5. Information about recordkeeping for the type of course delivery.

1831 B. Continuing Education and Post-License Education Course Requirements.

1832 1. Schools applying for approval to teach continuing education and post-license education  
1833 courses must submit an application on a form prescribed by the board and gain approval  
1834 by the board prior to initially offering the course.

1835 2. All courses offered by an approved provider must include a mechanism designed to  
1836 ensure reasonable that licensees are actively engaged for each class hour.

1837 3. Correspondence and other distance learning courses offered by an approved provider  
1838 must include appropriate testing procedures to verify completion of the course, including  
1839 requiring licensees who complete correspondence or other distance learning courses to  
1840 file a notarized affidavit certifying compliance with the course requirements with the  
1841 education provider or with the licensee's own records.

1842 4. The board will approve courses and the number of hours approved for each course  
1843 based on the relevance of the subject to the performance of the duties set forth in § 54.1-  
1844 2100 of the Code of Virginia.

1845 5. Course content must be specific to the current laws and regulations of Virginia where  
1846 applicable.

1847 C. Approval of pre-license, continuing education, and post-license education courses, as well  
1848 as post-license and continuing education instructors, will expire three years from the year last day  
1849 of the month in which the approval was granted by the board.

1850 D. All schools must establish and maintain a record for each student. The record must  
1851 include:

1852 1. The student's name and address;

1853 2. The course name and clock hours attended;

1854 3. The course syllabus or outline;

1855 4. The name of the instructor;

1856 5. The date of successful completion; and

1857 6. The board's course code.

1858 Records must be available for inspection during normal business hours by authorized  
1859 representatives of the board. Schools must maintain all student and class records for a minimum  
1860 of five years.

1861 E. All schools must provide each student with a certificate of course completion or other  
1862 documentation that the student may use as proof of course completion. Such documentation must  
1863 contain:

1864 1. The student's name;

1865 2. School name;

1866 3. Course name;

1867 4. Course approval number;

1868 5. Course completion date;

1869 6. Hours of credit completed; and

1870 7. A statement that the course is "Approved by the Real Estate Board."

1871 F. All providers of pre-license, continuing education, or post-license education courses must  
1872 electronically transmit course completion data to the board in an approved format and method  
1873 within five business days of the completion of each individual course.

1874 ~~18VAC135-20-370. Fees. (Repealed.)~~

1875 ~~A. The application fee for an original certificate for a proprietary school shall be \$190.~~

**Commented [JH57]:** Fee provisions relocated to new section -15.

1876 B. The renewal fee for proprietary school certificates expiring every two years from the last  
1877 day of the month in which they were issued shall be \$90.

1878 C. If the requirements for renewal of a proprietary school certificate, including receipt of the  
1879 fee by the board, are not completed within 30 days of the expiration date noted on the certificate,  
1880 a reinstatement fee of \$135 is required. A certificate may be reinstated for up to one year following  
1881 the expiration date with payment of the reinstatement fee. After one year, the certificate may not  
1882 be reinstated under any circumstances and the applicant must meet all requirements and apply  
1883 as a new applicant. If the renewal requirements are not completed within 30 days of the expiration  
1884 date noted on the proprietary school approval, the proprietary school shall no longer offer board  
1885 approved courses.

1886 D. The application for an original prelicense education instructor certificate shall be \$190.

1887 E. The renewal fee for a prelicense instructor certificate expiring every two years from the last  
1888 day of the month in which it was issued shall be \$75.

1889 F. If the requirements for renewal of an instructor certificate, including receipt of the fee by the  
1890 board, are not completed within 30 days of the expiration date on the certificate, a reinstatement  
1891 fee of \$110 is required. A certificate may be reinstated for up to one year following the expiration  
1892 date with payment of the reinstatement fee. After one year, the certificate may not be reinstated  
1893 under any circumstances and the applicant must meet all requirements and apply as a new  
1894 applicant.

1895 G. The board in its discretion may deny renewal of a certificate for the same reasons it may  
1896 deny initial approval.



1897 ~~18VAC135-20-380. Posting school certificate of approval and instructor certificates.~~

1898 **(Repealed.)**

1899 ~~Copies of school certificates of approval and instructor certificates, if applicable, must be~~  
1900 ~~available at the location a course is taught.~~

1901 **18VAC135-20-390. Withdrawal of approval.**

1902 The board may withdraw approval of any school, course or instructor for the following reasons:

1903 1. The school, instructors, courses, or subjects no longer meet the standards established  
1904 by the board.

1905 2. The school or instructor solicits information from any person for the purpose of  
1906 discovering past examination questions or questions which may be used in future  
1907 examinations.

1908 3. The school or instructor distributes to any person copies of examination questions, or  
1909 otherwise communicates to any person examination questions, without receiving the prior  
1910 written approval of the copyright owner to distribute or communicate those questions.

1911 4. The school, through an agent or otherwise, advertises its services in a fraudulent,  
1912 deceptive or misrepresentative manner.

1913 5. Officials, instructors or designees of the school sit for a real estate licensing examination  
1914 for any purpose other than to obtain a license as a broker or salesperson.

1915 6. A school or instructor fails to ensure the timely and accurate electronic transmission of  
1916 course completion data.

1917 **18VAC135-20-400. Course content of real estate principles and practices.**

1918 The following shall must be included in the four-semester-hour or six-quarter-hour course  
1919 which shall ~~not have less than~~ must be at least 60 class hours:

- 1920 1. Economy and social impact of real estate
- 1921 2. Real estate market and analysis
- 1922 3. Property rights
- 1923 4. Contracts
- 1924 5. Deeds
- 1925 6. Mortgages and deeds of trust
- 1926 7. Types of mortgages
- 1927 8. Leases
- 1928 9. Liens
- 1929 10. Home ownership
- 1930 11. Real property and title insurance
- 1931 12. Investment
- 1932 13. Taxes in real estate
- 1933 14. Real estate financing
- 1934 15. Brokerage agreements and agency contract responsibilities
- 1935 16. Real estate marketing
- 1936 17. Real property management
- 1937 18. Search, examination, and registration of title
- 1938 19. Title closing
- 1939 20. Appraisal of residential and income producing property
- 1940 21. Planning subdivision developments and condominiums

**Commented [BL58]:** Added per committee for clarification purposes.

- 1941 22. Regulatory statutes
- 1942 23. Housing legislation
- 1943 24. Fair housing statutes
- 1944 25. Real Estate Board regulations

1945 **18VAC135-20-410. Broker courses.**

1946 A. Brokerage ~~shall~~ must be a required specific course with three semester hours or six quarter  
1947 hours, but ~~not less than~~ at least 45 class hours, constituting a complete course.

1948 B. "Related subjects," as referred to in § 54.1-2105 of the Code of Virginia, ~~shall~~ must be real  
1949 estate related ~~and shall include, but are not limited to,~~ including courses in property management,  
1950 land planning and land use, business law, real estate economics, and real estate investments.

1951 C. No more than 45 class hours of broker-related courses ~~shall~~ will be accepted in lieu of  
1952 specific broker courses set forth in § 54.1-2105 of the Code of Virginia.

1953 D. Schools ~~intending to offer equivalent broker courses must submit to the board for approval~~  
1954 ~~a copy of the syllabus of the particular course with a cover letter requesting approval.~~

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## **OTHER BOARD BUSINESS:**

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**VIRGINIA REAL ESTATE**  
**Pass/Attempt Rates by Portion**  
 From: 9/1/2024 To: 9/30/2024

|   |            | PASS |       | FAIL |       | TOTAL |
|---|------------|------|-------|------|-------|-------|
|   |            | N    | %     | N    | %     | N     |
| VA Broker<br>Portion: VA<br>Broker -<br>National                          | First Time | 21   | 80.77 | 5    | 19.23 | 26    |
|   | Repeat     | 1    | 8.33  | 11   | 91.67 | 12    |
|   | Total      | 22   | 57.89 | 16   | 42.11 | 38    |
| VA Broker<br>Portion: VA<br>Real Estate<br>Broker -<br>State              | First Time | 32   | 78.05 | 9    | 21.95 | 41    |
|   | Repeat     | 8    | 53.33 | 7    | 46.67 | 15    |
|   | Total      | 40   | 71.43 | 16   | 28.57 | 56    |
| VA<br>Salesperson<br>Portion: VA<br>Real Estate<br>Salesperson<br>- State | First Time | 160  | 46.92 | 181  | 53.08 | 341   |
|   | Repeat     | 123  | 35.65 | 222  | 64.35 | 345   |
|   | Total      | 283  | 41.25 | 403  | 58.75 | 686   |
| VA<br>Salesperson<br>Portion: VA<br>Salesperson<br>- National             | First Time | 144  | 50.70 | 140  | 49.30 | 284   |
|   | Repeat     | 71   | 20.00 | 284  | 80.00 | 355   |
|   | Total      | 215  | 33.65 | 424  | 66.35 | 639   |

EXAMS  
 October 17, 2024  
 RSTARR

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**Department of Professional and Occupational Regulation  
Statement of Financial Activity**

**Real Estate Board  
954640**

**2022-2024 Biennium**

**May 2024**

|   | May 2024<br>Activity | Biennium-to-Date Comparison |                         |
|---|----------------------|-----------------------------|-------------------------|
|   |                      | July 2020 -<br>May 2022     | July 2022 -<br>May 2024 |
| <b>Cash/Revenue Balance Brought Forward</b> |                      |                             | 0                       |
| <b>Revenues</b>                             | 357,095              | 8,764,035                   | 8,817,594               |
| <b>Cumulative Revenues</b>                  |                      |                             | 8,817,594               |
| <b>Cost Categories:</b>                     |                      |                             |                         |
| <b>Board Expenditures</b>                   | 28,444               | 553,722                     | 645,950                 |
| <b>Board Administration</b>                 | 177,805              | 2,117,384                   | 2,442,158               |
| <b>Administration of Exams</b>              | 7,633                | 104,793                     | 138,134                 |
| <b>Enforcement</b>                          | 145,926              | 2,139,316                   | 2,329,245               |
| <b>Legal Services</b>                       | 0                    | 71,400                      | 67,850                  |
| <b>Information Systems</b>                  | 87,669               | 1,515,142                   | 1,661,964               |
| <b>Facilities and Support Services</b>      | 50,764               | 791,914                     | 836,605                 |
| <b>Agency Administration</b>                | 107,067              | 1,002,471                   | 1,648,054               |
| <b>Other / Transfers</b>                    | 0                    | 719,449                     | 678,084                 |
| <b>Total Expenses</b>                       | 605,308              | 9,015,590                   | 10,448,044              |
| <b>Transfer To/(From) Cash Reserves</b>     | (138,773)            | 0                           | (1,630,450)             |
| <b>Ending Cash/Revenue Balance</b>          |                      |                             | 0                       |

|                                       |           |   |             |
|---------------------------------------|-----------|---|-------------|
| <b>Cash Reserve Beginning Balance</b> | 464,634   | 0 | 1,956,311   |
| <b>Change in Cash Reserve</b>         | (138,773) | 0 | (1,630,450) |
| <b>Cash Reserve Ending Balance</b>    | 325,861   | 0 | 325,861     |

**Number of Regulators**

|                           |        |
|---------------------------|--------|
| Current Month             | 78,572 |
| Previous Biennium-to-Date | 73,445 |

DEPARTMENT OF PROFESSIONAL  
& OCCUPATIONAL REGULATION

**VIRGINIA REAL ESTATE  
TRANSACTION  
RECOVERY ACT FUND**

**FINANCIAL STATEMENTS**

Cash Basis

For the Month Ended  
September 30, 2024

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**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**  
**VIRGINIA REAL ESTATE TRANSACTION RECOVERY FUND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**9/30/2024**

|   | Special Revenue Funds |                     |                     |
|---|-----------------------|---------------------|---------------------|
|   | Principal             | Interest            | Totals              |
| <b>ASSETS</b>                               |                       |                     |                     |
| Cash and Cash Equivalents                   | \$ 2,476,188          | \$ (228,911)        | \$ 2,247,277        |
| <b>Total Assets</b>                         | <u>\$ 2,476,188</u>   | <u>\$ (228,911)</u> | <u>\$ 2,247,277</u> |
| <b>FUND BALANCES</b>                        |                       |                     |                     |
| Reserved for Payment of Future Claims       | \$ 2,476,188          | \$ -                | \$ 2,476,188        |
| Reserved for Administration of Recovery Act | -                     | (228,911)           | (228,911)           |
| <b>Total Fund Balances</b>                  | <u>\$ 2,476,188</u>   | <u>\$ (228,911)</u> | <u>\$ 2,247,277</u> |

The accompanying notes are an integral part of this statement.



**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**  
**VIRGINIA REAL ESTATE TRANSACTION RECOVERY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE MONTH ENDED 09/30/2024**

|                                    | CURRENT MONTH       |                     |                     | YEAR TO DATE        |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | Principal<br>Fund   | Interest<br>Fund    | Totals              | Principal<br>Fund   | Interest<br>Fund    | Totals              |
| <b>REVENUES:</b>                   |                     |                     |                     |                     |                     |                     |
| Assessments                        | \$ 7,340            | \$ -                | \$ 7,340            | \$ 22,220           | \$ -                | \$ 22,220           |
| Investment Income                  |                     | 9,254               | 9,254               |                     | 31,273              | 31,273              |
| Recoveries on Paid Claims          | -                   | -                   | -                   | \$ -                | -                   | -                   |
| Total Revenues:                    | <u>7,340</u>        | <u>9,254</u>        | <u>16,594</u>       | <u>22,220</u>       | <u>31,273</u>       | <u>53,493</u>       |
| <b>EXPENDITURES:</b>               |                     |                     |                     |                     |                     |                     |
| VA Housing Trust Fund Transfer     | -                   | -                   | -                   |                     | 453,968             | 453,968             |
| Claims Expense                     | -                   | -                   | -                   | -                   | -                   | -                   |
| Salary Expense                     |                     | 5,120               | 5,120               |                     | 5,120               | 5,120               |
| Other Operating Expense            | -                   | -                   | -                   |                     | -                   | -                   |
| Receivership Expense               | -                   | -                   | -                   |                     | 30,129              | 30,129              |
| Total Expenses:                    | <u>-</u>            | <u>5,120</u>        | <u>5,120</u>        | <u>-</u>            | <u>489,217</u>      | <u>489,217</u>      |
| <b>Net Change in Fund Balances</b> | <u>7,340</u>        | <u>4,134</u>        | <u>11,474</u>       | <u>22,220</u>       | <u>(457,943)</u>    | <u>(435,723)</u>    |
| <b>Beginning Fund Balance</b>      | <u>2,468,848</u>    | <u>(233,045)</u>    | <u>2,235,803</u>    | <u>2,453,968</u>    | <u>229,032</u>      | <u>2,683,000</u>    |
| <b>Ending Fund Balance</b>         | <u>\$ 2,476,188</u> | <u>\$ (228,911)</u> | <u>\$ 2,247,277</u> | <u>\$ 2,476,188</u> | <u>\$ (228,911)</u> | <u>\$ 2,247,277</u> |

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**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
VIRGINIA REAL ESTATE TRANSACTION RECOVERY ACT FUND  
SUPPLEMENTAL SCHEDULE OF CLAIMS PAID**

September 30, 2024

| <b>CLAIMS PAID:</b>          | <b>Number of Payments</b> | <b>Dollar Amount of Claims Paid</b> | <b>Related Recoveries</b> | <b>Net Payments</b> |
|------------------------------|---------------------------|-------------------------------------|---------------------------|---------------------|
| July 1, 2024 - June 30, 2025 | 0                         | \$0.00                              | \$0.00                    | \$0.00              |
| July 1, 2023 - June 30, 2024 | 1                         | \$24,741.00                         | \$0.00                    | \$24,741.00         |
| July 1, 2022 - June 30, 2023 | 1                         | \$20,000.00                         | \$250.00                  | \$19,750.00         |
| July 1, 2021 - June 30, 2022 | 2                         | \$19,551.00                         | \$0.00                    | \$19,551.00         |
| July 1, 2020 - June 30, 2021 | 0                         | \$0.00                              | \$0.00                    | \$0.00              |
| July 1, 2019 - June 30, 2020 | 1                         | \$20,000.00                         | \$0.00                    | \$20,000.00         |
| July 1, 2018 - June 30, 2019 | 3                         | \$34,820.63                         | \$1,790.00                | \$33,030.63         |
| July 1, 2017 - June 30, 2018 | 1                         | \$4,279.00                          | \$0.00                    | \$4,279.00          |
| July 1, 2016 - June 30, 2017 | 1                         | \$20,000.00                         | \$0.00                    | \$20,000.00         |
| July 1, 2015- June 30, 2016  | 2                         | \$32,310.00                         | \$75.00                   | \$32,235.00         |
| July 1, 2014- June 30, 2015  | 3                         | \$27,122.00                         | \$225.00                  | \$26,897.00         |
| July 1, 2013- June 30, 2014  | 4                         | \$35,385.30                         | \$0.00                    | \$35,385.30         |
| July 1, 2012- June 30, 2013  | 2                         | \$104,000.00                        | \$0.00                    | \$104,000.00        |
| July 1, 2011- June 30, 2012  | 42                        | \$180,631.00                        | \$0.00                    | \$180,631.00        |
| July 1, 2010 - June 30, 2011 | 6                         | \$55,751.00                         | \$5,863.00                | \$49,888.00         |
| July 1, 2009 - June 30, 2010 | 0                         | \$0.00                              | \$0.00                    | \$0.00              |
| July 1, 2008 - June 30, 2009 | 2                         | \$21,248.00                         | \$0.00                    | \$21,248.00         |
| July 1, 2006 - June 30, 2008 | 2                         | \$23,895.00                         | \$288.00                  | \$23,607.00         |
| July 1, 2004 - June 30, 2006 | 6                         | \$111,468.00                        | \$2,294.00                | \$109,174.00        |
| July 1, 2002 - June 30, 2004 | 4                         | \$33,588.00                         | \$10,702.00               | \$22,886.00         |
| July 1, 2000 - June 30, 2002 | 23                        | \$74,044.00                         | \$7,700.00                | \$66,344.00         |
| July 1, 1992 - June 30, 2000 | 81                        | \$727,857.00                        | \$113.00                  | \$727,744.00        |
| July 1, 1980 - June 30, 1992 | 133                       | \$673,706.00                        | \$48,844.00               | \$624,862.00        |

| <b>RECEIVERSHIPS PAID:</b>   | <b>Number of Payments</b> | <b>Dollar Amount of Receiverships Paid</b> | <b>Recoveries of Receivership Funds</b> | <b>Net Payments</b> |
|------------------------------|---------------------------|--|---|---------------------|
| July 1, 2024 - June 30, 2025 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2023 - June 30, 2024 | 1                         | \$36,861.89                                | \$0.00                                  | \$36,861.89         |
| July 1, 2022 - June 30, 2023 | 2                         | \$55,507.76                                | \$0.00                                  | \$55,507.76         |
| July 1, 2021 - June 30, 2022 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2020 - June 30, 2021 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2019 - June 30, 2020 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2018 - June 30, 2019 | 4                         | \$34,698.01                                | \$0.00                                  | \$34,698.01         |
| July 1, 2017 - June 30, 2018 | 2                         | \$71,286.05                                | \$0.00                                  | \$71,286.05         |
| July 1, 2016 - June 30, 2017 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2015- June 30, 2016  | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2014- June 30, 2015  | 1                         | \$992.00                                   | \$0.00                                  | \$992.00            |
| July 1, 2013- June 30, 2014  | 1                         | \$82,295.00                                | \$51,832.73                             | \$30,462.27         |
| July 1, 2012- June 30, 2013  | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2011 - June 30, 2012 | 1                         | \$51,720.00                                | \$0.00                                  | \$51,720.00         |
| July 1, 2010 - June 30, 2011 | 1                         | \$201,346.00                               | \$0.00                                  | \$201,346.00        |
| July 1, 2009 - June 30, 2010 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2008 - June 30, 2009 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2006 - June 30, 2008 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2004 - June 30, 2006 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2002 - June 30, 2004 | 0                         | \$0.00                                     | \$0.00                                  | \$0.00              |
| July 1, 2000 - June 30, 2002 | 2                         | \$18,335.00                                | \$23,382.00                             | -\$5,047.00         |
| July 1, 1992 - June 30, 2000 | 13                        | \$987,167.00                               | \$46,463.00                             | \$940,704.00        |

## FS4 - NOTES

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
VIRGINIA REAL ESTATE TRANSACTION RECOVERY ACT FUNDS  
NOTES TO FINANCIAL STATEMENTS  
9/30/2024**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies employed by the Department of Professional and Occupational Regulation in administering the Virginia Real Estate Transaction Recovery Act Funds.

#### A. Basis of Presentation

The accompanying financial statements have been prepared using governmental fund accounting as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

#### B. Reporting Entity

These financial statements report the financial activity of the Virginia Real Estate Transaction Recovery Act Fund, which is administered by the Department of Professional and Occupational Regulation. The Department exercises oversight authority over other funds which are not included in these financial statements.

#### C. Financial Statement Presentation

Special Revenues Funds account for transactions related to resources received and used for restricted or specific purposes. The Virginia Real Estate Transaction Recovery Act Fund, which is reported as a special revenue fund, is established under Section 54.1-2112 of the Code of Virginia to reimburse claimants for losses incurred through improper or dishonest conduct by real estate licensees.

#### D. Measurement Focus and Basis of Accounting

The governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received and expenditures are recorded when paid. The Department uses the cash basis of accounting during the year and prepares financial statements in accordance with generally accepted accounting principles at year end.

#### E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and investments in the Local Government Investment Pool (LGIP). Investments in the Local Government Investment Pool are reported as cash equivalents since they are readily convertible to cash.

### 2. RESTRICTED FUND BALANCES

Assets held in the Virginia Transaction Recovery Act Funds are restricted to the payment of claims in accordance with Section 54.1-2113A of the *Code of Virginia*. Interest earned on the deposits is restricted to paying administrative expenses and certain educational programs specified in Sections 54.1-2113H of the *Code of Virginia*.

### 3. ASSESSMENTS

The Principal Fund is financed through assessments. Each new real estate applicant pays a \$20 assessment into the Recovery Fund at the time of application. The Code of Virginia requires the Board to increase fees whenever the balance in the Principal Fund is less than \$400,000. However, no licensee can be assessed more than \$20 during the biennium. If the balance in the Principal Fund exceeds \$2,000,000 on June 30 of any year, the Board must transfer the excess to the Virginia Housing Trust Fund.

\* These financial statements are prepared by Tara Hasan, Accounting Specialist. Please contact me at [Tara.Hasan@dpwr.virginia.gov](mailto:Tara.Hasan@dpwr.virginia.gov) if you have questions.

# Complete Conflict of Interest forms and Travel Vouchers

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