



Department of Professional and Occupational Regulation

REAL ESTATE BOARD  
REGULATORY REVIEW MEETING  
TENTATIVE AGENDA

Wednesday, October 16, 2024-10:00 a.m.  
2<sup>nd</sup> 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**

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**II. APPROVAL OF DRAFT AGENDA**

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**III. REVIEW AND DISCUSS REAL ESTATE BOARD REGULATIONS TO DETERMINE NEEDED AMENDMENTS**

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**IV. OTHER BUSINESS**

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

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**VI. NEW BUSINESS**

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**VII. ADJOURN**

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DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
And are not to be construed as regulation or official board action  
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 unless a different meaning is  
10 provided or is plainly required by the context shall have the following meanings:

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

**Commented [JH1]:** Relocated from 18VAC135-20-350 and revised.

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

**Commented [JH2]:** Technical change to reflect upcoming change in statute (HB 917 and SB 358 .)

20 "Actively engaged" means active licensure with a licensed real estate firm or sole  
21 proprietorship in performing those activities as defined in ~~§§ 54.1-2100 and 54.1-2104~~ § 54.1-  
22 2100 of the Code of Virginia for an average of at least 40 hours per week. This requirement may  
23 be waived at the discretion of the board in accordance with § 54.1-2105 of the Code of Virginia.

**Commented [JH3]:** Technical change to reflect upcoming change in statute (HB 917 and SB 358 .)

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

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

**Commented [JH4]:** Relocated from 18VAC135-20-190 and revised per committee.

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

**Commented [JH5]:** Added per committee.

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

**Commented [JH6]:** SB 554 passed during the 2024 General Assembly session provides a statutory definition for this term.

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

33 "Board" means the Real Estate Board.

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

**Commented [JH7]:** HB 1237 and SB 437 passed during the 2024 General Assembly session provides a statutory definition for this term.

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

**Commented [JH8]:** Relocated from 18VAC135-20-350.

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

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

**Commented [JH9]:** Relocated from 18VAC135-20-190 and revised. Committee to discuss further.

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

**Commented [BL10R9]:** Committee added email address

**Commented [JH11]:** Added per committee.

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

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

**Commented [JH12]:** Technical change to reflect upcoming change in statute (HB 917 and SB 358 .)

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

54 "Licensee" means real estate brokers and salespersons as defined in Chapter 21 (§ 54.1-  
55 2100 et seq.) of Title 54.1 of the Code of Virginia or real estate firms.

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

57 "MLS" means Multiple Listing Service.

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

**Commented [JH13]:** SB 554 passed during the 2024 General Assembly session provides a statutory definition for this term.

60 "Principal broker" means the individual broker ~~who shall be~~ designated by each firm to assure  
61 compliance with Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and this  
62 chapter, and to receive communications and notices from the board ~~that may affect the firm or~~  
63 ~~any licensee active with the firm~~ regarding such compliance. In the case of a sole proprietorship,  
64 the licensed broker who is the sole proprietor ~~shall have the responsibilities of~~ is the principal  
65 broker. ~~The principal broker shall have responsibility for the activities of the firm and all its~~  
66 ~~licensees. The principal broker shall have signatory authority on all escrow accounts maintained~~  
67 ~~by the firm.~~

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

**Commented [JH14]:** HB 1237 and SB 437 passed during the 2024 General Assembly session provides a statutory definition for this term.

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

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

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

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

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

86 "Supervising broker" means (i) the individual broker who shall be designated by the principal  
87 broker to supervise the provision of real estate brokerage services by the associate brokers and  
88 salespersons assigned to branch offices or real estate teams or (ii) the broker, who may be the  
89 principal broker, designated by the principal broker to supervise a designated agent as stated in  
90 § 54.1-2130 of the Code of Virginia.

91 **18VAC135-20-13. General fee requirements.**

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

Commented [JH15]: Relocated from 18VAC135-20-350.

Commented [JH16]: Relocated from 18VAC135-20-350.

94 \_\_\_\_\_

95 B. The fee for examination is subject to contracted charges to the board by an outside vendor.

96 These contracts are competitively negotiated and bargained for in compliance with the Virginia

97 Public Procurement Act (§ 2.2-4300 et seq. of the Code of Virginia). Fees may be adjusted and

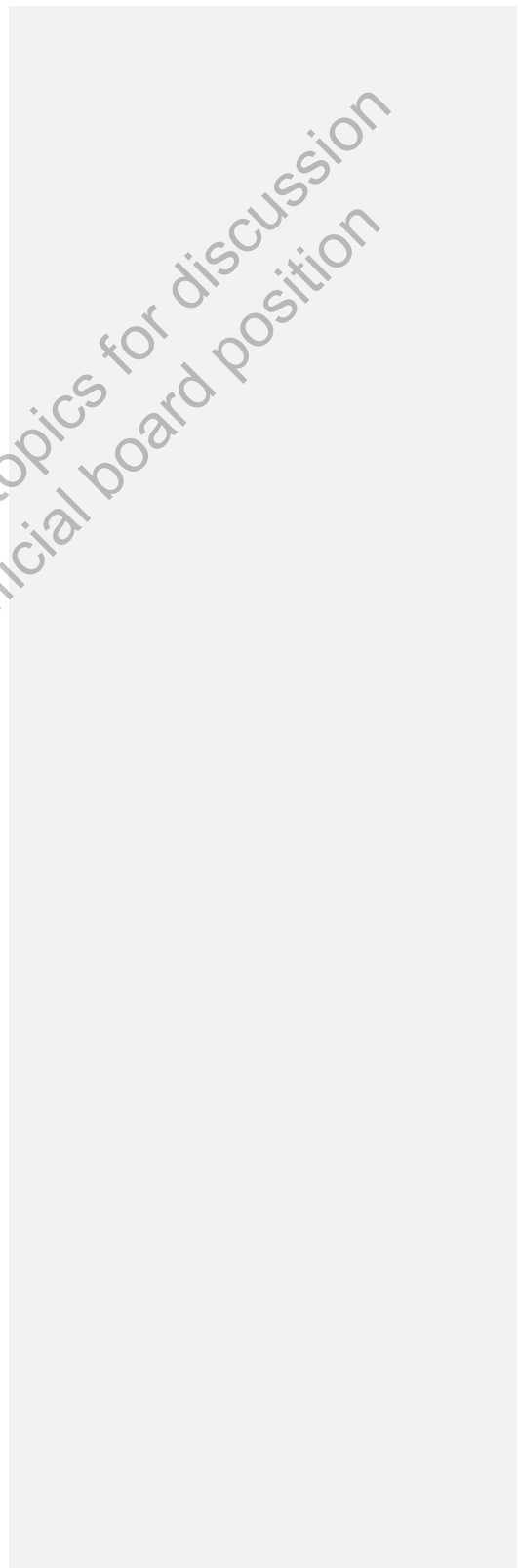
98 charged to the candidate in accordance with these contracts.

99 **18VAC135-20-15. Fee schedule.**

**Commented [JH17]:** Consolidates fees in sections -80, -120, -140, and -370. Reflects adjusted fees approved by the Board on 5/16/24.

<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</u>	<u>\$265</u>	<u>±</u>	<u>\$20</u>	<u>\$285</u>	<u>With initial application for broker license</u>

<u>and examination</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.					

100

101

Part II

102

Entry

103 **18VAC135-20-20. Necessity Requirements for firm license (Refer to § 54.1-2106.1 of the**  
 104 **Code of Virginia-).**

105 A. Sole proprietor (principal broker owner). A real estate broker's license shall be issued to an  
 106 individual trading under an assumed or fictitious name, that is, a name other than the individual's  
 107 full name, only after the individual signs and acknowledges a certificate provided by the board  
 108 that sets forth the name under which the business is to be organized and conducted, the address  
 109 of the individual's residence, and the address of the individual's place of business. The board will  
 110 consider the application of an individual only after the individual is authorized to conduct business  
 111 in accordance with Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code of Virginia.

**Commented [JH18]:** This requirement is no longer necessary b/c individuals no longer need to register fictitious name with circuit court.



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

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

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

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

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

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

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

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

148 1. No branch office license is required for:

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

154 b. A motor vehicle or watercraft;

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

158 d. A residence, unless it is held out to the public as a location where the principal  
159 broker, or those employed by or affiliated as an independent contractor with the

160 principal broker, is regularly engaging in the activities of a real estate broker or  
161 salesperson;

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

163 f. A public location such as a coffee shop or restaurant.

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

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

167 **18VAC135-20-30. Qualifications for individual licensure.**

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

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

173 ~~2. The applicant shall meet the current educational requirements by achieving 1.~~  
174 Applicants for initial licensure must achieve a passing grade in all required courses of §  
175 54.1-2105 of the Code of Virginia prior to the time the applicant sits sitting for the licensing  
176 examination and applies applying for licensure.

177 a. At the time of application, applicants for licensure by reciprocity must have met  
178 educational requirements that are substantially equivalent to those required in Virginia.

179 b. At the time of application for a broker license, applicants for licensure by reciprocity  
180 must have been actively engaged as defined in 18VAC135-20-10 for 36 of the  
181 preceding 48 months and must be verified by an individual who has direct knowledge  
182 of the applicant's activities as defined in § 54.1-2100 of the Code of Virginia.

**Commented [JH19]:** Includes changes reflecting HB 1237 and SB 437 passed during the 2024 General Assembly session.

**Commented [JH20]:** Incorporates reciprocity provisions for education and experience currently in section -60.

**Commented [BL21R20]:** Section is not readable - make edits to better organize this section.

**Commented [BL22]:** Requirements listed in current 18VAC135-20-40. Additional qualifications for brokers.

183 ~~3. The applicant shall be in good standing as a licensed real estate broker or salesperson~~  
184 ~~in every jurisdiction where licensed and the applicant shall not have had a license as a~~  
185 ~~real estate broker or real estate salesperson which was suspended, revoked or~~  
186 ~~surrendered in connection with a disciplinary action or which has been the subject of~~  
187 ~~discipline in any jurisdiction prior to applying for licensure in Virginia. The applicant shall~~  
188 ~~be in compliance with all the terms of all board orders, including but not limited to paying~~  
189 ~~imposed monetary penalties and costs, plus any accrued interest and other fees, and~~  
190 ~~completing imposed education~~ 2. The applicant must report any action taken by any board  
191 or administrative body in any jurisdiction against a professional or occupational license,  
192 certification, or registration issued to the applicant, to include any suspension, revocation,  
193 or surrender of a license, certification, or registration, imposition of a monetary penalty, or  
194 requirement to take remedial education or other corrective action. The board, in its  
195 discretion, may deny licensure to any applicant for any prior action taken by any board or  
196 administrative body in any jurisdiction. The applicant has the right to request further review  
197 of any such action by the board under the Administrative Process Act (§ 2.2-4000 et seq.  
198 of the Code of Virginia).

199 4. ~~3.~~ In accordance with § 54.1-204 of the Code of Virginia, each applicant shall must  
200 submit to fingerprinting and shall disclose the following information:

- 201 a. All misdemeanor convictions involving moral turpitude, sexual offense, non-  
202 marijuana drug distribution, or ~~physical injury~~ battery within five years of the date of  
203 the application; and
- 204 b. All felony convictions ~~during his lifetime.~~

205 ~~Any plea of nolo contendere shall be considered a conviction for purposes of this~~  
206 ~~subsection. The record of a conviction received from a court shall be accepted as~~

207 ~~prima facie evidence of a conviction or finding of guilt.~~ The board, in its discretion, may  
208 deny licensure to any applicant in accordance with § 54.1-204 of the Code of Virginia.

209 ~~5. 4.~~ The applicant ~~shall~~ must be at least 18 years old.

210 ~~6. 5.~~ The applicant ~~shall~~ must have a high school diploma or its equivalent.

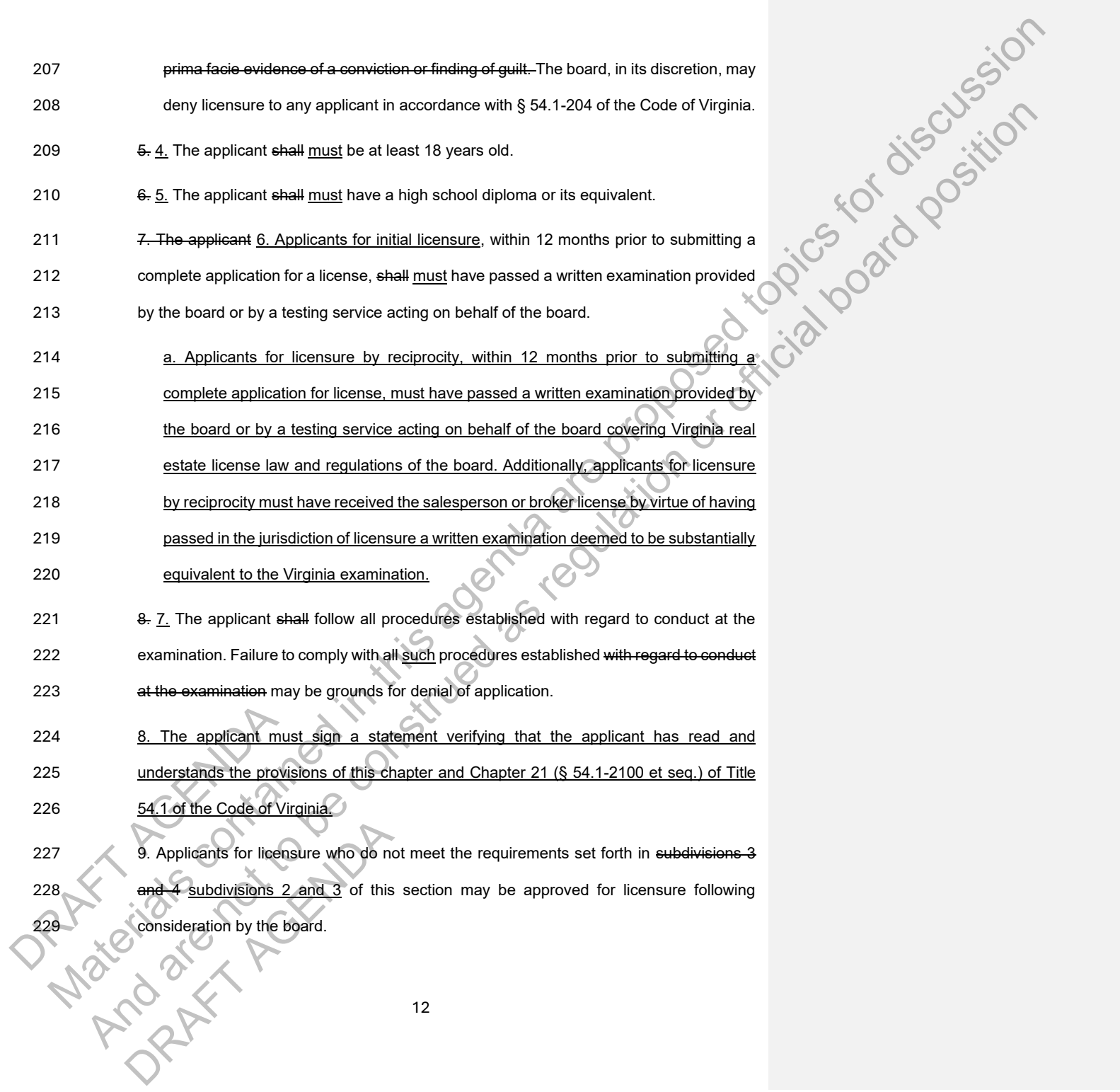
211 ~~7. The applicant~~ 6. Applicants for initial licensure, within 12 months prior to submitting a  
212 complete application for a license, ~~shall~~ must have passed a written examination provided  
213 by the board or by a testing service acting on behalf of the board.

214 a. Applicants for licensure by reciprocity, within 12 months prior to submitting a  
215 complete application for license, must have passed a written examination provided by  
216 the board or by a testing service acting on behalf of the board covering Virginia real  
217 estate license law and regulations of the board. Additionally, applicants for licensure  
218 by reciprocity must have received the salesperson or broker license by virtue of having  
219 passed in the jurisdiction of licensure a written examination deemed to be substantially  
220 equivalent to the Virginia examination.

221 ~~8. 7.~~ The applicant ~~shall~~ follow all procedures established with regard to conduct at the  
222 examination. Failure to comply with all such procedures established ~~with regard to conduct~~  
223 ~~at the examination~~ may be grounds for denial of application.

224 8. The applicant must sign a statement verifying that the applicant has read and  
225 understands the provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title  
226 54.1 of the Code of Virginia.

227 ~~9. Applicants for licensure who do not meet the requirements set forth in subdivisions 3~~  
228 ~~and 4 subdivisions 2 and 3~~ of this section may be approved for licensure following  
229 consideration by the board.



230 **18VAC135-20-40. Additional qualifications for brokers.**

231 ~~An~~ In addition to the requirements in 18VAC135-20-30, an applicant for an individual license  
232 as a real estate broker ~~shall~~ must meet the following requirements ~~in addition to those set forth in~~  
233 ~~18VAC135-20-30:~~

234 1. The applicant ~~shall~~ must meet the current educational requirements of § 54.1-2105 of  
235 the Code of Virginia.

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

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

242 4. The Board may waive the education and experience requirements of this section in  
243 accordance § 54.1-2105 of the Code of Virginia.

244 **18VAC135-20-45. Additional qualifications for ~~salesperson's or broker's~~ salesperson or**  
245 **broker license as a business entity.**

246 ~~An~~ In addition to the requirements in 18VAC135-20-30, an applicant for a ~~salesperson's~~  
247 salesperson or broker license as a business entity ~~shall~~ must meet the following requirements ~~in~~  
248 ~~addition to those set forth in 18VAC135-20-30:~~

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

Commented [BL23]: Per Steve, discuss the issue of moving business entities from one firm to another.

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

Commented [JH24]: It is not clear what this subsection of statute mandates re: naming of business entity.

254 ~~2. 3. The board will consider the application of any partnership, association, corporation~~  
255 ~~or limited liability company only after the entity is authorized to do business in accordance~~  
256 ~~with §§ 59.1-69 through 59.1-76 of the Code of Virginia. Business entities must be~~  
257 ~~organized under the laws of the Commonwealth of Virginia or otherwise authorized to~~  
258 ~~transact business in Virginia and must register any trade or fictitious names with the State~~  
259 ~~Corporation Commission in accordance with Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of~~  
260 ~~the Code of Virginia.~~

Commented [BL25R24]: Struck per committee

261 **18VAC135-20-50. Concurrent licenses.**

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

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

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

272 **18VAC135-20-55. Exchange to salesperson's salesperson license.**

273 A broker who wants seeking to exchange his ~~license(s)~~ the broker's license for that of a  
274 salesperson must submit a complete application to the board with appropriate fee specified in  
275 18VAC135-20-15. When exchanging ~~the license(s)~~ a license, the licensee agrees ~~his~~ the current

276 ~~broker's license(s)~~ broker license ceases to exist, and if ~~he~~ the licensee chooses to become  
277 licensed as a broker again, ~~he~~ the licensee must pass the current broker examination and must  
278 meet the current education and experience requirements in effect at the time of application.

279 ~~18VAC135-20-60. Qualifications for licensure by reciprocity. (Repealed.)~~

Commented [JH26]: Reciprocity qualifications merged into section -30.

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

- 282 1. The applicant shall be at least 18 years of age.
- 283 2. The applicant shall have a high school diploma or its equivalent.
- 284 3. The applicant shall have received the salesperson's or broker's license by virtue of  
285 having passed in the jurisdiction of licensure a written examination deemed to be  
286 substantially equivalent to the Virginia examination.
- 287 4. The applicant shall sign a statement verifying that he has read and understands the  
288 provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code  
289 of Virginia.
- 290 5. The applicant, within 12 months prior to submitting a complete application for a license,  
291 shall have passed a written examination provided by the board or by a testing service  
292 acting on behalf of the board covering Virginia real estate license law and regulations of  
293 the Real Estate Board.
- 294 6. The applicant shall follow all procedures established with regard to conduct at the  
295 examination. Failure to comply with all procedures established by the board with regard  
296 to conduct at the examination may be grounds for denial of application.
- 297 7. The applicant shall be in good standing as a licensed real estate broker or salesperson  
298 in every jurisdiction where licensed and the applicant shall not have had a license as a



299 ~~real estate broker or real estate salesperson which was suspended, revoked, or~~  
300 ~~surrendered in connection with a disciplinary action or which has been the subject of~~  
301 ~~discipline in any jurisdiction prior to applying for licensure in Virginia. The applicant shall~~  
302 ~~be in compliance with all the terms of all board orders, including but not limited to paying~~  
303 ~~imposed monetary penalties and costs, plus any accrued interest and other fees, and~~  
304 ~~completing imposed education.~~

305 ~~8. At the time of application for a salesperson's license, the applicant must have met~~  
306 ~~educational requirements that are substantially equivalent to those required in Virginia. At~~  
307 ~~the time of application for a broker's license, the applicant must have met educational~~  
308 ~~requirements that are substantially equivalent to those required in Virginia, and the~~  
309 ~~applicant must have been actively engaged as defined by 18VAC135-20-10 for 36 of the~~  
310 ~~preceding 48 months. The broker applicant's experience must be verified by an individual~~  
311 ~~who has direct knowledge of the applicant's activities as defined in §§ 54.1-2100 and 54.1-~~  
312 ~~2101 of the Code of Virginia. These requirements may be waived at the discretion of the~~  
313 ~~board in accordance with § 54.1-2105 of the Code of Virginia.~~

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

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

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

322 ~~b. All felony convictions during his lifetime.~~

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

327 ~~11. Applicants for licensure who do not meet the requirements set forth in subdivisions 7~~  
328 ~~and 10 of this section may be approved for licensure following consideration by the board.~~

329 **18VAC135-20-65. Universal license recognition.**

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

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

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

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

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

338 5. The individual pays the reciprocity application fee as listed in 18VAC135-20-80; and

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

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

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

**Commented [JH27]:** Subsection added a result of legislative change to ULR statute (SB 554.)

- 345 2. The individual was licensed in the other state after having passed a state required exam  
346 and met education, training, or experience requirements to obtain the license;
- 347 3. The individual's other license is in good standing with no reported pending complaints;
- 348 4. The individual has met the requirements set in subdivision 4 of 18VAC135-20-30;
- 349 5. The individual has not been subject to professional discipline involving harm to the  
350 public or license probation, suspension, or revocation;
- 351 6. The individual pays the reciprocity application fee as listed in 18VAC135-20-80; and
- 352 7. The individual successfully passes the Virginia Real Estate Exam.

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

- 356 1. To be exam eligible under universal license recognition an individual must have:
- 357 a. Demonstrated at least three years of experience as a salesperson or broker in  
358 another state that does not issue an occupational or professional license for that  
359 respective profession;
- 360 b. Meet the requirements set in subdivision 34 of 18VAC135-20-30;
- 361 c. Not been subject to professional discipline involving harm to the public or license  
362 probation, suspension, or revocation; and
- 363 d. Paid the applicable application fee as listed in 18VAC135-20-80.

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

**Commented [BL28]:** Reference correct subdivision as section 30 has changed.

**Commented [BL29R28]:** Subdivision 3 referenced based on changes in section 30

366 **18VAC135-20-70. Activation or transfer of license.**

367 A. Any inactive licensee may activate that license with a licensed real estate firm or sole  
368 proprietorship by completing an activate form prescribed by the board. ~~A licensee who submits~~  
369 ~~an activate application to the board shall not conduct business with the real estate firm or sole~~  
370 ~~proprietorship set forth in the application until the application is processed and the license is~~  
371 ~~issued by the board. Continuing education pursuant to § 54.1-2105.03 of the Code of Virginia~~  
372 ~~shall be completed within two years prior to activation of a license when the license has been~~  
373 ~~inactive for more than 30 days. Any licensee who has not been active with a licensed real estate~~  
374 ~~firm or sole proprietorship for a period of greater than three years shall be required to meet the~~  
375 ~~existing prelicense educational requirements.~~

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

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

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

385 B. Any licensee may transfer from one licensed real estate firm or sole proprietorship to  
386 another by completing and submitting to the board a transfer application and the fee as set forth  
387 in ~~48VAC135-20-80 18VAC135-20-15~~. The transfer application shall include the signature of the  
388 ~~new principal broker or supervising broker with signature authority who will be responsible for the~~

389 licensee's real estate activities and shall be effective upon the principal broker or supervising  
390 broker's execution of the transfer application.

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

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

396 **18VAC135-20-80. Application fees. (Repealed.)**

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

399 B. Application fees are as follows:

Salesperson by education and examination	\$150
Salesperson by reciprocity	\$150
Salesperson's or broker's license as a business entity	\$190
Broker by education and examination	\$190
Broker by reciprocity	\$190
Broker concurrent license	\$140
Firm license	\$250
Branch office license	\$190
Transfer application	\$60
Activate application	\$60

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

404

Part III

405

Renewal of License

406

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

407

Licenses issued under this chapter for salespersons, brokers, and firms ~~shall~~ will expire two

408

years from the last day of the month in which they were issued, as indicated on the license, except

409

concurrent broker licenses which ~~shall~~ will expire on the same date as the original broker license.

410

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

411

A. In accordance with § 54.1-2105.01 A of the Code of Virginia, a salesperson who is

412

renewing a license for the first time is required to ~~have~~ completed 30 hours of post-license

413

education as outlined in subsection B of this section within the first year of licensure regardless

414

of whether the salesperson's license is active or inactive. Failure to complete the 30-hour post-

415

licensure curriculum within one year from the last day of the month in which his license was issued

416

will result in the license being placed on inactive status by the board until the curriculum has been

417

completed.

418

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

419

1. Two hours of fair housing, Americans with Disabilities Act, and civil rights;

420

2. Six hours of real estate law and regulations;

421

3. Three hours of ethics and standards of conduct;

422

4. Two hours of current industry issues and trends;

423

5. Three hours of agency law;

424

6. Six hours of contract writing;

425

7. Three hours of risk management;

426 8. Three hours of escrow requirements; and

427 9. Two hours of real estate-related finance.

428 **18VAC135-20-101. Qualification for renewal; continuing education requirements.**

429 ~~As a condition of renewal, and pursuant to § 54.1-2105.03 of the Code of Virginia, all active~~  
430 ~~salespersons, resident or nonresident, except those called to active duty in the Armed Forces of~~  
431 ~~the United States, shall be required to satisfactorily complete a course of not less than a total of~~  
432 ~~16 classroom, correspondence, or other distance learning instruction hours during each licensing~~  
433 ~~term, except for salespersons who are renewing for the first time and are required to complete 30~~  
434 ~~hours of post license education regardless of whether their licenses are active or inactive. All~~  
435 ~~active brokers, resident or nonresident, except those called to active duty in the Armed Forces of~~  
436 ~~the United States, shall be required to satisfactorily complete a course of not less than a total of~~  
437 ~~24 classroom, correspondence, or other distance learning instruction hours during each licensing~~  
438 ~~term. Active licensees called to active duty in the Armed Forces of the United States may complete~~  
439 ~~these courses within six months of their release from active duty. Inactive brokers and~~  
440 ~~salespersons are not required to complete the continuing education course as a condition of~~  
441 ~~renewal (see 18VAC135-20-70, Activation or transfer of license).~~

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

443 2. For salespersons, eight of the required 16 hours shall include two hours in fair housing  
444 laws; three hours in ethics and standards of conduct; and a minimum of one hour each in  
445 legal updates and emerging trends, to include flood zone areas and the National Flood  
446 Insurance Program, real estate agency, and real estate contracts. For brokers, 16 of the  
447 24 required hours shall include eight hours in supervision and management of real estate  
448 agents and the management of real estate brokerage firms, two hours of which shall  
449 include an overview of the broker supervision requirements under this chapter and

450 Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia; two hours in fair  
451 housing laws; three hours in ethics and standards of conduct; and a minimum of one hour  
452 each in legal updates and emerging trends, to include flood zone areas and the National  
453 Flood Insurance Program, real estate agency, and real estate contracts. If the licensee  
454 submits a notarized affidavit to the board that certifies that he does not practice residential  
455 real estate brokerage, residential management, or residential leasing and shall not do so  
456 during the licensing term, training in fair housing shall not be required; instead such  
457 licensee shall receive training in other applicable federal and state discrimination laws and  
458 regulations. The remaining hours shall be on subjects from the following list:

- 459 a. Property rights;
- 460 b. Contracts;
- 461 c. Deeds;
- 462 d. Mortgages and deeds of trust;
- 463 e. Types of mortgages;
- 464 f. Leases;
- 465 g. Liens;
- 466 h. Real property and title insurance;
- 467 i. Investment;
- 468 j. Taxes in real estate;
- 469 k. Real estate financing;
- 470 l. Brokerage and agency contract responsibilities;
- 471 m. Real property management;



- 472 n. Search, examination and registration of title;
- 473 o. Title closing;
- 474 p. Appraisal of real property;
- 475 q. Planning subdivision developments and condominiums;
- 476 r. Regulatory statutes;
- 477 s. Housing legislation;
- 478 t. Fair housing;
- 479 u. Real Estate Board regulations;
- 480 v. Land use;
- 481 w. Business law;
- 482 x. Real estate economics;
- 483 y. Real estate investments;
- 484 z. Federal real estate law;
- 485 aa. Commercial real estate;
- 486 bb. Americans With Disabilities Act;
- 487 cc. Environmental issues impacting real estate;
- 488 dd. Building codes and design;
- 489 ee. Local laws and zoning;
- 490 ff. Escrow requirements;
- 491 gg. Ethics and standards of conduct; and
- 492 hh. Common interest ownership.

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

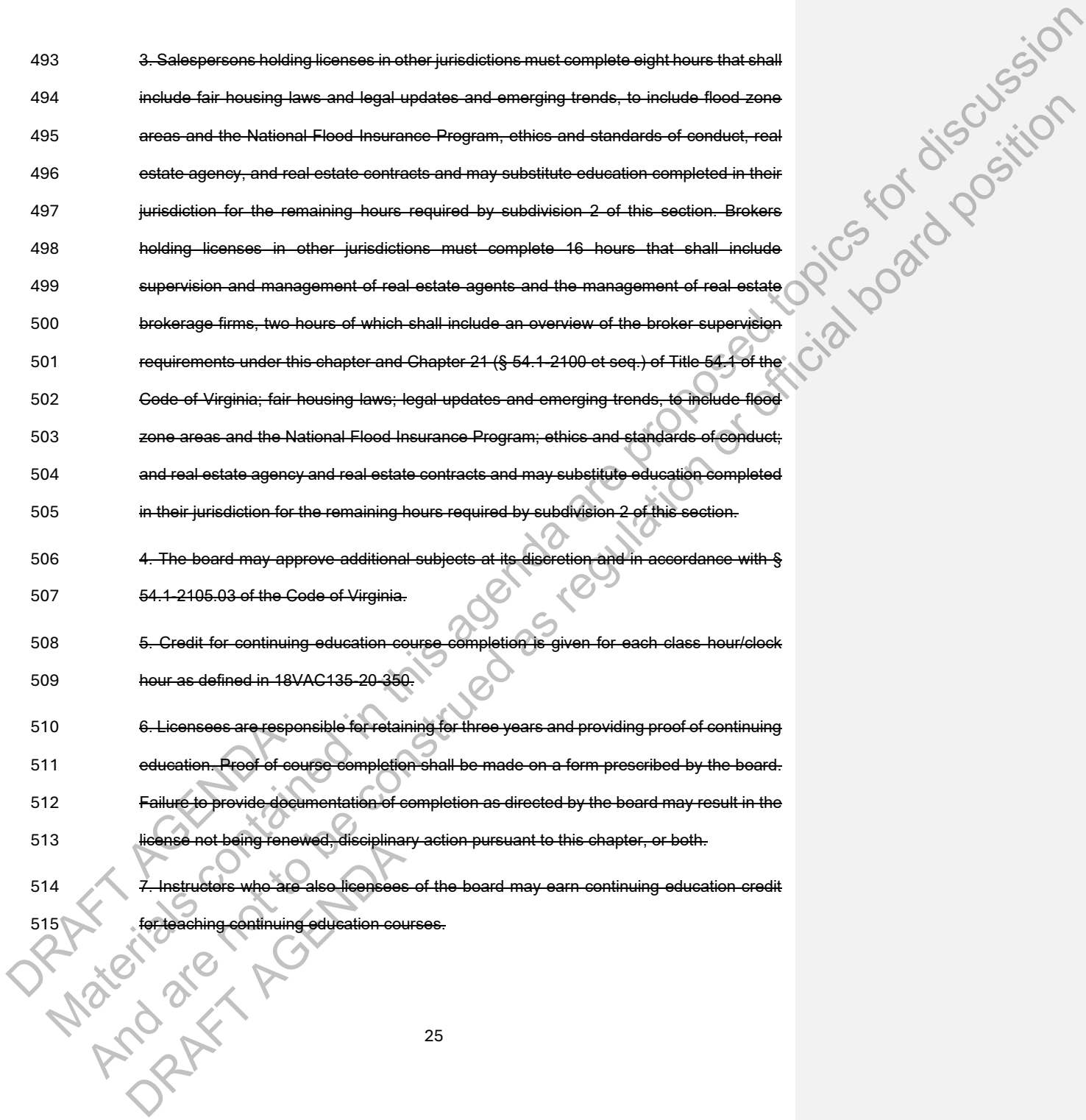
493 ~~3. Salespersons holding licenses in other jurisdictions must complete eight hours that shall~~  
494 ~~include fair housing laws and legal updates and emerging trends, to include flood zone~~  
495 ~~areas and the National Flood Insurance Program, ethics and standards of conduct, real~~  
496 ~~estate agency, and real estate contracts and may substitute education completed in their~~  
497 ~~jurisdiction for the remaining hours required by subdivision 2 of this section. Brokers~~  
498 ~~holding licenses in other jurisdictions must complete 16 hours that shall include~~  
499 ~~supervision and management of real estate agents and the management of real estate~~  
500 ~~brokerage firms, two hours of which shall include an overview of the broker supervision~~  
501 ~~requirements under this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the~~  
502 ~~Code of Virginia; fair housing laws; legal updates and emerging trends, to include flood~~  
503 ~~zone areas and the National Flood Insurance Program; ethics and standards of conduct;~~  
504 ~~and real estate agency and real estate contracts and may substitute education completed~~  
505 ~~in their jurisdiction for the remaining hours required by subdivision 2 of this section.~~

506 ~~4. The board may approve additional subjects at its discretion and in accordance with §~~  
507 ~~54.1-2105.03 of the Code of Virginia.~~

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

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

514 ~~7. Instructors who are also licensees of the board may earn continuing education credit~~  
515 ~~for teaching continuing education courses.~~



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

519 **A. Continuing Education Requirements at Renewal.**

**Commented [JH30]:** Includes changes as the result of HB 383 and SB 330 passed during the 2024 General Assembly session.

520 1. Subsequent Salesperson Renewals. As a condition of renewal, and pursuant to § 54.1-  
521 2105.03 of the Code of Virginia, all active salespersons are required to satisfactorily  
522 complete a course of not less than a total of 16 classroom, correspondence, or other  
523 distance learning instruction hours during each licensing term. For salespersons, 11 of the  
524 required 16 hours must include:

525 a. Two hours in fair housing laws;

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

527 c. Two hours of real estate agency;

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

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

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

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

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

543 b. Two hours in fair housing laws;

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

545 d. Two hours in real estate agency;

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

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

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

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

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

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

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

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

564 1. Property rights;

565 2. Contracts;

566 3. Deeds;

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

568 5. Leases;

569 7. Liens;

570 8. Real property and title insurance;

571 9. Taxes in real estate;

572 10. Closing disclosures;

573 11. Brokerage and agency contract responsibilities;

574 12. Real property management;

575 13. Search, examination and registration of title;

576 14. Title closing;

577 15. Appraisal of real property;

578 16. Planning subdivision developments and condominiums;

579 17. Fair housing;

580 18. Real estate statutes and board regulations;

- 581 19. Business law;
- 582 20. Real estate markets and economics;
- 583 21. Real estate investments;
- 584 22. Federal real estate law;
- 585 23. Commercial real estate;
- 586 24. Americans With Disabilities Act;
- 587 25. Environmental issues, sustainability, and energy efficiency;
- 588 26. Building codes and design;
- 589 27. Land use, zoning, and local laws;
- 590 28. Escrow accounts and deposits;
- 591 29. Ethics and standards of conduct;
- 592 30. Common interest communities, including the Resale Disclosure Act (Chapter 23.1 of
- 593 Title 55.1 of the Code of Virginia);
- 594 31. Cyber security and data protection; and
- 595 32. Social responsibility in real estate, including affordable housing, multicultural market,
- 596 gentrification, diversity, multigenerational, and cultural competency.
- 597 C. Salespersons and Brokers holding active licenses in multiple jurisdictions.
- 598 1. Salespersons holding licenses in multiple jurisdictions must complete 16 hours of
- 599 continuing education, 11 of which are mandatory Bboard-approved courses, ~~which that~~
- 600 must include two hours in fair housing laws; three hours in ethics and standards of
- 601 conduct; two hours in real estate agency; two hours in real estate contracts; and two hours
- 602 of legal updates and emerging trends, to include flood zone areas and the National Flood

**Commented [JH31]: 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.

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

605 2. Brokers holding licenses in multiple jurisdictions must complete 24 hours of continuing  
606 education, 19 hours of which are mandatory board-approved courses that must  
607 include eight hours in supervision and management of real estate agents and the  
608 management of real estate brokerage firms, two hours of which shall include an overview  
609 of the broker supervision requirements under this chapter and Chapter 21 (§ 54.1-2100 et  
610 seq.) of Title 54.1 of the Code of Virginia; two hours in fair housing laws; three hours in  
611 ethics and standards of conduct; two hours in real estate agency; two hours in real estate  
612 contracts; and two hours in legal updates and emerging trends, to include flood zone areas  
613 and the National Flood Insurance Program. Such brokers may substitute education  
614 completed in their jurisdiction for the remaining 5 elective hours required by subsection B  
615 of this section.

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

619 E. Credit for continuing education course completion is given for each class hour or clock  
620 hour.

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

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

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

630 **18VAC135-20-110. Procedures for renewal.**

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

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

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

639 **~~18VAC135-20-120. Fees for renewal. (Repealed.)~~**

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

642 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



643

644 **18VAC135-20-130. Board discretion to deny renewal. (Repealed.)**

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

649

Part IV

650

Reinstatement

651 **18VAC135-20-140. Failure to renew; reinstatement required.**

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

657 B. If the requirements for renewal of a license, including receipt of the fee by the board, are  
658 not completed by the licensee within 30 days of the expiration date noted on the license, ~~a~~ the  
659 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

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



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

666 D. ~~A licensee~~ An individual, business entity, or firm may not perform activities defined in ~~§§~~  
667 ~~54.1-2100 and 54.1-2104~~ § 54.1-2100 of the Code of Virginia with an expired license. Any real  
668 estate activity conducted subsequent to the expiration date may constitute unlicensed activity and  
669 be subject to prosecution under Chapter 1 (§ 54.1-100 et seq.) of Title 54.1 of the Code of Virginia.

Commented [JH32]: Technical change to reflect upcoming change in statute (HB 917 and SB 358.)

670 **18VAC135-20-145. Status of licensee during the period prior to reinstatement.**

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

674 **18VAC135-20-150. Board discretion to deny renewal or reinstatement.**

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

679 Part V

680 Standards of Practice and Conduct

681 **18VAC135-20-155. Grounds for disciplinary action.**

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

685 accordance with subdivision A 7 of § 54.1-201 and § 54.1-202 of the Code of Virginia and the  
686 provisions of the Administrative Process Act, Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2 of the  
687 Code of Virginia, where the licensee or certificate holder has been found to have violated or  
688 cooperated with others in violating any provision of Chapters 1 (§ 54.1-100 et seq.), 2 (§ 54.1-200  
689 et seq.), 3 (§ 54.1-300 et seq.), and 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia,  
690 Chapter 10 (§ 55.1-1000 et seq.) of Title 55.1 of the Code of Virginia, or any regulation of the  
691 board. ~~Any licensee failing to comply with the provisions of Chapter 21 (§ 54.1-2100 et seq.) of  
692 Title 54.1 of the Code of Virginia or the regulations of the Real Estate Board in performing any  
693 acts covered by §§ 54.1-2100 and 54.1-2101 of the Code of Virginia may be charged with a  
694 violation, regardless of whether those acts are in the licensee's personal capacity or in his capacity  
695 as a real estate licensee.~~

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

701 **18VAC135-20-160. Place of business.**

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

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

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

**Commented [JH33]:** Language revised to reflect HB 1237 and SB 437 passed during 2024 General Assembly session.

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

711 ~~C. Every principal broker shall have readily available to the public in the main place of~~  
712 ~~business the firm license, the principal broker license and the license of every salesperson and~~  
713 ~~broker active with the firm. The branch office license and a roster of every salesperson or broker~~  
714 ~~assigned to the branch office shall be posted in a conspicuous place in each branch office.~~

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

717 1. The firm license;

718 2. The principal broker license; and

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

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

722 **18VAC135-20-165. Duties of supervising broker.**

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

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

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

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

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

740 ~~c. Advertising;~~

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

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

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

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

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

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

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

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

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

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

759 ~~a. Show property;~~

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

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

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

765 ~~e. Negotiate or agree to any commission, commission split, management fee, or~~  
766 ~~referral fee.~~

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

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

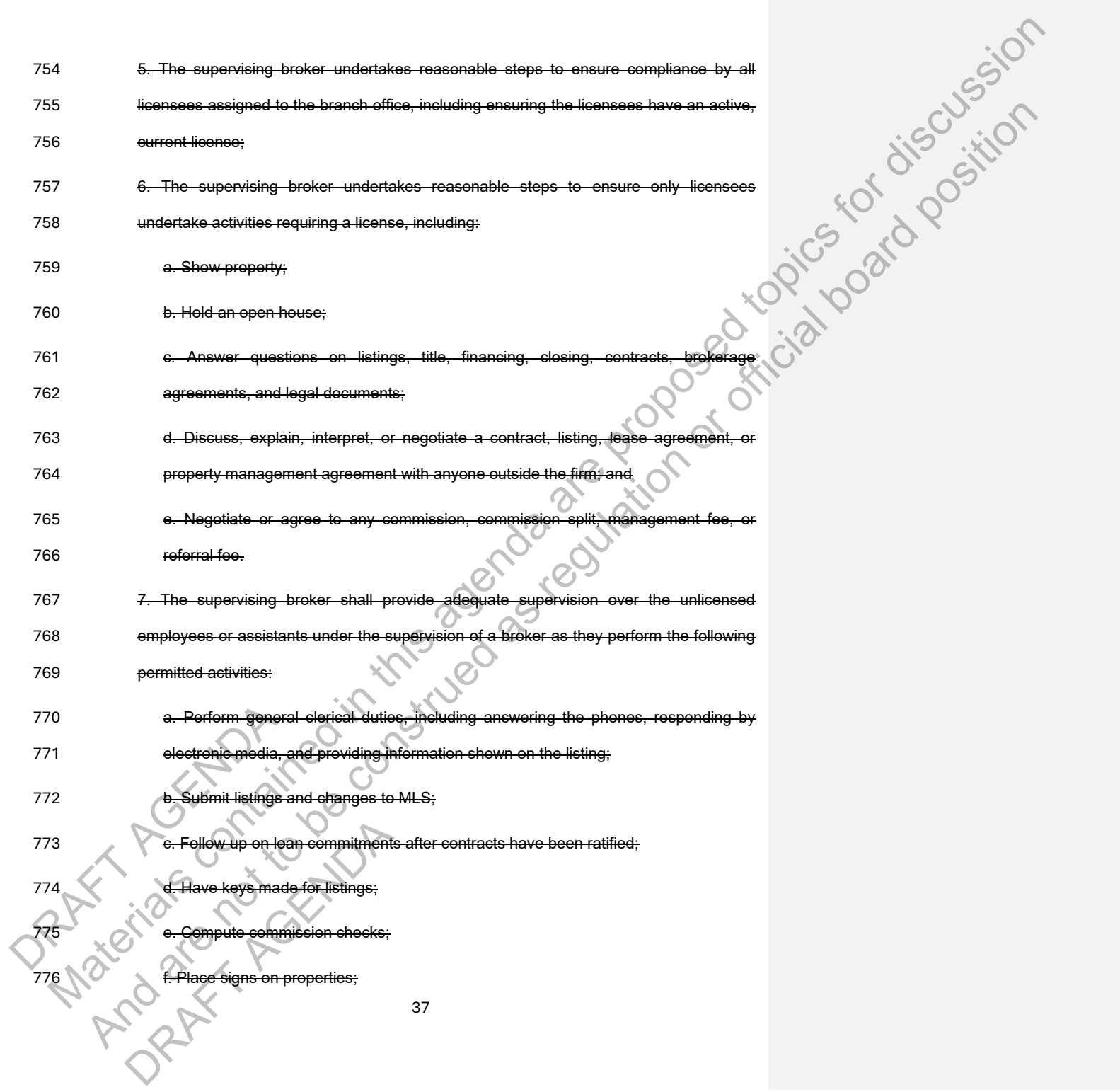
772 ~~b. Submit listings and changes to MLS;~~

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

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

775 ~~e. Compute commission checks;~~

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



- 777 g. Act as a courier service;
- 778 h. Schedule appointments;
- 779 i. Record and deposit earnest money deposits, security deposits, and advance rents;
- 780 j. Prepare contract forms for approval of the licensee and supervising broker;
- 781 k. Prepare promotional materials and advertisements for approval of the licensee and
- 782 supervising broker;
- 783 l. Assemble closing documents;
- 784 m. Obtain required public information from governmental entities;
- 785 n. Monitor license and personnel files;
- 786 o. Order routine repairs as directed by licensee;
- 787 p. Receive compensation for their work at a predetermined rate that is not contingent
- 788 upon the occurrence of a real estate transaction; and
- 789 q. Perform any other activities undertaken in the regular course of business for which
- 790 a license is not required.
- 791 8. If a supervising broker is located more than 50 miles from the place of business or the
- 792 branch office and there are licensees who regularly conduct business assigned to the
- 793 branch office or at the place of business, the supervising broker must certify in writing on
- 794 a quarterly basis on a form provided by the board that the supervising broker complied
- 795 with the requirements of this section;
- 796 9. The supervising broker must maintain the records required in this section for three
- 797 years. The records must be furnished to the board's agent upon request;

798 ~~40. The supervising broker ensures that affiliated real estate teams or business entities~~  
799 ~~are operating in accordance with the provisions of this chapter and Chapter 21 (§ 54.1-~~  
800 ~~2400 et seq.) of Title 54.1 of the Code of Virginia; and~~

801 ~~41. The supervising broker ensures that all brokerage agreements include the name and~~  
802 ~~contact information of the supervising broker.~~

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

805 1. Provide timely supervision of brokerage services.

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

808 a. Showing property;

809 b. Holding an open house;

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

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

814 e. Negotiating or agreeing to any commission, commission split, management fee, or  
815 referral fee.

816 3. Provide adequate supervision over all unlicensed individuals or entities associated with  
817 the firm or its licensees. Such unlicensed individuals or entities may perform the following  
818 activities:

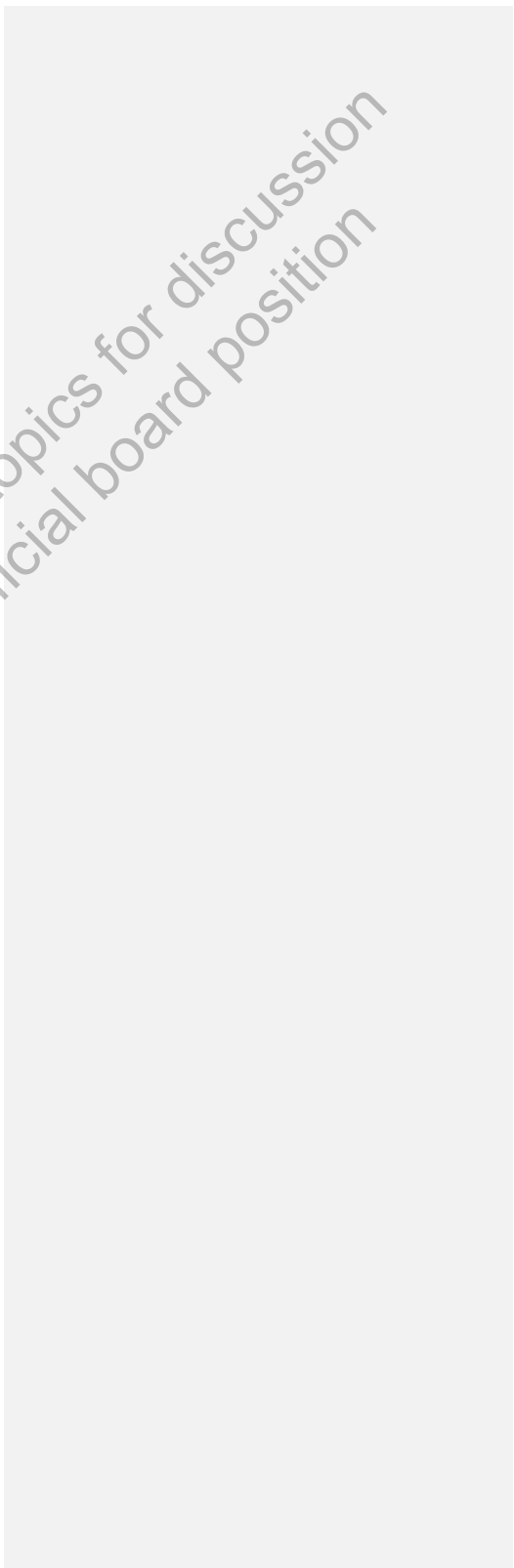
819 a. Performing general clerical duties, including answering the phones, responding by  
820 electronic media, and providing information shown on the listing;



- 821 b. Submitting listings and changes to MLS;
- 822 c. Following up on loan commitments after contracts have been ratified;
- 823 d. Having keys made for listings;
- 824 e. Computing commission checks;
- 825 f. Placing signs on properties;
- 826 g. Acting as a courier service;
- 827 h. Scheduling appointments;
- 828 i. Recording and depositing escrow funds;
- 829 j. Preparing contract forms for approval of the licensee and supervising broker;
- 830 k. Preparing promotional materials and advertisements for approval of the licensee
- 831 and supervising broker;
- 832 l. Assembling closing documents;
- 833 m. Obtaining required public information from governmental entities;
- 834 n. Monitoring license and personnel files;
- 835 o. Ordering routine repairs as directed by licensee; and
- 836 p. Performing any other activities undertaken in the regular course of business for
- 837 which a license is not required.
- 838 4. Respond in a timely manner to inquiries from the public, cooperating brokers, and
- 839 licensees affiliated with the supervising broker's firm regarding existing or contemplated
- 840 transactions.

841 **18VAC135-20-170. Maintenance of licenses.**

842 A. Name and address.



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Materials contained in this agenda are proposed topics for discussion  
And are not to be construed as regulation or official board position  
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843 1. Salespersons and individual brokers ~~shall~~ must at all times keep the board informed of  
844 their current name and home address. Changes of name and address must be reported  
845 to the board in writing within 30 calendar days of such change. The board ~~shall~~ must not  
846 be responsible for the licensee's failure to receive notices, communications and  
847 correspondence caused by the licensee's failure to promptly notify the board of any  
848 change of address. ~~A licensee may use a professional name other than a legal name if~~  
849 ~~that professional name is filed with the board prior to its use. The professional name shall~~  
850 ~~include the licensee's first or last name and shall not include any titles.~~

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

854 ~~2.~~ 3. Salespersons and brokers ~~shall~~ will be issued a license only to the place of business  
855 of the sole proprietorship or firm with which the salesperson or broker is active.

856 ~~3.~~ 4. Principal brokers must at all times keep the board informed of their current firm ~~and,~~  
857 branch office, and business entity name and addresses and changes of name and address  
858 must be reported to the board in writing within 30 calendar days of such change. A physical  
859 address is required. ~~A post office box will not be accepted.~~

860 B. Discharge or termination of active status.

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

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

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

878 **18VAC135-20-180. Maintenance and management of escrow accounts.**

879 **A. Maintenance of escrow accounts.**

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

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

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

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

909 4. Lease transactions: application deposits. Any application deposit as defined by § 55.1-  
910 4200 of the Code of Virginia paid by a prospective tenant for the purpose of being  
911 considered as a tenant for a dwelling unit to a licensee acting on behalf of a landlord client  
912 shall be placed in escrow by the end of the fifth business banking day following approval  
913 of the rental application by the landlord unless all principals to the lease transaction have  
914 agreed otherwise in writing.

915 B. Disbursement of funds from escrow accounts.

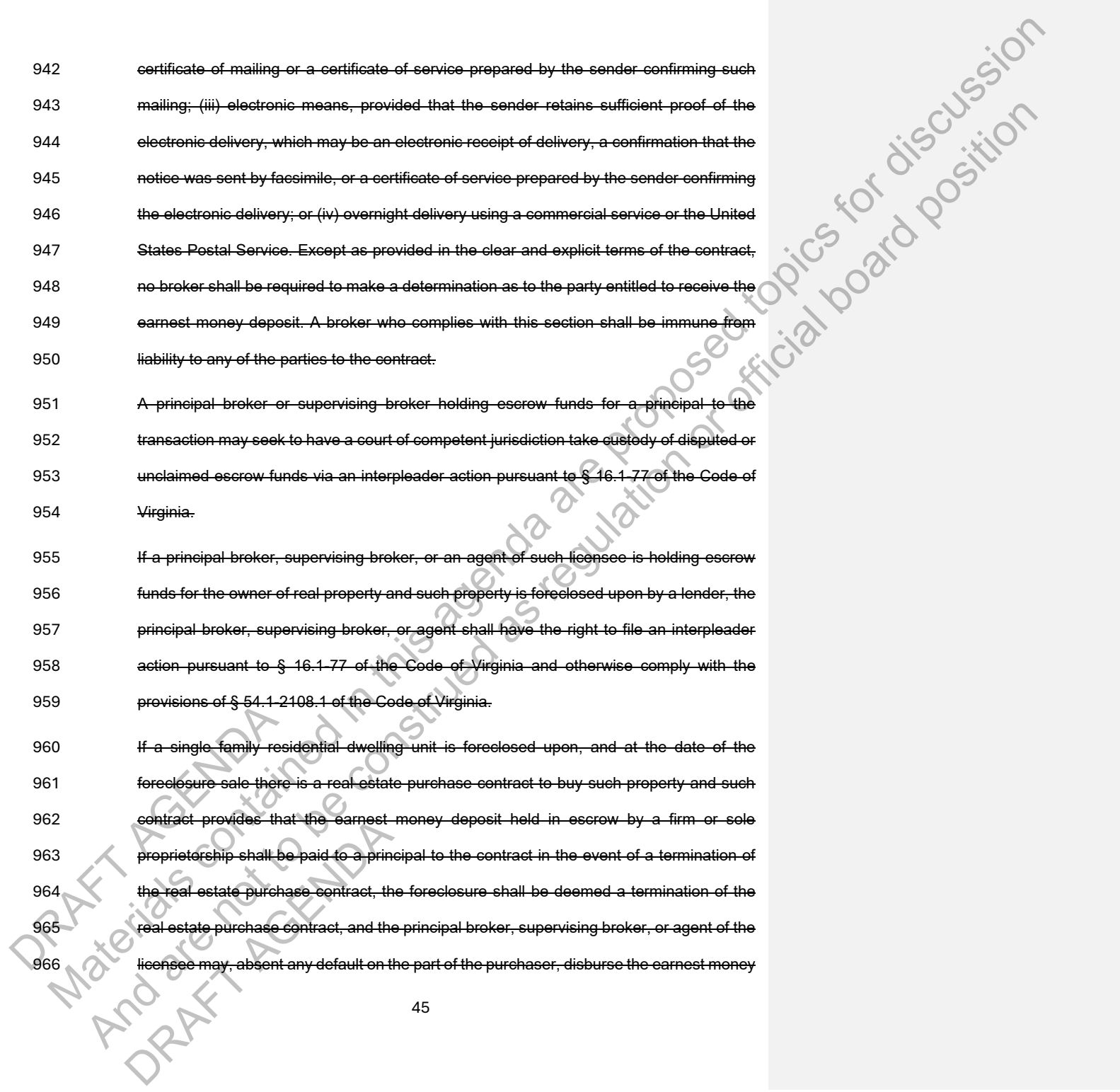
916 4. a. Purchase transactions. Upon the ratification of a contract, an earnest money deposit  
917 received by the principal broker or supervising broker or his associates that is to be held  
918 in the firm's escrow account shall be placed in such escrow account by the end of the fifth  
919 business banking day following ratification, unless otherwise agreed to in writing by the  
920 principals to the transaction, and shall remain in that account until the transaction has  
921 been consummated or terminated. If a principal broker or supervising broker, or an agent  
922 of such principal broker or supervising broker, receives an earnest money deposit that will  
923 not be held in the firm's escrow account, the principal broker or supervising broker shall  
924 ensure that the earnest money deposit is delivered to the escrow agent named in the  
925 contract by the end of the fifth business banking day following receipt of the deposit, unless  
926 otherwise agreed to in writing by the principals to the transaction. In the event that the  
927 transaction is not consummated, the principal broker or supervising broker shall hold such  
928 funds in escrow until (i) all principals to the transaction have agreed in a written agreement  
929 as to their disposition, upon which the funds shall be returned to the agreed upon principal  
930 as provided in such written agreement; (ii) a court of competent jurisdiction orders such  
931 disbursement of the funds; (iii) the funds are successfully interpleaded into a court of  
932 competent jurisdiction pursuant to this section; or (iv) the broker releases the funds to the  
933 principal to the transaction who is entitled to receive them in accordance with the clear  
934 and explicit terms of the contract that established the earnest money deposit. At the option  
935 of a broker, written notice may be sent by the broker that release of such funds shall be  
936 made unless a written protest is received from the principal who is not receiving the funds  
937 by such broker within 15 calendar days of the date of such notice. Notice of a disbursement  
938 shall be given to the parties to the transaction in accordance with the contract, but if the  
939 contract does not specify a method of delivery, one of the following methods complies with  
940 this section: (i) hand delivery; (ii) United States mail, postage prepaid, provided that the  
941 sender retains sufficient proof of mailing, which may be either a United States postal

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

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

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

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



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

969 ~~b. Lease transactions: security deposits. Any security deposit held by a firm or sole~~  
970 ~~proprietorship shall be placed in an escrow account by the end of the fifth business~~  
971 ~~banking day following receipt, unless otherwise agreed to in writing by the principals~~  
972 ~~to the transaction. Each such security deposit shall be treated in accordance with the~~  
973 ~~security deposit provisions of the Virginia Residential Landlord and Tenant Act,~~  
974 ~~Chapter 12 (§ 55.1-1200 et seq.) of Title 55.1 of the Code of Virginia, unless exempted~~  
975 ~~therefrom, in which case the terms of the lease or other applicable law shall control.~~  
976 ~~Notwithstanding anything in this section to the contrary, unless the landlord has~~  
977 ~~otherwise become entitled to receive the security deposit or a portion thereof, the~~  
978 ~~security deposit shall not be removed from an escrow account required by the lease~~  
979 ~~without the written consent of the tenant. If a single family residential dwelling unit is~~  
980 ~~foreclosed upon and there is a tenant in the dwelling unit on the date of the foreclosure~~  
981 ~~sale and the landlord is holding a security deposit of the tenant, the landlord shall~~  
982 ~~handle the security deposit in accordance with applicable law, which requires the~~  
983 ~~holder of the landlord's interest in the dwelling unit at the time of termination of tenancy~~  
984 ~~to return any security deposit and any accrued interest that is duly owed to the tenant,~~  
985 ~~whether or not such security deposit is transferred with the landlord's interest by law~~  
986 ~~or equity, and regardless of any contractual agreements between the original landlord~~  
987 ~~and his successors in interest. Nothing in this section shall be construed to prevent~~  
988 ~~the landlord from making lawful deductions from the security deposit in accordance~~  
989 ~~with applicable law.~~

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

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

998 d. Lease transactions: rent payments. If there is in effect at the date of the foreclosure  
999 sale a tenant in a residential dwelling unit foreclosed upon and the rent is paid to a  
1000 licensee acting on behalf of the landlord pursuant to a properly executed property  
1001 management agreement, the licensee may collect the rent in accordance with § 54.1-  
1002 2108.1 A 4 of the Code of Virginia.

1003 2. a. Purchase transactions. Unless otherwise agreed in writing by all principals to the  
1004 transaction, a licensee shall not be entitled to any part of the earnest money deposit or to  
1005 any other money paid to the licensee in connection with any real estate transaction as part  
1006 of the licensee's commission until the transaction has been consummated.

1007 b. Lease transactions. Unless otherwise agreed in writing by the principals to the lease  
1008 or property management agreement, as applicable, a licensee shall not be entitled to  
1009 any part of the security deposit or to any other money paid to the licensee in connection  
1010 with any real estate lease as part of the licensee's commission except in accordance  
1011 with the terms of the lease or the property management agreement, as applicable.  
1012 Notwithstanding anything in this section to the contrary, unless the landlord has  
1013 otherwise become entitled to receive the security deposit or a portion thereof, the  
1014 security deposit shall not be removed from an escrow account required by the lease  
1015 without the written consent of the tenant. Except in the event of a foreclosure, if a  
1016 licensee elects to terminate the property management agreement with the landlord,



1017 the licensee may transfer any funds held in escrow on behalf of the landlord in  
1018 accordance with § 54.1-2108.1 B 5 of the Code of Virginia. If a single family residential  
1019 dwelling unit is foreclosed upon, and at the date of the foreclosure sale there is a  
1020 written property management agreement between a licensee and a landlord, the  
1021 property management agreement shall continue in accordance with § 54.1-2108.1 A  
1022 5 of the Code of Virginia.

1023 3. On funds placed in an account bearing interest, written disclosure in the contract of sale  
1024 or lease at the time of contract or lease writing shall be made to the principals to the  
1025 transaction regarding the disbursement of interest.

1026 4. A licensee shall not disburse or cause to be disbursed moneys from an escrow or  
1027 property management escrow account unless sufficient money is on deposit in that  
1028 account to the credit of the individual client or property involved.

1029 5. Unless otherwise agreed in writing by all principals to the transaction, expenses  
1030 incidental to closing a transaction (e.g., fees for appraisal, insurance, credit report) shall  
1031 not be deducted from a deposit or down payment.

1032 C. Actions including improper maintenance of escrow funds include:

1033 1. Accepting any note, nonnegotiable instrument, or anything of value not readily  
1034 negotiable, as a deposit on a contract, offer to purchase, or lease without acknowledging  
1035 its acceptance in the agreement;

1036 2. Commingling the funds of any person by a principal or supervising broker or his  
1037 employees or associates or any licensee with his own funds, or those of his corporation,  
1038 firm, or association;

1039 3. Failure to deposit escrow funds in an account designated to receive only such funds as  
1040 required by subdivision A 1 of this section;

1041 4. Failure to have sufficient balances in an escrow account at all times for all funds that  
1042 are designated to be held by the firm or sole proprietorship as required by this chapter;  
1043 and

1044 5. Failing as principal broker to report to the board within three business days instances  
1045 where the principal broker reasonably believes the improper conduct of a licensee,  
1046 independent contractor, or employee has caused noncompliance with this section.

1047 A. Maintenance of escrow accounts.

1048 1. General escrow account requirements. ~~Unless otherwise agreed to in writing by all~~  
1049 ~~principals to a transaction, If money is to be held in escrow, each firm or sole proprietorship~~  
1050 ~~must maintain at least one-one or more federally insured escrow accounts into which all~~  
1051 ~~funds received in connection with a real estate transaction must be deposited.~~

1052 a. The escrow account must be in the name by which the firm or sole proprietorship  
1053 is licensed.

1054 ~~b. The balance in the escrow accounts must be sufficient at all times to account for~~  
1055 ~~all funds that are designated to be held by the firm or sole proprietorship.~~

1056 ~~eb. The principal broker will be held responsible for these accounts, including having~~  
1057 ~~signatory authority on these accounts.~~

1058 ~~dc. The supervising broker and any other licensee with escrow account authority may~~  
1059 ~~be held responsible for these accounts.~~

1060 ~~de. All such accounts, checks and bank statements must be labeled "escrow" and the~~  
1061 ~~accounts must be designated as "escrow" accounts with the financial institution where~~  
1062 ~~such accounts are established.~~

**Commented [JH34]:** Alternative language accepted by committee on 4/15/24.  
Committee to review proposed edits Ms. Kormann.

1063 e. The balance in the escrow accounts must be sufficient at all times to account for all  
1064 funds that are designated to be held by the firm or sole proprietorship.

1065 2. Funds belonging to licensees- Escrow deposits.

1066 a. All down payments, earnest money deposits, money received upon final settlement,  
1067 application deposits, rental payments, rental security deposits, money advanced by a  
1068 buyer or seller for the payment of expenses in connection with the closing of real estate  
1069 transactions, money advanced by the broker's client or any other person shall be  
1070 deposited into an escrow account, in accordance with relevant law, unless all principals to  
1071 the transaction have agreed otherwise in writing.

1072 b. Funds to be deposited in the escrow account may include moneys that Firms may  
1073 deposit money that will ultimately belong to the licensee in the escrow account, provided  
1074 such money is separately identified in the escrow account records and paid to the firm  
1075 from the escrow account when funds become due to the licensee.

1076 a. Funds in an escrow account must not be paid directly to the licensees of the firm.

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1077 b. c. The fact that an escrow account contains money which may ultimately belong  
1078 to the licensee does not constitute "commingling of funds" as set forth by subdivision  
1079 DC 2 of this section, provided that there are periodic withdrawals of said funds at  
1080 intervals of not more than six months, and that the licensee can at all times accurately  
1081 identify the total funds in that account which belong to the licensee and the firm.

1082 3. Escrow funds may be used to purchase a certificate of deposit. The pledging,  
1083 hypothecation, or the absence of the original certificate from the direct control of the  
1084 principal or supervising broker, will constitute commingling as prohibited by subdivision C  
1085 2 of this section.

1086 B. Handling and disbursement of funds from escrow accounts.

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1. Purchase transactions.

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

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

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~~c. Foreclosure: If a principal broker or supervising broker is holding escrow funds for the owner of real property and such property is foreclosed upon, the principal broker or supervising broker must comply with the provisions of §§ 54.1-2108.1 A.1 and A.2 of the Code of Virginia.~~

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2. Lease transactions:

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~~a. Any application deposit, security deposit, rent, or other money paid to the licensee acting on behalf of a landlord client in connection with the lease as defined by § 55.1-1200 of the Code of Virginia paid by a prospective tenant for the purpose of being considered as a tenant for a dwelling unit to a licensee acting on behalf of a landlord client must be deposited in an escrow account in accordance with 54.1-2108.1 of the Code of Virginia, placed in escrow by the end of the fifth business banking day following approval of the rental application by the landlord unless all principals to the lease transaction have agreed otherwise in writing.~~

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~~b. Any security deposit held by a firm or sole proprietorship shall be placed in an escrow account by the end of the fifth business banking day following receipt, unless otherwise agreed to in writing by the principals to the transaction.~~

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**Commented [BL35]:** Add "application deposit" definition in the definitions section from 55.1-1200 pull from this section of the Code of Virginia per Erin.

**Commented [BL36R35]:** Add by reference or add actual definition? Definition from 55.1-1200: "Application deposit" means any refundable deposit of money, however denominated, including all money intended to be used as a security deposit under a rental agreement, or property, that is paid by a tenant to a landlord for the purpose of being considered as a tenant for a dwelling unit.

1111 ~~sb. Each such s~~Security deposits must be treated in accordance with the security  
1112 deposit provisions of the Virginia Residential Landlord and Tenant Act, Chapter 12 (§  
1113 55.1-1200 et seq.) of Title 55.1 of the Code of Virginia, unless exempted therefrom, in  
1114 which case the terms of the lease or other applicable law will control.

1115 ~~c. Prepaid rent must be treated in accordance with the prepaid rent provisions of the~~  
1116 ~~Virginia Residential Landlord and Tenant Act, Chapter 12 (55.1-1200 et seq.) of Title~~  
1117 ~~55.1 of the Code of Virginia.~~

1118 ~~d. Escrow funds must remain in an escrow account until disbursed in accordance with~~  
1119 ~~the terms of the lease, the property management agreement, or the applicable~~  
1120 ~~statutory provisions.~~

1121 ~~d. Notwithstanding anything in this section to the contrary, unless the landlord has~~  
1122 ~~otherwise become entitled to receive the security deposit or a portion thereof, the~~  
1123 ~~security deposit must not be removed from an escrow account required by the lease~~  
1124 ~~without the written consent of the tenant.~~

1125 ~~e. If a single family residential dwelling unit is foreclosed upon and there is a tenant~~  
1126 ~~in the dwelling unit on the date of the foreclosure sale and the landlord is holding a~~  
1127 ~~security deposit of the tenant, the landlord must handle the security deposit in~~  
1128 ~~accordance with applicable law, which requires the holder of the landlord's interest in~~  
1129 ~~the dwelling unit at the time of termination of tenancy to return any security deposit~~  
1130 ~~and any accrued interest that is duly owed to the tenant, whether or not such security~~  
1131 ~~deposit is transferred with the landlord's interest by law or equity, and regardless of~~  
1132 ~~any contractual agreements between the original landlord and his successors in~~  
1133 ~~interest. Nothing in this section will be construed to prevent the landlord from making~~  
1134 ~~lawful deductions from the security deposit in accordance with applicable law.~~

1135 ~~f.— Rent or escrow fund advances. Unless otherwise agreed in writing by all principals~~  
1136 ~~to the transaction, all rent and other money paid to the licensee in connection with the~~  
1137 ~~lease must be placed in an escrow account by the end of the fifth business banking~~  
1138 ~~day following receipt, regardless of when received, and remain in that account until~~  
1139 ~~paid in accordance with the terms of the lease and the property management~~  
1140 ~~agreement, as applicable, except prepaid rent, which must be treated in accordance~~  
1141 ~~with the prepaid rent provision of the Virginia Residential Landlord and Tenant Act,~~  
1142 ~~Chapter 12 (§ 55.1-1200 et seq.) of Title 55.1 of the Code of Virginia.~~

1143 ~~g.— Lease transactions: rent payments. If there is in effect at the date of the foreclosure~~  
1144 ~~sale a tenant in a residential dwelling unit foreclosed upon and the rent is paid to a~~  
1145 ~~licensee acting on behalf of the landlord pursuant to a properly executed property~~  
1146 ~~management agreement, the licensee may collect the rent in accordance with § 54.1-~~  
1147 ~~2108.1 A 4 of the Code of Virginia.~~

1148 ~~h.e. Unless otherwise agreed in writing by the principals to the lease or property~~  
1149 ~~management agreement, as applicable, a licensee will not be entitled to any part of~~  
1150 ~~the security deposit or to any other money paid to the licensee in connection with any~~  
1151 ~~real estate lease as part of the licensee's commission except in accordance with the~~  
1152 ~~terms of the lease or the property management agreement, as applicable.~~

1153 ~~(1) Notwithstanding anything in this section to the contrary, unless the landlord has~~  
1154 ~~otherwise become entitled to receive the security deposit or a portion thereof, the~~  
1155 ~~security deposit must not be removed from an escrow account required by the lease~~  
1156 ~~without the written consent of the tenant.~~

1157 ~~f. (2) Except in the event of a foreclosure, if a licensee elects to terminate the property~~  
1158 ~~management agreement with the landlord, the licensee may transfer any funds held~~

1159 in escrow on behalf of the landlord in accordance with § 54.1-2108.1 B 5 of the Code  
1160 of Virginia.

1161 ~~(3) If a single family residential dwelling unit is foreclosed upon, and at the date of the~~  
1162 ~~foreclosure sale there is a written property management agreement between a~~  
1163 ~~licensee and a landlord, the property management agreement will continue in~~  
1164 ~~accordance with § 54.1-2108.1 A 5 of the Code of Virginia.~~

1165 3. On funds placed in an account bearing interest, written disclosure in the contract of  
1166 salepurchase or lease at the time of contract or lease writing must be made to the  
1167 principals to the transaction regarding the disbursement of interest.

1168 4. A licensee must not disburse or cause to be disbursed moneys from an escrow or  
1169 property management escrow account unless sufficient money is on deposit in that  
1170 account to the credit of the individual client or property involved.

1171 5. Unless otherwise agreed in writing by all principals to the transaction, expenses  
1172 incidental to closing a transaction (e.g., fees for appraisal, insurance, credit report) must  
1173 not be deducted from a deposit or down payment.

1174 C. Escrow and Foreclosure.

1175 1. Purchase transactions. If a principal broker or supervising broker is holding escrow funds  
1176 for the owner of real property and such property is foreclosed upon, the principal broker or  
1177 supervising broker must comply with the provisions of §§ 54.1-2108.1 A 1 and A 2 of the Code  
1178 of Virginia.

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1179 2. Lease transactions.

1180 a. Security deposits. If a single-family residential dwelling unit is foreclosed upon and there  
1181 is a tenant in the dwelling unit on the date of the foreclosure sale and the landlord is holding

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1182 a security deposit of the tenant, the landlord shall handle the security deposit in  
1183 accordance with 55.1-2108.1 A.3.

1184 b. Rent payments. If there is in effect at the date of the foreclosure sale a tenant in a  
1185 residential dwelling unit foreclosed upon and the rent is paid to a licensee acting on behalf  
1186 of the landlord pursuant to a properly executed property management agreement, the  
1187 licensee may collect the rent in accordance with § 54.1-2108.1 A 4 of the Code of Virginia.

1188 c. If a single-family residential dwelling unit is foreclosed upon, and at the date of the  
1189 foreclosure sale there is a written property management agreement between a licensee  
1190 and a landlord, the property management agreement shall continue in accordance with §  
1191 54.1-2108.1 A 5 of the Code of Virginia.

1192 D. Actions including improper maintenance of escrow funds includes:

1193 1. Accepting any note, nonnegotiable instrument, or anything of value not readily  
1194 negotiable, as a deposit on a contract, offer to purchase, or lease without acknowledging  
1195 its acceptance in the agreement;

1196 2. Commingling the funds of any person by a principal or supervising broker or the broker's  
1197 employees or associates or any licensee with the broker's own funds, or those of the  
1198 broker's corporation, firm, or association; ~~If escrow funds are used to purchase a~~  
1199 certificate of deposit, the pledging or hypothecation of such certificate, or the absence of  
1200 the original certificate from the direct control of the principal or supervising broker, shall  
1201 constitute commingling;

1202 3. Failure to deposit escrow funds in an account designated to receive only such funds  
1203 as required by subdivision A 1 of this section; and

1204 4. Failure to have sufficient balances in an escrow account at all times for all funds that  
1205 are designated to be held by the firm or sole proprietorship as required by this chapter.



1206 **18VAC135-20-185. Maintenance and management of financial records.**

1207 A. ~~A complete record of financial transactions conducted under authority of the principal~~  
1208 ~~broker's Virginia license shall be maintained in the principal broker's place of business, or in a~~  
1209 ~~designated branch office. When the principal broker's office is located outside of Virginia and the~~  
1210 ~~firm has a branch office in Virginia, a copy of these records shall be maintained in the Virginia~~  
1211 ~~office. These records shall show, in addition to any other requirements of the regulations, the~~  
1212 ~~following information: from whom money was received; the date of receipt; the place of deposit;~~  
1213 ~~the date of deposit; and, after the transaction has been completed, the final disposition of the~~  
1214 ~~funds. The principal broker must maintain financial records regarding any real estate transactions~~  
1215 ~~under the authority of the broker's license. Such records must be readily accessible from the~~  
1216 ~~broker's place of business. The records must contain:~~

- 1217 1. From whom the money was received;
- 1218 2. The date of receipt;
- 1219 3. The place of deposit;
- 1220 4. The date of deposit;
- 1221 5. The final disposition of funds; and
- 1222 6. Any other information required in this chapter.

1223 When a principal broker's office is located outside of Virginia and the firm has a branch office  
1224 in Virginia, a copy of these records must be readily accessible in the Virginia office.

1225 B. The principal broker shall ~~shall~~ must maintain a bookkeeping or recordkeeping system which  
1226 ~~shall~~ must accurately and clearly disclose full compliance with the requirements outlined in this  
1227 section. Accounting records which are in sufficient detail to provide necessary information to  
1228 determine such compliance shall ~~shall~~ must be maintained.

1229 C. ~~Actions constituting improper recordkeeping by a principal broker or supervising broker~~  
1230 ~~include:~~

1231 ~~1. Failing to retain for a period of three years from the date of execution, each brokerage~~  
1232 ~~agreement, each disclosure and consent to dual agency or dual representation, and each~~  
1233 ~~disclosure and consent to designated agency or designated representation. Each~~  
1234 ~~disclosure of a brokerage relationship to an unrepresented party shall be retained for three~~  
1235 ~~years from the date provided to the party;~~

1236 ~~2. Failing to retain for a period of three years from the date of closing or from ratification,~~  
1237 ~~if the transaction fails to close, a complete and legible copy of each executed contract of~~  
1238 ~~sale, any executed release from contract, any executed lease agreement, any executed~~  
1239 ~~property management agreement, and each settlement statement related to a real estate~~  
1240 ~~transaction, in the broker's control or possession unless prohibited by law;~~

1241 ~~3. Failing to maintain a complete and accurate record of such receipts and their~~  
1242 ~~disbursements for moneys received on behalf of others for a period of three years from~~  
1243 ~~the date of the closing or termination of the sales transaction or termination of a lease or~~  
1244 ~~conclusion of the licensee's involvement in the lease; and~~

1245 ~~4. Failing to maintain any records required by this section for three years.~~

1246 A principal broker or supervising broker must maintain and retain the following records:

1247 1. Each brokerage agreement must be retained for three years from the date of execution,  
1248 disclosure and consent to dual agency or dual representation, and disclosure and consent  
1249 to designated agency or designated representation must be retained for three years from  
1250 the date of execution.

1251 2. All documents pertaining to a transaction including but not limited to, a complete and  
1252 legible copy of each executed contract of sale, any executed release from contract, any

1253 executed lease agreement, any executed property management agreement, and each  
1254 settlement statement related to a real estate transaction, unrepresented party in disclosure  
1255 in the broker's control or possession unless prohibited by law. Such records must be  
1256 retained for three years from the date of closing or from ratification if the transaction fails  
1257 to close.

1258 3. A complete and accurate record of such receipts and their disbursements for moneys  
1259 received on behalf of others. Such records must be retained for a period of three years  
1260 from the date of the closing or termination of the sales transaction or termination of a lease  
1261 or conclusion of the licensee's involvement in the lease.

1262 **18VAC135-20-190. Advertising by licensees.**

1263 A. Definitions. The following definitions apply unless a different meaning is plainly required by  
1264 the context:

1265 "Advertising" means all forms of representation, promotion and solicitation disseminated in  
1266 any manner and by any means of communication to consumers for any purpose related to  
1267 licensed real estate activity.

1268 "Contact information" means telephone number or web address.

1269 "Disclosure" in the context of electronic media advertising means (i) advertising by the firm  
1270 that contains the firm's licensed name and the city and state in which the firm's main office or  
1271 branch office is located or (ii) advertising by an affiliated licensee that contains the licensee's  
1272 name, the name of the firm with which the licensee is active, and the city and state in which the  
1273 licensee's place of business is located, and this disclosure shall be viewable on the main page or  
1274 no more than one click away from the main page. "Disclosure" in the context of all other  
1275 advertising means (i) advertising by the firm that contains the firm's licensed name or (ii)

1276 ~~advertising by an affiliated licensee that contains the licensee's name and the name of the firm~~  
1277 ~~with which the licensee is active.~~

1278 ~~"Viewable page" means a page that may or may not scroll beyond the borders of the screen~~  
1279 ~~and includes the use of framed pages.~~

**Commented [JH37]:** Applicable definitions moved to 18VAC135-20-10.

1280 ~~B. A. All advertising must be under the direct supervision of the principal broker or supervising~~  
1281 ~~broker, in the name of the firm and, when applicable, comply with the disclosure required by §~~  
1282 ~~54.1-2138.1 of the Code of Virginia. The firm's licensed name must be clearly and legibly~~  
1283 ~~displayed on all advertising.~~

1284 ~~C. Electronic media advertising.~~

1285 ~~1. Any electronic media advertising undertaken for the purpose of any licensed activity is~~  
1286 ~~subject to the provisions of this chapter.~~

1287 ~~2. All electronic media advertising that can be viewed or experienced as a separate unit~~  
1288 ~~(i.e., email messages and web pages) must contain disclosure that shall be viewable on~~  
1289 ~~the main page or is no more than one click away from the main page.~~

1290 ~~3. All electronic media listings advertised must be kept current and consistent as follows:~~

1291 ~~a. Electronic media listing information must be consistent with the property description~~  
1292 ~~and actual status of the listing. The licensee shall update in a timely manner material~~  
1293 ~~changes to the listing status authorized by the seller or property description when the~~  
1294 ~~licensee controls the electronic media site.~~

1295 ~~b. The licensee shall make timely written requests for updates reflecting material~~  
1296 ~~changes to the listing status or property descriptions when a third party electronic~~  
1297 ~~media listing service controls the website displaying the listing information.~~

1298 ~~D. Other advertising.~~

1299 ~~1. For sale and for lease signs placed on the property shall include but not be limited to~~  
1300 ~~the firm's name and the firm's primary or branch office telephone number.~~

1301 ~~2. Business cards shall include but not be limited to the licensee's name, the firm name,~~  
1302 ~~and contact information.~~

1303 ~~E. The following activities shall be prohibited:~~

1304 ~~1. Implying that property listed by a licensee's firm and advertised by the firm or licensee~~  
1305 ~~is for sale, exchange, rent or lease by the owner or by an unlicensed person;~~

1306 ~~2. Failing to include a notice in all advertising that the owner is a real estate licensee if the~~  
1307 ~~licensee owns or has any ownership interest in the property advertised;~~

1308 ~~3. Failing to include the firm's licensed name on any sign displayed outside each place of~~  
1309 ~~business;~~

1310 ~~4. Failing to obtain the written consent of the seller, landlord, optionor or licensor prior to~~  
1311 ~~advertising a specific identifiable property; and~~

1312 ~~5. Failing to identify the type of services offered when advertising by general description~~  
1313 ~~a property not listed by the party making the advertisement.~~

1314 B. Advertising Disclosure.

1315 1. All advertising by a firm or affiliated licensee must contain a clear, legible, and  
1316 conspicuous advertising disclosure, which must include (1) the firm's name and (2) the  
1317 office contact information. The office contact information and any additional required  
1318 information will be specified by the principal or supervising broker in the firm's written  
1319 policies.

1320 2. All advertising by an affiliated licensee must be done under the policies of a principal or  
1321 supervising broker.

1322 3. Any property information provided in any advertising must be consistent with the  
1323 property condition and its current contract status.

1324 4. All advertising must be updated in a timely manner whenever there is a material change  
1325 to the listing status or property descriptions. If a third party controls the advertising, a  
1326 licensee must make a written request in a timely manner for changes to be made.

1327 **18VAC135-20-220. Disclosure of brokerage relationships.**

1328 A. Purchase transactions.

1329 1. ~~Unless disclosure has been previously made by a licensee, a~~ A licensee ~~shall~~ must  
1330 disclose whom the licensee represents to an actual or prospective buyer or seller who is  
1331 not the client of the licensee and who is not represented by another licensee and with  
1332 whom the licensee has substantive discussions about a specific property ~~or properties,~~  
1333 ~~the person whom the licensee represents pursuant to a brokerage agreement, as that~~  
1334 ~~term is defined in § 54.1-2130~~ pursuant to § 54.1-2138 A of the Code of Virginia.

1335 2. Except as otherwise provided in subdivision 3 of this subsection, such disclosure ~~shall~~  
1336 must be made in writing at the earliest practical time, but in no event later than the time  
1337 specific real estate assistance is first provided. Any disclosure complying with the  
1338 provisions of § 54.1-2138 A of the Code of Virginia ~~shall~~ will be deemed in compliance  
1339 with this disclosure requirement.

1340 3. A licensee acting as a dual or designated agent or as a dual or designated  
1341 representative ~~shall~~ must obtain the written consent of all clients to the transaction at the  
1342 earliest practical time. Such consent ~~shall~~ will be presumed to have been given by a client  
1343 who signs a disclosure complying with the provisions of §§ 54.1-2139, 54.1-2139.01, and  
1344 54.1-2139.1 of the Code of Virginia. Such disclosure ~~shall~~ must be given to, and consent  
1345 obtained from, (i) the buyer not later than the time an offer to purchase is presented to the

1346 licensee who will present the offer to the listing agent or seller, and (ii) the seller not later  
1347 than the time the offer to purchase is presented to the seller.

1348 4. Any disclosure required by this subsection may be given in combination with other  
1349 disclosures or information, but, if so, the disclosure must be conspicuous, printed in bold  
1350 lettering, all capitals, underlined, or within a separate box or as otherwise provided by §  
1351 54.1-2138 of the Code of Virginia.

1352 B. Lease transactions.

1353 1. Unless disclosure has been previously made by a licensee, a licensee ~~shall~~ must  
1354 disclose to an actual or prospective landlord or tenant who is not the client of the licensee  
1355 and who is not represented by another licensee, that the licensee has a brokerage  
1356 relationship with another party ~~or parties~~ to the transaction. Such disclosure ~~shall~~ must be  
1357 in writing and included in the application for lease or the lease itself, whichever occurs  
1358 first. If the terms of the lease do not provide for such disclosure, the disclosure ~~shall~~ must  
1359 be made in writing not later than the signing of the lease.

1360 2. This disclosure requirement ~~shall~~ will not apply to lessors or lessees in single or multi-  
1361 family residential units for lease terms of less than two months.

1362 **18VAC135-20-225. Audits.**

1363 A. ~~Procedures for voluntary compliance, self audit, or third party audit; broker immunity.~~

1364 1. ~~A principal broker or supervising broker may conduct, or may have another person~~  
1365 ~~conduct, an audit of the practices, policies, and procedures of his firm or sole~~  
1366 ~~proprietorship in accordance with § 54.1-2111.1 of the Code of Virginia. The methods and~~  
1367 ~~findings of the audit shall be documented as described in this subsection.~~

1368 2. ~~A principal broker or supervising broker shall notify the board in writing within 30 days~~  
1369 ~~following the conclusion of a self audit, or within 30 days from the receipt of the final report~~

1370 of a third party audit, of any matter he believes to constitute noncompliance with the  
1371 provisions of Real Estate Board regulations or law. The principal broker or supervising  
1372 broker shall also submit (i) a statement that such noncompliance has been remediated or  
1373 (ii) a plan to correct such noncompliance within 90 days. Failure to comply with these  
1374 requirements may result in loss of immunity from regulatory enforcement action.

1375 3. A principal broker or supervising broker shall sign and date any report made pursuant  
1376 to subdivision 2 of this subsection. Such report, properly submitted, shall provide immunity  
1377 from enforcement against the principal broker or supervising broker by the board for the  
1378 matters reported therein.

1379 4. Immunity from enforcement action provided by this section shall not apply if the  
1380 noncompliance with provisions of Real Estate Board regulations or law by the principal  
1381 broker or supervising broker was intentional or was the result of gross negligence by the  
1382 principal broker or supervising broker.

1383 5. Immunity from enforcement action provided by this section shall apply only to the  
1384 principal broker and supervising broker who conduct an audit and submit a voluntary  
1385 compliance plan in accordance with this section and shall not extend to any other broker  
1386 or salesperson who may not be in compliance with Real Estate Board regulations or law.

1387 6. Failure to complete the voluntary compliance program within 90 days from the date of  
1388 plan submission shall result in the loss of immunity from regulatory enforcement action.  
1389 Repeated instances of a violation found as a result of an audit that was subject to the  
1390 voluntary compliance program may be deemed by the board to constitute a failure to  
1391 complete the prior voluntary compliance program.

1392 B. Procedures for mandatory audit.



1393 1. A principal broker or supervising broker shall conduct or have a third party conduct an  
1394 audit at least once during each license term in accordance with § 54.1-2106.2 of the Code  
1395 of Virginia. Such audit shall be documented on a form developed by the board.

1396 2. In conducting an audit of practices, policies, and procedures of the firm or sole  
1397 proprietorship, the principal broker or supervising broker or a third party shall examine and  
1398 document all matters regarding the compliance by the firm or sole proprietorship with law  
1399 and regulation regarding:

1400 a. Proper handling of escrow deposits and maintenance of a complete record of  
1401 financial transactions;

1402 b. Compliance with federal and state fair housing laws and regulations if the firm or  
1403 sole proprietorship engages in residential brokerage, residential leasing, or residential  
1404 property management;

1405 c. Advertising in all forms and media;

1406 d. Negotiation and drafting of contracts, leases, and brokerage agreements;

1407 e. Use of unlicensed individuals;

1408 f. Agency or independent contractor relationships;

1409 g. Distribution of information on new or changed statutory or regulatory requirements;

1410 h. Proper documentation of required disclosures; and

1411 i. Such other matters as necessary to assure the competence of licensees to comply  
1412 with this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of  
1413 Virginia.

1414 3. If at the conclusion of a mandatory audit the principal broker or supervising broker or  
1415 third party believes there is noncompliance with the provisions of the Real Estate Board

1416 regulations or law, the principal broker or supervising broker may avail himself of the  
1417 procedures for voluntary compliance described in subsection A of this section.

1418 Upon request by any investigator, or by another agent of the board, a broker shall cooperate  
1419 in the provision of records and documents pursuant to 18VAC135-20-240 within 10 days of receipt  
1420 of the request, and for other requests by the board and its agents pursuant to 18VAC135-20-250,  
1421 within 21 days of receipt.

1422 A. Procedures for mandatory audit.

1423 1. A principal broker or supervising broker must conduct or have a third party conduct an  
1424 audit within 90 days prior to the expiration of the firm license. Such audit must be  
1425 documented on a form developed by the board.

1426 2. In conducting an audit of practices, policies, and procedures of the firm or sole  
1427 proprietorship, the principal broker or supervising broker or a third party must examine  
1428 and document all matters regarding the compliance by the firm or sole proprietorship with  
1429 law and regulation regarding:

1430 a. Proper handling of escrow deposits and maintenance of a complete record of  
1431 financial transactions;

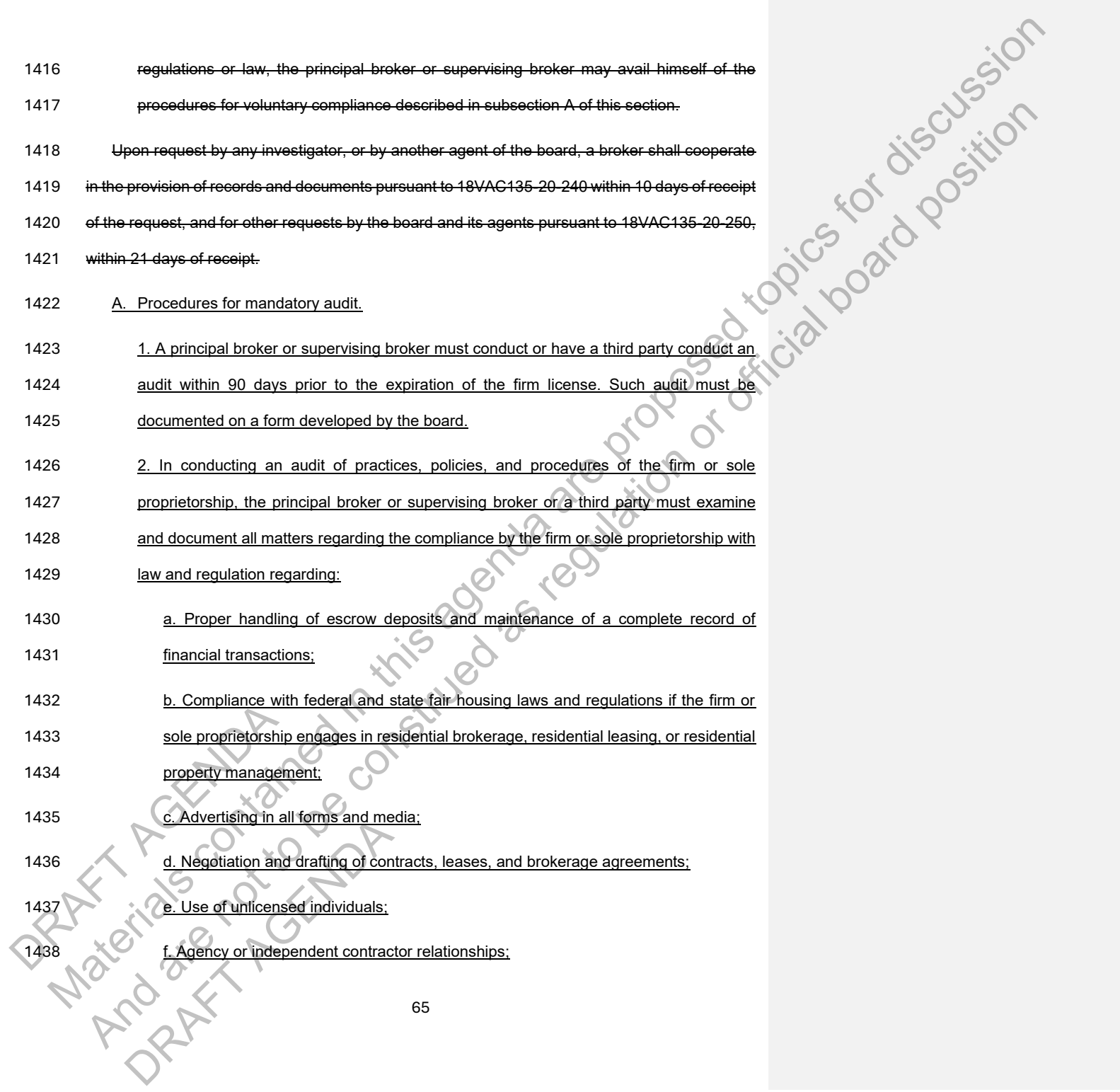
1432 b. Compliance with federal and state fair housing laws and regulations if the firm or  
1433 sole proprietorship engages in residential brokerage, residential leasing, or residential  
1434 property management;

1435 c. Advertising in all forms and media;

1436 d. Negotiation and drafting of contracts, leases, and brokerage agreements;

1437 e. Use of unlicensed individuals;

1438 f. Agency or independent contractor relationships;



1439 g. Distribution of information on new or changed statutory or regulatory requirements;  
1440 h. Proper documentation of required disclosures; and  
1441 i. Such other matters as necessary to assure the competence of licensees to comply  
1442 with this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of  
1443 Virginia.

1444 3. If at the conclusion of a mandatory audit the principal broker or supervising broker or  
1445 third party believes there is noncompliance with the provisions of board regulations or law,  
1446 the principal broker or supervising broker may use the procedures for voluntary  
1447 compliance described in subsection B of this section.

1448 B. Procedures for voluntary compliance, self-audit, or third-party audit; broker immunity.

1449 1. A broker will have immunity from board discipline for matters self-reported when the  
1450 following conditions are met:

1451 a. A principal broker or supervising broker has conducted, or had another person  
1452 conduct, an audit of the practices, policies, and procedures of the firm or sole  
1453 proprietorship in accordance with § 54.1-2111.1 of the Code of Virginia.

1454 b. The principal broker or supervising broker has signed the report conducted in  
1455 accordance with this subsection.

1456 c. A principal broker or supervising broker notifies the board in writing within 30 days  
1457 following the conclusion of a self-audit, or within 30 days from the receipt of the final  
1458 report of a third-party audit, of any matter the principal broker or supervising broker  
1459 believes to constitute noncompliance with the provisions of board regulations or law  
1460 and submits (i) a statement that such noncompliance has been remediated or (ii) a  
1461 plan to correct such noncompliance within 90 days.

1462 2. Immunity from enforcement action provided by this section will not apply if the  
1463 noncompliance with provisions of board regulations or law by the principal broker or  
1464 supervising broker was intentional or was the result of gross negligence by the principal  
1465 broker or supervising broker.

1466 3. Immunity from enforcement action provided by this section will apply only to the principal  
1467 broker and supervising broker who conducts an audit and submits a voluntary compliance  
1468 plan in accordance with this section and will not extend to any other broker or salesperson  
1469 who may not be in compliance with board regulations or law.

1470 4. Failure to complete the voluntary compliance program within 90 days from the date of  
1471 plan submission will result in the loss of immunity from regulatory enforcement action.  
1472 Repeated instances of a violation found as a result of a subsequent audit that was subject  
1473 to the voluntary compliance program may be deemed by the board to constitute a failure  
1474 to complete the prior voluntary compliance program.

1475 **18VAC135-20-240. Provision of records information to the board.**

1476 A. Unless otherwise specified by the board, or as set forth in § 54.1-2108 of the Code of  
1477 Virginia, a licensee of the ~~Real Estate Board~~ shall ~~board must~~ produce to the board or any of its  
1478 agents within 10 days of the request evidence of signature cards or bank records, any document,  
1479 book, or record concerning any real estate transaction in which the licensee was involved, or for  
1480 which the licensee is required to maintain records for inspection and copying by the board or its  
1481 agents. The board may extend such time frame upon a showing of extenuating circumstances  
1482 prohibiting delivery within such 10-day period.

1483 B. A licensee must respond to any other inquiry by the board or its agents within 21 days.

1484 **18VAC135-20-250. Response to any inquiry of the board. (Repealed.)**

1485 A licensee must respond to an inquiry by the board, other than requested under 18VAC135-  
1486 20-240, or its agents within 21 days.

1487 **18VAC135-20-260. Prohibited acts.**

1488 The following are prohibited acts:

1489 1. Furnishing substantially inaccurate or incomplete information to the board in obtaining,  
1490 renewing, reinstating, or maintaining a license Obtaining or attempting to obtain, renew,  
1491 reinstate, or maintain a license or certification by false or fraudulent representation.

1492 2. Holding more than one license as a real estate broker or salesperson in Virginia except  
1493 as provided in this chapter;

1494 ~~3. As a currently licensed real estate salesperson current licensee, sitting for the licensing~~  
1495 ~~examination for a salesperson's license already obtained or on behalf of another;~~

1496 4. As a currently licensed real estate broker, sitting for a real estate licensing examination;

1497 ~~5.~~ 4. Signing an experience verification form without direct supervision or actual  
1498 knowledge of the applicant's activities as defined in ~~§§ 54.1-2100 and 54.1-2104~~ § 54.1-  
1499 ~~2100~~ of the Code of Virginia or unreasonably refusing to sign an experience verification  
1500 form;

1501 ~~6.~~ 5. Having been convicted or found guilty regardless of the manner of adjudication in  
1502 any jurisdiction of the United States of a misdemeanor involving moral turpitude, sexual  
1503 offense, non-marijuana drug distribution, or ~~physical injury~~ battery, or any felony, there  
1504 being no appeal pending therefrom or the time for appeal having elapsed. Review of  
1505 convictions shall be subject to the requirements of § 54.1-204 of the Code of Virginia. Any

**Commented [JH38]:** Consider merging into the "improper, fraudulent, dishonest conduct" prohibited act.  
**Commented [BL39R38]:** Moved to section recommended

**Commented [JH40]:** Technical change to reflect upcoming change in statute (HB 917 and SB 358.)

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**Commented [JH41]:** Consider restoring.  
**Commented [BL42R41]:** Restored

1506 plea of nolo contendere shall be considered a conviction for the purposes of this  
1507 subdivision;

1508 ~~7. 6.~~ Failing to inform the board in writing within 30 days of ~~pleading guilty or nolo~~  
1509 ~~contendere or being convicted or found guilty regardless of adjudication~~ of any convictions  
1510 as ~~stated~~ described in ~~subdivision 6~~ subdivision 5 of this section;

1511 ~~8. 7.~~ Having ~~had a license as a real estate broker or real estate salesperson~~ a professional  
1512 or occupational license that was suspended, revoked, or surrendered in connection with  
1513 a disciplinary action or that has been the subject of discipline in any jurisdiction;

1514 ~~9. 8.~~ Failing to inform the board in writing within 30 days of a disciplinary action as ~~stated~~  
1515 described in ~~subdivision 8~~ subdivision 7 of this section;

1516 ~~10. 9.~~ Having been found in a court or an administrative body of competent jurisdiction to  
1517 have violated the Virginia Fair Housing Act, the Fair Housing Laws of any jurisdiction of  
1518 the United States, including without limitation Title VIII of the Civil Rights Act of 1968 (82  
1519 Stat. 73), or the Civil Rights Act of 1866 (14 Stat. 27), there being no appeal therefrom or  
1520 the time for appeal having elapsed;

1521 10. Knowingly providing false, misleading, or incomplete information to an inquiry by the  
1522 board or any of its agents;

1523 ~~11. Knowingly assisting or colluding, or cooperating with another to violate any provisions~~  
1524 ~~of Chapter 21 (§ § 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or this chapter;~~

1525 11. Violating, inducing another to violate, cooperating with another to violate, or combining  
1526 or conspiring with or acting as agent, partner, or associate for another to violate any of the  
1527 provisions of Chapter 1 (§ 54.1-100 et seq.), 2 (§ 54.1-200 et seq.), 3 (§ 54.1-300 et seq.)  
1528 or 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, or any of the regulations  
1529 of the board;

**Commented [JH43]:** POSSIBLE ALTERNATIVE LANGUAGE:

Violating, inducing another to violate, cooperating with another to violate, or combining or conspiring with or acting as agent, partner, or associate for another to violate any of the provisions of Chapter 1 (§ 54.1-100 et seq.), 2 (§ 54.1-200 et seq.), 3 (§ 54.1-300 et seq.) or 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, or any of the regulations of the board.

1530 ~~41. Actions constituting failing~~ 12. Failing to act as a real estate broker or salesperson in  
1531 such a manner as to safeguard the interests of the public, ~~including but not limited to~~ which  
1532 includes the following:

1533 a. A principal broker or supervising broker failing to ensure proper supervision and  
1534 accountability over the firm's day-to-day financial dealings, escrow account or  
1535 accounts, and daily operations;

1536 b. A broker failing to disburse funds from an escrow account according to the  
1537 regulations or failing to properly retain documents relating to the basis for disbursement;

1538 c. A broker failing to ensure the licensees for whom the broker has oversight  
1539 responsibility hold active licenses while practicing real estate;

1540 ~~d. A broker failing to provide accurate and timely reports to the board about a licensee's~~  
1541 ~~compliance with the board's laws and regulations;~~

1542 ~~e. d.~~ A broker failing to have signatory authority on all accounts;

1543 ~~f. e.~~ A broker failing to account for or remit any moneys coming into ~~a licensee's~~ the  
1544 broker's possession that belong to another;

1545 ~~g. f.~~ A licensee failing to submit to the broker in a timely manner, all ~~earnest money~~  
1546 ~~deposits~~ escrow money, contracts, ~~listing~~ brokerage and other representation  
1547 agreements, deeds of lease, or leasing agreements, disclosures, and any other  
1548 documents for which the broker has oversight responsibility;

1549 ~~h. g.~~ A licensee negotiating leases for a third party through an unlicensed firm or  
1550 ~~without a principal broker performing regulated activities for any third party, except for~~  
1551 entities in which the licensee has an ownership interest, outside the licensee's  
1552 brokerage firm or sole proprietorship;

- 1553 i. h. A licensee operating an unlicensed firm or acting as a principal broker;
- 1554 j. i. A licensee practicing real estate with an inactive or expired license;
- 1555 k. j. A licensee knowingly providing the broker with an earnest money deposit check  
1556 from an account with insufficient funds;
- 1557 l. k. A licensee ~~allowing providing~~ unsupervised access to a home property without the  
1558 owner's authorization; and
- 1559 m. ~~A licensee failing to inform the broker of a transaction; and~~
- 1560 n. l. A licensee submitting unauthorized altered copies of a contract or contracts to the  
1561 broker; and
- 1562 ~~12. Actions constituting engaging~~ 13. Engaging in improper, fraudulent, or dishonest  
1563 conduct, ~~including but not limited to~~ which includes the following:
- 1564 a. A licensee attempting to divert commission from the firm or sole proprietorship and  
1565 direct payment to a licensee or an unlicensed individual who is not a party to the  
1566 transaction;
- 1567 b. A licensee fabricating or altering any document with the intent to mislead;
- 1568 c. A licensee signing any documents on a client's behalf without first obtaining ~~a client's~~  
1569 the proper written permission or legal authorization to sign said documents on ~~his~~ the  
1570 client's behalf;
- 1571 d. A licensee making an ~~earnest money escrow~~ deposit payable to ~~himself~~ the licensee  
1572 or negotiating the check without written authority;
- 1573 e. A licensee knowingly misrepresenting ownership of a property;
- 1574 f. A licensee submitting copies of the same earnest money deposit check for inclusion  
1575 with multiple offers;

Commented [JH44]: Property?



1576 g. A licensee entering into agreements to be compensated for real estate services  
1577 ~~while his license is inactive~~ without an active license;

1578 h. A licensee representing in offers ~~he~~ the licensee received ~~the~~ an earnest money  
1579 deposit when ~~he~~ the licensee has not received such deposit or he knows the ~~check~~  
1580 payment is worthless; and

Commented [JH45]: Instrument?

Commented [BL46R45]: Check changed to payment

1581 i. A licensee misrepresenting who is holding ~~the earnest money~~ an escrow deposit.

1582 j. A licensee sitting for an examination for a license the licensee already obtained or  
1583 taking an examination on behalf of another.

1584 **18VAC135-20-270. Conflict of interest.**

1585 Actions constituting a conflict of interest include:

1586 1. Being active with a real estate broker other than the licensee's principal broker, without  
1587 the written consent of the principal broker; and

1588 2. Acting for more than one client in a transaction governed by the provisions of §§ 54.1-  
1589 2139, 54.1-2139.01, and 54.1-2139.1 of the Code of Virginia without first obtaining the  
1590 written consent of all clients; ~~and~~

1591 ~~3. Performing regulated activities as a standard agent, limited service agent, or~~  
1592 ~~independent contractor for any client outside the licensee's brokerage firm(s) or sole~~  
1593 ~~proprietorship(s).~~

1594 **18VAC135-20-280. ~~Improper brokerage commission.~~ Improper financial transactions and**  
1595 **dealings.**

1596 A. Actions resulting in an ~~improper brokerage commission~~ financial transactions and dealings  
1597 include:

1598 ~~1. Offering to pay, or paying, or providing a transaction-based fee, fees, referral fees, or~~  
1599 ~~other valuable consideration to any person not licensed in this or any jurisdiction for~~  
1600 ~~services that require a real estate license;~~

Commented [BL47]: Harm to the public if we remove?

1601 2. Accepting a commission, fee, compensation, or other valuable consideration, as a real  
1602 estate salesperson or associate broker, for any licensed real estate services activity from  
1603 any person or entity except the licensee's principal broker or supervising broker at the time  
1604 ~~of the transaction~~ the licensed real estate activity was performed without the prior written  
1605 consent of the licensee's principal broker;

1606 3. Receiving financial benefit from the use of any information about the property, the  
1607 ~~transaction~~ licensed real estate activity, or the parties to the transaction, when the  
1608 information is gained as a result of the performance of ~~acts specified in Chapter 21 (§~~  
1609 ~~54.1-2100 et seq.) of Title 54.1 of the Code of Virginia~~ licensed real estate activity, without  
1610 the prior written consent of the licensee's principal broker, ~~the clients, and, when~~  
1611 applicable, the parties to the transaction;

1612 ~~4. Receiving financial benefit from any person other than the licensee's principal broker at~~  
1613 ~~the time of the transaction, for the performance of any of the acts specified in Chapter 21~~  
1614 ~~(§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia without the prior written consent~~  
1615 ~~of the licensee's principal broker;~~

1616 ~~5. 4.~~ Receiving financial benefit or other valuable consideration for any work or service  
1617 related to a transaction without the prior written acknowledgment of the person paying for  
1618 such work or service; and

1619 ~~6. 5.~~ Making a listing contract or lease which provides for a "net" return to the ~~seller/lessor~~  
1620 ~~seller or lessor~~, leaving the licensee free to sell or lease the property at any price he can  
1621 obtain in excess of the "net" price named by the ~~seller/lessor~~ seller or lessor.

1622 B. Actions constituting improper dealing include offering real property for sale or for lease  
1623 without the knowledge and consent of the owner or the owner's authorized representative,  
1624 or on any terms other than those authorized by the owner or the owner's authorized  
1625 representative.

1626 **18VAC135-20-290. Improper dealing. (Repealed)**

1627 Actions constituting improper dealing include:

1628 1. Offering real property for sale or for lease without the knowledge and consent of the  
1629 owner or the owner's authorized representative, or on any terms other than those  
1630 authorized by the owner or the owner's authorized representative;

1631 2. Placing a sign on any property without the consent of the owner of the property or the  
1632 owner's authorized representative; and

1633 3. Causing any advertisement for sale, rent, or lease to appear in any format or medium  
1634 without including in the advertisement the name of the firm or sole proprietorship.

1635 ~~Actions constituting improper dealing includes offering real property for sale or for lease~~  
1636 ~~without the knowledge and consent of the owner or the owner's authorized representative,~~  
1637 ~~or on any terms other than those authorized by the owner or the owner's authorized~~  
1638 ~~representative.~~

1639 **18VAC135-20-300. ~~Misrepresentation/omission~~ Misrepresentation or omission.**

1640 Actions constituting misrepresentation or omission, ~~or both,~~ include:

1641 1. Using "bait and switch" tactics by advertising or offering real property for sale or rent  
1642 with the intent not to sell or rent at the price or terms advertised, unless the advertisement  
1643 or offer clearly states that the property advertised is limited in specific quantity or for a  
1644 specified time period and the licensee did in fact have at least that quantity for sale or rent

**Commented [JH48]:** Consider adding to "improper, fraudulent, dishonest conduct" prohibited act.

1645 at that price or terms at the time of advertising, including listing status and condition of  
1646 property;

1647 2. Failure by a licensee representing a seller or landlord as a standard agent to disclose  
1648 in a timely manner to a prospective purchaser or tenant all material adverse facts  
1649 pertaining to the physical condition of the property which are actually known by the  
1650 licensee;

1651 3. Failing as a licensee to tender promptly to the ~~buyer and seller~~ client or unrepresented  
1652 party every written offer, every written counteroffer, and every written rejection to  
1653 purchase, option or lease obtained on the property involved;

1654 4. Failing ~~ingure by~~ as a licensee ~~acting as an agent~~ to disclose in a timely manner to the  
1655 licensee's client all material facts related to the property or concerning the transaction  
1656 when the failure to so disclose would constitute failure by the licensee to exercise ordinary  
1657 care ~~as defined in the brokerage agreement~~;

1658 5. Failing to provide in a timely manner to all principals to the transaction written notice of  
1659 any material changes to the transaction;

1660 ~~5. 6. Notwithstanding the provisions of subdivision 4 of this section, a~~ licensee when  
1661 acting as a dual ~~agent or dual~~ representative, shall must not disclose to one client  
1662 represented in the dual representation confidential information relating to the transaction  
1663 obtained during the representation of another client in the same dual representation unless  
1664 otherwise provided by law;

1665 ~~6. 7. Failing to include the complete terms and conditions of the real estate transaction,~~  
1666 including but not limited to any lease, property management agreement, or offer to  
1667 purchase;

**Commented [JH49]:** Suggest merging with subdivision #4 above. This appears to be a modification to the standard in subdivision #4.

1668 ~~7. 8.~~ Failing to include in any application, lease, or offer to purchase identification of all  
1669 those holding any deposits;

1670 ~~8. 9.~~ Knowingly making any false statement or report, or willfully misstating the value of  
1671 any land, property, or security for the purpose of influencing in any way the action of any  
1672 lender upon:

1673 a. Applications, advance discounts, purchase agreements, repurchase agreements,  
1674 commitments, or loans;

1675 b. Changes in terms or extensions of time for any of the items listed in ~~this subdivision~~  
1676 ~~8 subdivision 9 a of this section~~ whether by renewal, deferment of action, or other  
1677 means without the prior written consent of the principals to the transaction;

1678 c. Acceptance, release, or substitution of security for any of the items listed in  
1679 ~~subdivision 8 a~~ subdivision 9 a of this section without the prior written consent of the  
1680 principals to the transaction;

1681 ~~9. 10.~~ Knowingly making any material misrepresentation; and

1682 ~~10. 11.~~ Making a false promise through agents, salespersons, advertising, or other means.

1683 **18VAC135-20-310. Improper delivery of instruments.**

1684 Actions constituting improper delivery of instruments include:

1685 1. Failing to make prompt delivery to each principal to a transaction, complete and legible  
1686 copies of any written disclosures required by §§ 54.1-2138, 54.1-2139, 54.1-2139.01, and  
1687 54.1-2139.1 of the Code of Virginia, listings, lease, offers to purchase, counteroffers,  
1688 addenda and ratified agreements, and other documentation required by the agreement;

1689 2. Failing to provide in a timely manner to all principals to the transaction written notice of  
1690 any material changes to the transaction;

1691 ~~3.~~ 2. Failing to deliver to the seller and buyer, at the time a real estate transaction is  
1692 completed, a complete and accurate statement of receipts and disbursements of moneys  
1693 received by the licensee, duly signed and certified by the principal or supervising broker  
1694 or ~~his~~ the broker's authorized agent; provided, however, if the transaction is closed by a  
1695 settlement agent other than the licensee or ~~his~~ the licensee's broker, and if the  
1696 disbursement of moneys received by the licensee is disclosed on the applicable settlement  
1697 statement, the licensee ~~shall~~ will not be required to provide the separate statement of  
1698 receipts and disbursements; and

1699 ~~4.~~ 3. Refusing or failing without just cause to surrender to the rightful owner, upon demand,  
1700 any document or instrument which the licensee possesses.

1701 **18VAC135-20-330. Principal and supervising broker's responsibility for acts of licensees**  
1702 **and employees.**

1703 Any unlawful act or violation of any of the provisions of Chapter 21 (§ 54.1-2100 et seq.) of  
1704 Title 54.1 or of Chapter 5.1 (§ 36-96.1 et seq.) of Title 36 of the Code of Virginia or of the  
1705 regulations of the board by any real estate salesperson, employee, partner or affiliate of a principal  
1706 broker, supervising broker, or both, may not be cause for disciplinary action against the principal  
1707 broker, supervising broker, or both, unless it appears to the satisfaction of the board that the  
1708 principal broker, supervising broker, or both, knew or should have known of the unlawful act or  
1709 violation and failed to take reasonable action under the circumstances to remedy the situation.

1710 **18VAC135-20-340. Effect of disciplinary action on subordinate licensees.**

1711 Action by the board resulting in the revocation, suspension, or denial of renewal of the license  
1712 of any principal broker or sole proprietor ~~shall~~ will automatically result in an order that the licenses  
1713 of any and all individuals active with the affected firm be returned to the board until such time as

1714 they are reissued upon the written request of a sole proprietor or principal broker pursuant to  
1715 18VAC135-20-170 B.

1716 **18VAC135-20-345. Effect of disciplinary action on certificates, approvals, and concurrent**  
1717 **licenses.**

1718 The board ~~shall~~ will suspend, revoke or deny renewal of existing concurrent broker licenses  
1719 when the board suspends, revokes or denies renewal of another broker's license held by the  
1720 same individual. The board will suspend, revoke, or deny renewal of existing instructor certificates  
1721 and instructor approval when the board suspends, revokes, or denies renewal of a license held  
1722 by the same individual.

1723 Part VI

1724 Schools

1725 **18VAC135-20-350. Definitions. (Repealed.)**

1726 The following words and terms when used in this part, unless a different meaning is provided  
1727 or is plainly required by the context, shall have the following meanings:

1728 "Accredited university, college, community college, or other school or educational institution,"  
1729 as used in § 54.1-2105 B 1 a of the Code of Virginia, means those accredited institutions of higher  
1730 learning approved by the Virginia Council of Higher Education or listed in the Transfer Credit  
1731 Practices of Designated Educational Institutions, published by the American Association of  
1732 Collegiate Registrars and Admissions Officers.

1733 "Class hour/clock hour" means 50 minutes.

1734 "Equivalent course" means any course encompassing the basic educational curriculum of  
1735 Virginia courses and approved by the board.

1736 ~~"Proprietary school" means (i) a privately owned school, (ii) a real estate professional~~  
1737 ~~association, or (iii) a related entity, which is not under the authority of the Department of~~  
1738 ~~Education, but approved by the Real Estate Board to teach real estate courses.~~

1739 ~~"Provider" means an accredited university, college, community college or high school offering~~  
1740 ~~adult distributive education courses, or a proprietary school.~~

Commented [JH50]: Definitions merged into section - 10.

1741 ~~18VAC135-20-360. Proprietary school standards, instructor qualifications and course~~  
1742 ~~requirements Certification of proprietary schools.~~

1743 ~~A. Every applicant to the Real Estate Board board for a proprietary school certificate shall~~  
1744 ~~must meet the standards provided in subsection A of § 54.1-2105.02 of the Code of Virginia by~~  
1745 ~~submitting a CPA-certified (i) letter attesting to the applicant's net worth or (ii) a balance sheet or~~  
1746 ~~financial statement certified to be accurate by the applicant. Such applicant shall must show a~~  
1747 ~~minimum net worth of \$2,000.~~

1748 ~~B. Every applicant to the Real Estate Board for certification as an instructor for prelicense~~  
1749 ~~education must meet two of the qualifications outlined in subdivisions 1 through 6 of this~~  
1750 ~~subsection:~~

1751 ~~1. A baccalaureate degree, an active Virginia real estate broker's license, and two~~  
1752 ~~consecutive years of discipline free active real estate experience immediately prior to~~  
1753 ~~application;~~

1754 ~~2. An active Virginia real estate broker's license and five consecutive years of discipline-~~  
1755 ~~free active real estate experience immediately prior to application;~~

1756 ~~3. A professional designation such as, but not limited to, Accredited Land Consultant~~  
1757 ~~(ALC), Certified Residential Specialist (CRS), Certified Commercial Investment Member~~  
1758 ~~(CCIM), Certified Property Manager (CPM), Certified Residential Broker (CRB), Counselor~~  
1759 ~~Real Estate (CRE), Member Appraisal Institute (MAI), Society Industrial Office Realtors~~



1760 ~~(SIOR), Senior Residential Appraiser (SRA), or Senior Real Estate Property Appraiser~~  
1761 ~~(SRPA);~~

1762 ~~4. A fully designated membership of the Real Estate Educators Association holding the~~  
1763 ~~Designated Real Estate Instructor (DREI) designation;~~

1764 ~~5. Possession of a valid teaching credential or certificate issued by the Commonwealth of~~  
1765 ~~Virginia, or any other state with qualifications that are equal to or exceed Virginia teacher~~  
1766 ~~qualifications, or at least five years of teaching experience in an accredited public, private,~~  
1767 ~~or parochial school, or an accredited junior college, college, or university; and~~

1768 ~~6. An attorney member of the Virginia State Bar who is engaged in the field of real estate~~  
1769 ~~related law.~~

1770 ~~7. The board shall also consider evaluations from previous education courses the~~  
1771 ~~applicant has instructed and recommendations of course providers, coordinators,~~  
1772 ~~administrators, and institutions that have employed the applicant.~~

1773 ~~8. The board may waive the requirements of subdivisions 1 through 6 of this subsection~~  
1774 ~~upon review of proof of experience in related fields of real estate. The board has discretion~~  
1775 ~~to deny an applicant who has been the subject of a disciplinary action.~~

1776 ~~G. Every applicant to the Real Estate Board for approval as an instructor for continuing~~  
1777 ~~education and post license education shall have expertise in a specific field of real estate with at~~  
1778 ~~least three years of active experience and will teach only in the area of their expertise. Such~~  
1779 ~~applicants will be required to furnish proof of their expertise, possibly including but not limited to~~  
1780 ~~educational transcripts, professional certificates, letters of reference (a maximum of three), a~~  
1781 ~~resume, or any other type of documentation that will verify the applicant's expertise.~~

1782 ~~D. Prelicense courses must be acceptable to the board, be taught by a certified prelicense~~  
1783 ~~instructor, and are required to have a monitored, final written examination. Online distance~~

1784 ~~learning courses must include a timer requiring licensees to be actively engaged online learning~~  
1785 ~~course content for at least 50 minutes to receive one hour of credit. Those schools which propose~~  
1786 ~~to offer prelicensing courses (Principles and Practices of Real Estate, Real Estate Brokerage,~~  
1787 ~~Real Estate Finance, Real Estate Law or Real Estate Appraisal, etc.) must submit a request, in~~  
1788 ~~writing, to the board prior to offering the course(s) and supply the following information:~~

1789 ~~1. Course content. All Principles and Practices of Real Estate courses must include the~~  
1790 ~~25 topic areas specified in 18VAC135-20-400. All requests to offer broker courses must~~  
1791 ~~include a course syllabus acceptable to the board;~~

1792 ~~2. Name of the course's text and any research materials used for study assignments;~~

1793 ~~3. Description of any research assignments;~~

1794 ~~4. Copies of test or quizzes;~~

1795 ~~5. Information explaining how the "Principles" course will require 60 hours of study, or how~~  
1796 ~~each broker related course will require 45 hours of study, in compliance with § 54.1-2105~~  
1797 ~~of the Code of Virginia; and~~

1798 ~~6. Information about recordkeeping for the type of course delivery.~~

1799 ~~E. Providers of continuing education and post license education courses shall submit all~~  
1800 ~~subjects to the board for approval prior to initially offering the course. Correspondence and other~~  
1801 ~~distance learning courses offered by an approved provider must include appropriate testing~~  
1802 ~~procedures to verify completion of the course, including requiring licensees who complete~~  
1803 ~~correspondence or other distance learning courses to file a notarized affidavit certifying~~  
1804 ~~compliance with the course requirements with the education provider or with the licensee's own~~  
1805 ~~records. Online distance learning courses must include a timer requiring licensees to be actively~~  
1806 ~~engaged online learning course content for at least 50 minutes to receive one hour of credit. The~~  
1807 ~~board shall approve courses and the number of hours approved for each course based on the~~

1808 relevance of the subject to the performance of the duties set forth in §§ 54.1-2100 and 54.1-2104  
1809 of the Code of Virginia.

1810 F. Approval of prelicense, continuing education and post license education courses shall  
1811 expire on December 31 three years from the year in which the approval was issued, as indicated  
1812 on the approval document.

1813 G. All schools must establish and maintain a record for each student. The record shall include:  
1814 the student's name and address, the course name and clock hours attended, the course syllabus  
1815 or outline, the name or names of the instructor, the date of successful completion, and the board's  
1816 course code. Records shall be available for inspection during normal business hours by  
1817 authorized representatives of the board. Schools must maintain all student and class records for  
1818 a minimum of five years.

1819 H. All schools must provide each student with a certificate of course completion or other  
1820 documentation that the student may use as proof of course completion. Such documentation shall  
1821 contain the student's name, school name, course name, course approval number, course  
1822 completion date, hours of credit completed, and a statement that the course is "Approved by the  
1823 Real Estate Board."

1824 I. All providers of continuing education or post license education courses shall electronically  
1825 transmit course completion data to the board in an approved format within five business days of  
1826 the completion of each individual course. The transmittal will include each student's name, license  
1827 number or social security number, the date of successful completion of the course, the school's  
1828 code, and the board's code.

1829 **18VAC135-20-361. Certification of instructors.**

1830 **A. A** Every applicant to the board for certification as an instructor for pre-license education\*  
1831 **must meet two of the qualifications outlined in subdivisions 1 through 7 of this subsection:**

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	<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 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>

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
And all items to be construed as regulation or official board position  
DRAFT AGENDA

1833 ~~B-2.~~ The board may waive the requirements of subdivisions 1 through 7 of subsection A upon  
1834 review of proof of substantially equivalent qualifications.

1835 ~~C. The board has discretion to deny an applicant who has been the subject of a disciplinary~~  
1836 ~~action.~~

1837 ~~D-B.~~ Every applicant to the board for certification as an instructor for continuing education and  
1838 post-license education must have expertise in a specific field of real estate with at least three  
1839 years of active experience in that field in the five years immediately preceding the date of  
1840 application and must teach only in the area of such applicant's expertise. Such applicants must  
1841 furnish proof of expertise.

1842 ~~C. The board has discretion to deny an applicant who has been the subject of a disciplinary~~  
1843 ~~action.~~

1844 **18VAC135-20-362. Approval of courses.**

Commented [BL51]: Stopped here 6/14/24

1845 A. Pre-license courses must be acceptable to the board, be taught by a certified pre-license  
1846 instructor, and are required to have a monitored, final written assessment. All courses offered by  
1847 an approved provider must include a mechanism designed to ensure reasonably that licensees  
1848 are actively engaged for each class hour. Schools applying for approval to offer pre-license  
1849 education courses must an application on a form prescribed by the board and gain approval by  
1850 the board prior to initially offering the course and supply the following information:

1851 1. Course syllabus:

1852 a. All Principles and Practices of Real Estate courses must include the topic areas  
1853 specified in 18VAC135-20-400.

1854 b. All requests to offer broker courses must include a course syllabus acceptable to  
1855 the board.

- 1856 2. Name of the course text and any research materials used for study assignments;
- 1857 3. Description of any research assignments;
- 1858 4. Copies of proficiency assessments, tests, or quizzes;
- 1859 5. Information explaining how the "Principles" course will require 60 hours of study, or how
- 1860 each broker related course will require 45 hours of study, in compliance with § 54.1-2105
- 1861 of the Code of Virginia; and
- 1862 6. Information about recordkeeping for the type of course delivery.

Commented [JH52]: Is this requirement necessary?

1863 B. Continuing Education and Post-License Education Course Requirements.

- 1864 1. Schools applying for approval to teach continuing education and post-license education
- 1865 courses must submit an application on a form prescribed by the board and gain approval
- 1866 by the board prior to initially offering the course.
- 1867 2. All courses offered by an approved provider must include a mechanism designed to
- 1868 ensure reasonable that licensees are actively engaged for each class hour.
- 1869 3. Correspondence and other distance learning courses offered by an approved provider
- 1870 must include appropriate testing procedures to verify completion of the course, including
- 1871 requiring licensees who complete correspondence or other distance learning courses to
- 1872 file a notarized affidavit certifying compliance with the course requirements with the
- 1873 education provider or with the licensee's own records.
- 1874 4. The board will approve courses and the number of hours approved for each course
- 1875 based on the relevance of the subject to the performance of the duties set forth in § 54.1-
- 1876 2100 of the Code of Virginia.
- 1877 5. Course content must be specific to the current laws and regulations of Virginia where
- 1878 applicable.

1879 C. Approval of pre-license, continuing education, and post-license education courses, as well  
1880 as post-license and continuing education instructors, will expire three years from the year last day  
1881 of the month in which the approval was granted by the board.

1882 D. All schools must establish and maintain a record for each student. The record must  
1883 include:

1884 1. The student's name and address;

1885 2. The course name and clock hours attended;

1886 3. The course syllabus or outline;

1887 4. The name of the instructor;

1888 5. The date of successful completion; and

1889 6. The board's course code.

1890 Records must be available for inspection during normal business hours by authorized  
1891 representatives of the board. Schools must maintain all student and class records for a minimum  
1892 of five years.

1893 E. All schools must provide each student with a certificate of course completion or other  
1894 documentation that the student may use as proof of course completion. Such documentation must  
1895 contain:

1896 1. The student's name;

1897 2. School name;

1898 3. Course name;

1899 4. Course approval number;

1900 5. Course completion date;

1901 6. Hours of credit completed; and

1902 7. A statement that the course is "Approved by the Real Estate Board."

1903 F. All providers of pre-license, continuing education, or post-license education courses must  
1904 electronically transmit course completion data to the board in an approved format and method  
1905 within five business days of the completion of each individual course.

1906 ~~**18VAC135-20-370. Fees. (Repealed.)**~~

1907 ~~A. The application fee for an original certificate for a proprietary school shall be \$190.~~

1908 ~~B. The renewal fee for proprietary school certificates expiring every two years from the last~~  
1909 ~~day of the month in which they were issued shall be \$90.~~

1910 ~~C. If the requirements for renewal of a proprietary school certificate, including receipt of the~~  
1911 ~~fee by the board, are not completed within 30 days of the expiration date noted on the certificate,~~  
1912 ~~a reinstatement fee of \$135 is required. A certificate may be reinstated for up to one year following~~  
1913 ~~the expiration date with payment of the reinstatement fee. After one year, the certificate may not~~  
1914 ~~be reinstated under any circumstances and the applicant must meet all requirements and apply~~  
1915 ~~as a new applicant. If the renewal requirements are not completed within 30 days of the expiration~~  
1916 ~~date noted on the proprietary school approval, the proprietary school shall no longer offer board-~~  
1917 ~~approved courses.~~

1918 ~~D. The application for an original prelicense education instructor certificate shall be \$190.~~

1919 ~~E. The renewal fee for a prelicense instructor certificate expiring every two years from the last~~  
1920 ~~day of the month in which it was issued shall be \$75.~~

1921 ~~F. If the requirements for renewal of an instructor certificate, including receipt of the fee by the~~  
1922 ~~board, are not completed within 30 days of the expiration date on the certificate, a reinstatement~~  
1923 ~~fee of \$110 is required. A certificate may be reinstated for up to one year following the expiration~~



1924 ~~date with payment of the reinstatement fee. After one year, the certificate may not be reinstated~~  
1925 ~~under any circumstances and the applicant must meet all requirements and apply as a new~~  
1926 ~~applicant.~~

1927 ~~G. The board in its discretion may deny renewal of a certificate for the same reasons it may~~  
1928 ~~deny initial approval.~~

1929 ~~**18VAC135-20-380. Posting school certificate of approval and instructor certificates.**~~

1930 **(Repealed.)**

1931 ~~Copies of school certificates of approval and instructor certificates, if applicable, must be~~  
1932 ~~available at the location a course is taught.~~

1933 **18VAC135-20-390. Withdrawal of approval.**

1934 The board may withdraw approval of any school, course or instructor for the following reasons:

1935 1. The school, instructors, courses, or subjects no longer meet the standards established  
1936 by the board.

1937 2. The school or instructor solicits information from any person for the purpose of  
1938 discovering past examination questions or questions which may be used in future  
1939 examinations.

1940 3. The school or instructor distributes to any person copies of examination questions, or  
1941 otherwise communicates to any person examination questions, without receiving the prior  
1942 written approval of the copyright owner to distribute or communicate those questions.

1943 4. The school, through an agent or otherwise, advertises its services in a fraudulent,  
1944 deceptive or misrepresentative manner.

1945 5. Officials, instructors or designees of the school sit for a real estate licensing examination  
1946 for any purpose other than to obtain a license as a broker or salesperson.

1947 6. A school or instructor fails to ensure the timely and accurate electronic transmission of  
1948 course completion data.

1949 **18VAC135-20-400. Course content of real estate principles and practices.**

**Commented [JH53]:** Move to new course approval section? Ask Committee.

1950 The following ~~shall~~ must be included in the four-semester-hour or six-quarter-hour course  
1951 which ~~shall not have less than~~ must be at least 60 class hours:

- 1952 1. Economy and social impact of real estate
- 1953 2. Real estate market and analysis
- 1954 3. Property rights
- 1955 4. Contracts
- 1956 5. Deeds
- 1957 6. Mortgages and deeds of trust
- 1958 7. Types of mortgages
- 1959 8. Leases
- 1960 9. Liens
- 1961 10. Home ownership
- 1962 11. Real property and title insurance
- 1963 12. Investment
- 1964 13. Taxes in real estate
- 1965 14. Real estate financing
- 1966 15. Brokerage and agency contract responsibilities
- 1967 16. Real estate marketing

- 1968 17. Real property management
- 1969 18. Search, examination, and registration of title
- 1970 19. Title closing
- 1971 20. Appraisal of residential and income producing property
- 1972 21. Planning subdivision developments and condominiums
- 1973 22. Regulatory statutes
- 1974 23. Housing legislation
- 1975 24. Fair housing statutes
- 1976 25. Real Estate Board regulations
- 1977 **18VAC135-20-410. Broker courses.**
- 1978 A. Brokerage ~~shall~~ must be a required specific course with three semester hours or six quarter
- 1979 hours, but ~~not less than~~ at least 45 class hours, constituting a complete course.
- 1980 B. "Related subjects," as referred to in § 54.1-2105 of the Code of Virginia, ~~shall~~ must be real
- 1981 estate related and ~~shall include, but are not limited to, including~~ courses in property management,
- 1982 land planning and land use, business law, real estate economics, and real estate investments.
- 1983 C. No more than 45 class hours of broker-related courses ~~shall~~ will be accepted in lieu of
- 1984 specific broker courses set forth in § 54.1-2105 of the Code of Virginia.
- 1985 D. ~~Schools intending to offer equivalent broker courses must submit to the board for approval~~
- 1986 ~~a copy of the syllabus of the particular course with a cover letter requesting approval.~~

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

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

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

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

~~3.1. 3. The applicant shall be in good standing as a licensed real estate broker or salesperson in every jurisdiction where licensed and the applicant shall not have had a license as a real estate broker or real estate salesperson which was suspended, revoked or surrendered in connection with a disciplinary action or which has been the subject of discipline in any jurisdiction prior to applying for licensure in Virginia. The applicant shall be in compliance with all the terms of all board orders, including but not limited to paying imposed monetary penalties and costs, plus any accrued interest and other fees, and completing imposed education. The applicant must report any action taken by any board or administrative body in any jurisdiction against a professional or occupational license, certification, or registration issued to the applicant, to include any suspension, revocation, or surrender of a license, certification, or registration, imposition of a monetary penalty, or requirement to take remedial education or other corrective action. The board, in its discretion, may deny licensure to any applicant for any prior action taken by any board or administrative body in any jurisdiction. The applicant has the right to request further review of any such action by the board under the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).~~

~~4.2. 4. In accordance with § 54.1-204 of the Code of Virginia, each applicant shall must~~ submit to fingerprinting and shall disclose the following information:

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

b. All felony convictions during his lifetime.

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

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

**Commented [BL1]:** Moved to 18VAC135-20-35.A.1. and B.1.

**Commented [BL2]:** Move forward with having "any board or administrative body"? Or keep it as it's currently written and only look at disc for RE licenses?

**Commented [JH3R2]:** I think any board or administrative body is better.

We are doing this in other DPOR regs.

Also, it allows for the Board to consider other regulatory discipline that may be appropriate to determine whether the applicant has the minimum character to engage in the profession.

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

**Commented [JH4]:** Maybe move these "up" to replace existing subdivisions #1 and #2.

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

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

**Commented [JH5]:** Let's move the examination stuff to the new section -35.

~~8-3. 5. The applicant must sign a statement verifying that he has read and understands the provisions of this chapter and Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia,~~

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~~9-4. 6. Applicants for licensure who do not meet the requirements set forth in subdivisions 3 and 4 1 and 2 of this section may be approved for licensure following consideration by the board.~~

**Commented [JH6]:** Go back to #3 and #4.

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

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

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

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

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

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

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

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~~Salesperson and Broker~~

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1. Applicants for initial licensure must achieve a passing grade in all required courses of § 54.1-2105 of the Code of Virginia prior to sitting for the licensing examination and applying for licensure.

Additional broker requirements

2. The applicant must have been actively engaged as defined in 18VAC135-20-10 as a real estate salesperson for a period of 36 of the 48 months immediately preceding application.

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

The Board may waive the education and experience requirements of this section in accordance with § 54.1-2105 of the Code of Virginia.

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

1. Applicants must, within 12 months prior to submitting a complete application for a license, must have passed a written examination provided by the board or a testing service acting on behalf of the board covering real estate license law and regulations of the board.
2. Applicants must have received the salesperson or broker license by virtue of having passed in the jurisdiction of licensure a written examination deemed to be substantially equivalent to the Virginia examination.
3. An applicant for a salesperson license must have met educational requirements that are substantially equivalent to those required in Virginia.
4. An applicant for a broker license must have met educational requirements that are substantially equivalent to those required in Virginia, and the applicant must have been actively engaged as defined by 18VAC135-20-10 for 36 of the preceding 48 months. The broker applicant's experience must be verified by an individual who has direct knowledge of the applicant's activities as defined in §§ 54.1-2100 and 54.1-2101 of the Code of Virginia.

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

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

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~~applicants for licensure by reciprocity must have received the salesperson or broker license by virtue of having passed in the jurisdiction of licensure a written examination deemed to be substantially equivalent to the Virginia examination.~~

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

~~At the time of application for a broker license, applicants for licensure by reciprocity must have been actively engaged as defined in 18VAC135-20-10 for 36 of the preceding 48 months and must be verified by an individual who has direct knowledge of the applicant's activities as defined in § 54.1-2100 of the Code of Virginia.~~

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

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

- ~~1. The applicant shall meet the current educational requirements of § 54.1-2105 of the Code of Virginia.~~
- ~~2. The applicant shall have been actively engaged as defined in 18VAC135-20-10 as a real estate salesperson for a period of 36 of the 48 months immediately preceding application. This requirement may be waived at the discretion of the board in accordance with § 54.1-2105 of the Code of Virginia.~~
- ~~3. The applicant's experience must be verified by the principal or supervising broker for whom the licensee worked at the time of obtaining that experience.~~

Commented [BL7]: Moved to new 18VAC135-20-35.B.

#### **18VAC135-20-60. Qualifications for licensure by reciprocity. (Repealed)**

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

- ~~1. The applicant shall be at least 18 years of age.~~
- ~~2. The applicant shall have a high school diploma or its equivalent.~~
- ~~3. The applicant shall have received the salesperson's or broker's license by virtue of having passed in the jurisdiction of licensure a written examination deemed to be substantially equivalent to the Virginia examination.~~

Commented [BL8]: Moved to new 18VAC135-20-35.C.

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

Commented [BL9]: Moved to new 18VAC135-20-35.C.

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

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

7. ~~The applicant shall be in good standing as a licensed real estate broker or salesperson in every jurisdiction where licensed and the applicant shall not have had a license as a real estate broker or real estate salesperson which was suspended, revoked, or surrendered in connection with a disciplinary action or which has been the subject of discipline in any jurisdiction prior to applying for licensure in Virginia. The applicant shall be in compliance with all the terms of all board orders, including but not limited to paying imposed monetary penalties and costs, plus any accrued interest and other fees, and completing imposed education.~~

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

Commented [BL10]: Moved to new 18VAC135-20-35.C.

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

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

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

~~b. All felony convictions during his lifetime.~~

DRAFT AGENCY MATERIALS FOR DISCUSSION  
Materials submitted in this way are proposed topics for discussion  
And are not to be construed as official board position  
DRAFT AGENCY MATERIALS FOR DISCUSSION



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

~~11. Applicants for licensure who do not meet the requirements set forth in subdivisions 7 and 10 of this section may be approved for licensure following consideration by the board.~~

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DRAFT AGENDA  
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DRAFT AGENDA